



AGENDA

FOR AUDIT AND RISK COMMITTEE MEETING TO BE HELD ON

11 OCTOBER 2022 AT 6.30 PM

**IN WITTBER/DR RUBY DAVY ROOMS, SALISBURY COMMUNITY HUB,
34 CHURCH STREET, SALISBURY**

MEMBERS

Cr G Reynolds (Chair)
Cr K Grenfell (Deputy Chair)
Ms P Davies
Mr N Ediriweera
Mr C Johnson

REQUIRED STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
Manager Governance, Mr R Deco
Team Leader Corporate Governance, Mr B Kahland
Internal Auditor & Risk Coordinator, Mr H Rafeeu

APOLOGIES

LEAVE OF ABSENCE

PRESENTATION OF MINUTES

Presentation of the Minutes of the Audit and Risk Committee Meeting held on 12 July 2022.

REPORTS

Administration

- 7.0.1 Future Reports for the Audit Committee (*please note there are no forward reports as a result of a Council resolution to be listed at this time*)

For Decision

- 7.1.1 BDO's Final Audit Completion Report 30 June 2022..... 11
- 7.1.2 End of Financial Year Statement and Analysis..... 41
- 7.1.3 3-Year Internal Audit Plan 2022/23-2024/25..... 121

For Information

- 7.2.1 Draft Annual Report 2021/2022..... 139

QUESTIONS ON NOTICE

There are no Questions on Notice.

MOTIONS ON NOTICE

There are no Motions on Notice.

OTHER BUSINESS

(Questions Without Notice, Motions Without Notice)

ORDER TO EXCLUDE THE PUBLIC

7.4.1 In-Confidence Session with the External Auditor as per approved Audit Committee Annual Work Plan 2022/2023 (verbal discussion)

Recommendation

Pursuant to section 90(2) and 90(3)(b) of the *Local Government Act 1999* the Audit and Risk Committee orders that, the public be excluded from attendance at this meeting in relation to Agenda Item 7.4.1 (In-confidence session with the External Auditor as per approved Audit and Risk Committee Annual Work Plan 2022/2023 (verbal discussion) except the following persons:

- Andrew Tickle (Partner, BDO), and
 - Chelsea Aplin (Senior Manager, BDO), on grounds that:
 1. *Pursuant to Section 90(2) and 90(3)(b)(i) and (ii) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - *information the disclosure of which would, on balance, be contrary to the public interest; and*
 2. *The disclosure of this information would, on balance, be contrary to the public interest because the public interest in the Council preserving its commercial sensitivity of information discussed between the External Auditor and the Audit & Risk Committee would be compromised by disclosure of the information.*
- On that basis the public's interest is best served by not disclosing the **In-Confidence Session with the External Auditor as per approved Audit Committee Annual Work Plan 2022/2023 (verbal discussion)** item and discussion at this point in time.*

CLOSE



**MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD IN THE
LITTLE PARA CONFERENCE ROOMS, SALISBURY COMMUNITY HUB,
34 CHURCH STREET, SALISBURY ON**

12 JULY 2022

MEMBERS PRESENT

Cr G Reynolds (Chair)
Cr K Grenfell (Deputy Chair)
Ms P Davies (*via Teams VC*)
Mr N Ediriweera
Mr C Johnson (*via Teams VC*)

OBSERVERS

Mr A Tickle, Partner, BDO (*via Teams VC*)
Mr M Fabri, Managing Director, OpSys (*via Teams VC*)
Mr M Camilo, Cybersecurity Analyst, OpSys (*via Teams VC*)

STAFF

Chief Executive Officer, Mr J Harry
General Manager Business Excellence, Mr C Mansueto
Manager Governance, Mr R Deco
Team Leader Corporate Governance, Mr B Kahland
Internal Auditor & Risk Coordinator, Mr H Rafeeu
Manager Business Systems and Solutions, Ms L Paltridge (*via Teams VC*)

The meeting commenced at 6:46 pm.

The Chairman welcomed the members, staff and members of the public to the meeting.

APOLOGIES

Nil

LEAVE OF ABSENCE

Nil

PRESENTATION OF MINUTES

Moved Cr K Grenfell
Seconded Ms P Davies

The Minutes of the Audit and Risk Committee Meeting held on 12 April 2022, be taken as read and confirmed.

CARRIED

REPORTS

With leave of the meeting, the Chair changed the order of the Agenda items to accommodate presenters, with the order set as listed below.

Administration

7.0.2 Actions List

Moved Cr K Grenfell
Seconded Mr N Ediriweera

That Council:

1. Notes the report.

CARRIED

For Decision

7.1.2 Audit and Risk Committee Annual Work Plan 2022/2023

Moved Mr N Ediriweera
Seconded Cr K Grenfell

That Council:

1. Approves the revised Audit and Risk Committee Annual Work Plan for the year 2022/2023 as set out in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.2), incorporating the following actions:
For next financial year, to consider bringing forward the following items to prior to 30 June:
 1. Reviewing significant accounting and reporting issues, recent changes in standards, and industry updates (Item 1.2 Attachment 1)
 2. External Audit Plan, prior to the commencement of Interim Audit testing (Item 5.6 Attachment 1).

CARRIED
UNANIMOUSLY

Mr A Tickle joined the meeting via Teams VC at 6:52 pm.

7.1.1 BDO's Annual Audit Plan for 30 June 2022 covering the interim status update on Internal Controls Audit

Moved Mr C Johnson
Seconded Ms P Davies

That Council:

1. Notes the report

CARRIED

Mr A Tickle left the meeting at 7:03 pm.

ORDER TO EXCLUDE THE PUBLIC

7.4.1 Internal Audit Report on Cybersecurity Improvement Program Pre-Implementation Audit

Moved Cr K Grenfell
Seconded Mr N Ediriweera

1. *Pursuant to Section 90(2) and (3)(b)(i) and (d)(i) and (e) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*
 - *it relates to information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; and*
 - *commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
 - *matters affecting the security of the council, members or employees of the council, or council property; or the safety of any person.*
2. *In weighing up the factors related to disclosure,*
 - *disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*

*On that basis the public's interest is best served by not disclosing the **Internal Audit Report on Cybersecurity Improvement Program Pre-Implementation Audit** item and discussion at this point in time.*
3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except the Chief Executive Officer, Mr J Harry; General Manager*

Business Excellence, Mr C Mansueto; Manager Governance, Mr R Deco; Team Leader Corporate Governance, Mr B Kahland; Internal Auditor & Risk Coordinator, Mr H Rafeeu; Manager Business Systems and Solutions, Ms L Paltridge; Mr M Fabri, Managing Director, OpSys (via Teams VC); Mr M Camilo, Cybersecurity Analyst, OpSys, be excluded from attendance at the meeting for this Agenda Item.

CARRIED

Mr. M Camilo joined the meeting at 6:58 pm.

Mr. M Fabri joined the meeting at 7:02 pm.

The meeting moved into confidence at 7:05 pm.

Mr. M Fabri left the meeting at 7:52 pm.

Mr. M Camilo left the meeting at 7:52 pm.

The meeting moved out of confidence at 8:17 pm.

7.1.3 3-Year Internal Audit Plan 2022/23-2024/25

Moved Mr N Ediriweera

Seconded Cr K Grenfell

That Council:

1. Notes the updates made to the 3-year Internal Audit Plan 2022/2023 to 2024/2025 as set out in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.3).
2. Notes that the Audit and Risk Committee will receive an out of session revised version of the Internal Audit Plan taking into consideration the timing of the IT Investment Strategy Audit in relation to the impact of ongoing Enterprise Resource Planning system acquisition, and provide the revised Internal Audit Plan to the October 2022 Audit and Risk Committee meeting.
3. Notes the accompanying high-level indicative scope for pending audits as set out in Attachment 2 of this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.3).

CARRIED

7.1.4 Risk Management and Internal Controls Activities

Moved Cr K Grenfell
Seconded Ms P Davies

That Council:

1. Notes the update on Risk Management and Internal Control Activities for the 2021/2022 reporting period since the 12 April 2022 Audit and Risk Committee meeting, as set out in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.4).
2. Notes the Enterprise Risk Management Framework as set out in Attachment 2 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.4) and notes that further refinement of the Enterprise Risk Management Framework will take place with input from the external Audit and Risk Committee Craig Johnson.
3. Notes the Strategic Risk Register as set out in Attachment 3 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.4).

CARRIED

7.1.5 Interim Report on Assurance Map for the City of Salisbury

Moved Mr N Ediriweera
Seconded Cr K Grenfell

That Council:

1. Notes the Interim Report on Assurance Map for City of Salisbury as set out in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.5).

CARRIED

7.1.6 Outstanding Actions Arising From Internal Audits

Moved Mr N Ediriweera
Seconded Cr K Grenfell

That Council:

1. Notes the update in this report and the full Internal Audit Log Actions Register in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item No.7.1.6).

CARRIED

7.1.7 Internal Controls Framework and Audit and Risk Committee section for Annual Report 2021/2022

Moved Ms P Davies
Seconded Mr N Ediriweera

That Council:

1. Approves the proposed inclusions in the annual report relating to the operations and membership of the Audit and Risk Committee for the 2021/2022 financial year as set out in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item 7.1.7), taking into account editorial changes highlighted.

CARRIED

7.1.8 Treasury Policy Review

Moved Mr N Ediriweera
Seconded Cr K Grenfell

That Council:

1. Adopts the amended Treasury Policy, as set out in Attachment 1 to this report (Audit and Risk Committee, 12 July 2022, Item 7.1.8) reflecting change in the application of borrowing floors and to the calculation of the borrowing mix, as considered appropriate by the Audit and Risk Committee.

CARRIED

QUESTIONS ON NOTICE

There were no Questions on Notice.

MOTIONS ON NOTICE

There were no Motions on Notice.

OTHER BUSINESS

(Questions Without Notice, Motions Without Notice, CEO Update)

The meeting closed at 9:23 pm.

CHAIRMAN.....

DATE.....

ITEM	7.1.1
	AUDIT AND RISK COMMITTEE
DATE	11 October 2022
HEADING	BDO's Final Audit Completion Report 30 June 2022
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community.
SUMMARY	<p>For the financial year ending 30 June 2022, BDO was engaged to perform an audit on the City of Salisbury (COS or the Council's) financial statements and internal controls, in accordance with the <i>Local Government Act 1999</i> ("the Act") and the <i>Local Government (Financial Management) Regulations</i> (2011) ("the Regulations").</p> <p>This report presents BDO's Audit Completion Report, covering the Independent Auditor's Report, Auditor Independence Declaration, and the Independent Assurance Report on Internal Controls of the Council.</p> <p>BDO have issued an unmodified audit opinion over the financial report of the Council for the period 1 July 2021 to 30 June 2022, and confirms that the Council has been audited in accordance with Australian Accounting Standards, the Act and the Regulations.</p>

RECOMMENDATIONThat Council:

1. Receives the Annual Completion Report for the year ended 30 June 2022, appearing as Attachment 1 to this report (Audit and Risk Committee, 11 October 2022, Item 7.1.1), including the Independent Auditor's Report on the Audit of the Financial Report, Independent Assurance Report on the Internal Controls of the City of Salisbury, and the Certification of Auditor Independence.
2. Notes the Management Representation Letter requested by BDO to be signed by the CEO and the General Manager Business Excellence, appearing as Attachment 2 to this report (Audit and Risk Committee 11 October 2022, Item 7.1.1).

ATTACHMENTS

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

1. BDO's Annual Completion Report for year ending 30 June 2022
2. Management Representation Letter - COS

1. BACKGROUND

- 1.1 COS engaged BDO to perform an audit on the financial statements for the year ended 30 June 2022, and undertake assurance on the internal controls of the COS for the period 1 July 2021 to 30 June 2022, to ensure compliance with the requirements of sections 125 and 129 of the Act.
- 1.2 In accordance with section 129(3) of the Act, BDO is required to provide Council:
 - (a) An audit opinion with respect to the financial statements; and
 - (b) An audit opinion whether the controls audited are sufficient to provide reasonable assurance that Council's financial transactions have been conducted properly and in accordance with the law. The audit must be carried out in accordance with the Australian Accounting and Assurance Standards, the Act and the Regulations.
- 1.3 Section 19(2) Part 6 Division 1 of the Regulations states that “in forming an audit opinion for a council under section 129(3)(a) of the Act, the auditor must give due consideration to the adequacy of the council's policies, practices and procedures of internal control under section 125 of the Act.”
- 1.4 Section 125 of the Act states that “A council must ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records.”
- 1.5 Section 19(2) Part 6 Division 1 of the Regulations states that “in forming an audit opinion for a council under section 129(3)(b) of the Act, the auditor must assess the internal controls of the council referred to in section 129(1)(b) of the Act based on the criteria in the Better Practice Model—Internal Financial Controls.”
- 1.6 BDO has:
 - 1.6.1 Audited the financial report of the City of Salisbury, which comprises of the statement of financial position as at 30 June 2022, 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 report, including a summary of significant accounting policies, and the certification of the financial statements.
 - 1.6.2 Undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by City of Salisbury, in relation to the financial transactions over the:
 - receipt, expenditure and investment of money;
 - acquisition and disposal of property; and
 - incurring of liabilities, for the period 1 July 2021 to 30 June 2022.

2. REPORT

- 2.1 BDO representative Andrew Tickle, Partner, will attend this 11 October 2022 Audit and Risk Committee meeting to present BDO's Annual Completion Report, along with its Independent Auditor's Report.
- 2.2 Attachment 1 to this report is BDO's Audit Completion Report which addresses the audit process and audit findings on both financial statements and internal controls assessment.

BDO identified two misstatements during the audit as follows:

- 2.2.1 Misstatements related to capital grants money that are received but not spent in the 2022 financial year. An adjustment of \$3,592,896 proposed by BDO is now corrected in the financial statements.
 - 2.2.2 Similarly, unspent capital grants received from the previous year 2021 amounting to \$2,448,151 was identified by BDO. However, BDO confirmed that this can remain uncorrected as the impact on the current audited 2022 financial year falls below their materiality level.
- 2.3 Appendix 1 of BDO's Audit Completion Report covers the following two audit reports:

- 2.3.1 The Draft Independent Auditor's Report.

BDO have provided their independent audit opinion on the financial report of the Council, confirming that the financial report gives a true and fair view of the financial position of the City of Salisbury as of 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, the Act and the Regulations.

- 2.3.2 The Independent Assurance Report on the Internal Controls of the City of Salisbury.

BDO confirmed that in all material respects:

- (a) The controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
 - (b) The controls operated effectively as designed throughout the period from 1 July 2021 to 30 June 2022.
- 2.4 BDO have provided certification of auditor independence in performing the audit for the period 1 July 2021 to 30 June 2022 (Appendix 2 of Attachment 1).
 - 2.5 BDO have confirmed that unqualified opinions will be provided on both financial statements and financial internal controls audit reports.

- 2.6 The financial statements and financial internal controls opinions will be provided by BDO after the Audit and Risk Committee has reviewed the financial statements and all of the following documents have been sent to them:
- Financial Statements certified by the Mayor and CEO.
 - Management Representation Letter signed by the CEO and the General Manager Business Excellence.
- 2.7 The Management Representation Letter requested by BDO to be signed by the CEO and the General Manager Business Excellence, is included in Attachment 2, for Audit and Risk Committee review as scheduled in the Audit and Risk Committee Annual Work Plan 2022/2023.

3. CONCLUSION / PROPOSAL

- 3.1 BDO confirms that unmodified audit opinions will be issued on both the financial statements and internal controls.



Item 7.1.1 - Attachment 1 - BDO's Annual Completion Report for year ending 30 June 2022

CONTENTS

Executive Summary	4
Areas of audit focus	5
Summary of misstatements	9
Internal control	10
Other reporting requirements	12
Appendix 1 Proposed audit report	13
Appendix 2 Auditor independence declaration	17
Appendix 3 New developments	18
Appendix 4 ESG and your business	20



Dear Audit and Risk Committee

We are pleased to present this report to the Audit and Risk Committee of City of Salisbury in relation to the 30 June 2022 annual audit.

As at the date of this report, we have substantially completed our audit and subject to the satisfactory resolution of the matters outlined in the Executive Summary, we expect to issue an unmodified audit report.

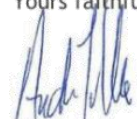
We have set out in this document the significant matters arising from our audit. This summary covers those matters we believe to be material in the context of our work.

We look forward to the Audit and Risk Committee meeting on 11 October 2022 where we will have the opportunity to discuss this report.

Should you require clarification on any matter in this report before this date, please do not hesitate to contact me on +61 8 7324 6082

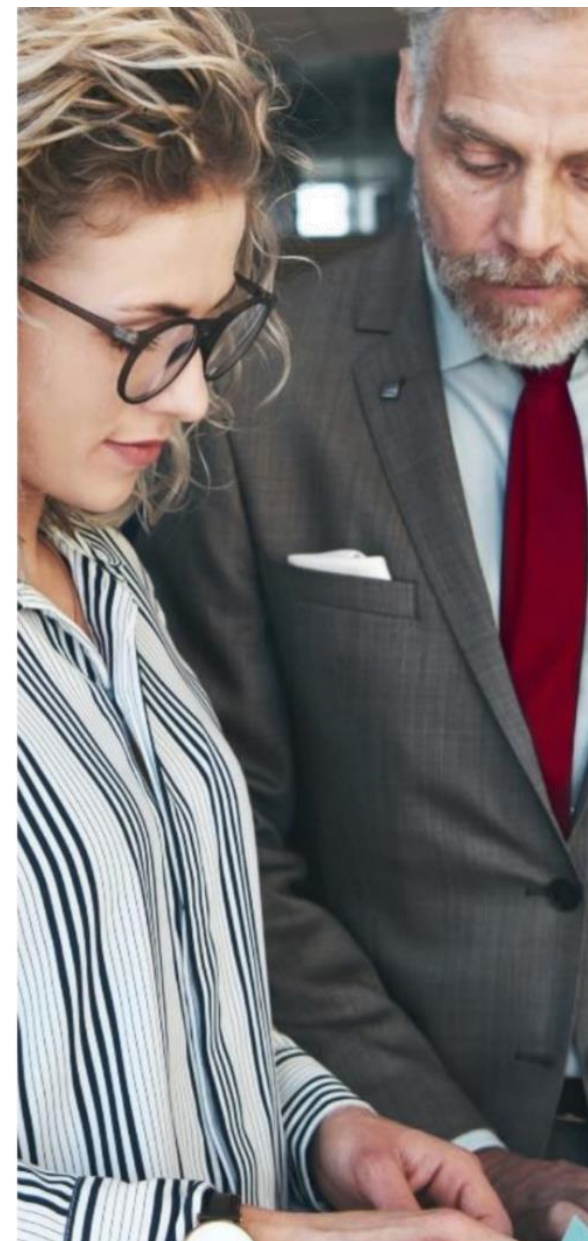
We would like to take this opportunity to extend our appreciation to management for their assistance and cooperation throughout the course of our audit.

Yours faithfully



Andrew Tickle
Engagement Partner

Adelaide, 27 September 2022





EXECUTIVE SUMMARY

PURPOSE

The purpose of this report is to communicate significant matters arising from our audit to the Audit and Risk Committee. This report has been discussed with management.

SCOPE

Our audit was conducted in accordance with Australian Auditing Standards and the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* for the year ended 30 June 2022.

STATUS OF THE AUDIT

Our audit of the financial report is substantially complete. We expect to issue an unmodified audit report, subject to satisfactory completion of the following:

- ▶ Final review of draft financial statements including proposed audit adjustments
- ▶ Satisfactory review by our appointed engagement quality review partner;
- ▶ Review of events subsequent to 30 June 2022 to date of signing the audit report
- ▶ Receipt of written management representations on various matters
- ▶ Receipt of formally adopted financial statements and agreement of these to drafts previously provided

A draft of the proposed audit reports are included at [Appendix 1](#).

SUMMARY OF MISSTATEMENTS

We have identified misstatements during our audit. The list of corrected and uncorrected misstatements is included in the respective [section](#) of this report.

AREAS OF AUDIT FOCUS

In performing our audit, we have identified those matters that, in the auditor's judgement, were of the most significance in the audit of the financial report. Our audit procedures also focused on areas that were considered to represent significant risks of material misstatement. These areas of focus are outlined below:

- ▶ Revaluation, depreciation, useful lives and residual values of infrastructure assets
- ▶ Accounting treatment of capital work in progress (WIP)
- ▶ Accounting treatment for grant funding
- ▶ Management override of controls
- ▶ Unauthorised Bank Transactions
- ▶ Supplier Masterfile
- ▶ Payroll Masterfile / Fictitious employees

Refer to the relevant section for details on the significant risk areas and other areas focused on during the audit.

AREAS OF AUDIT FOCUS

We identified the risk areas as part of our risk assessment procedures undertaken during the planning phase and continued to be alert for risks during the course of the audit. Our audit procedures focused on areas that were considered to represent risks of material misstatement.

We set out the areas that were considered significant risks of material misstatement along with an outline of the work performed and a summary of findings.

REVALUATION OF INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Description	Audit work performed	Summary of findings
Council's infrastructure, property, plant and equipment is carried at valuation. There is a risk that these balances are misstated as a result of the inappropriate application of valuation methodologies or the use of incorrect underlying assumptions.	<p>This year certain classes of Council assets were revalued by Council employees based on an indexation reflecting annual average movement value of like assets. We have obtained details of these calculations and tested their accuracy.</p> <p>We evaluated the competence, capability and objectivity of the independent valuers, obtained an understanding of their work and evaluated appropriateness of conclusions reached.</p>	<p>We noted that the revaluation resulted in the following increments :</p> <ul style="list-style-type: none"> • Land \$66.963m • Land Improvements \$4.490m • Buildings and Other Structures \$3.621m • Infrastructure \$91.297m <p>There were no other findings noted during our testing.</p>

ACCOUNTING TREATMENT OF CAPITAL WORK IN PROGRESS (WIP)

Description	Audit work performed	Summary of findings
There is a risk that the accounting treatment of items captured within Capital WIP may not be in accordance with Australian Accounting Standards.	We obtained the Capital WIP schedule and reviewed in detail a sample of projects outstanding at the end of the year to ensure they are likely to generate assets. We also reviewed a sample of assets transferred out of Capital WIP to check that the categorisation and value allocated to the relevant fixed asset class was appropriate.	No issues were noted in relation to the accounting treatment of capital work in progress.



AREAS OF AUDIT FOCUS CONTINUED

MANAGEMENT OVERRIDE OF INTERNAL CONTROLS

Description	Audit work performed	Summary of findings
Australian Auditing Standards require that we presume there is a risk that management has the ability to manipulate accounting records and override control that otherwise appear to be operating effectively.	<p>We reviewed key internal controls at the Council to mitigate the risk of management override.</p> <p>We tested the appropriateness of journal entries and other adjustments made in the preparation of the financial report. We also reviewed accounting estimates for bias, and evaluated the business rationale (or lack of) of any significant transactions that are outside of the normal course of business or that otherwise appeared to be unusual.</p>	The was no evidence of misstatement due to management override of controls noted.

UNAUTHORISED BANK TRANSACTIONS (INHERENT RISK)

Description	Audit work performed	Summary of findings
Due to the nature and volume of the transactions, there is an inherent risk in relation to unauthorised transactions being made in relation to payroll and operating expenditure.	We reviewed the controls of each bank account to ensure that all accounts require two signatories to release a payment.	We did not note any deficiencies in relation to the signatories of the bank accounts.



AREAS OF AUDIT FOCUS CONTINUED

ACCOUNTING TREATMENT OF GRANT FUNDING

Description	Audit work performed	Summary of findings
There is a risk of error in the calculation of grant income recognised and deferred at the end of the year by reference to grant agreements and Australian Accounting Standards.	We obtained the schedule of grant income recognised and deferred at year end. We selected a sample of grants and obtain the agreements to test that funding had been recognised in accordance with <i>AASB 15 Revenue from Contracts with Customers</i> and <i>AASB 1058 Income of Not-for-Profit Entities</i> .	<p>We have raised an adjustment in relation to the application of AASB 1058 Income for not-for-profit entities. Under this standard, where funding is received to construct an asset, a liability is recognised until the performance obligations of the grant agreement have been satisfied. It was noted in these instances that the funding received throughout the period had been recorded as revenue. The correction of this treatment resulted in an adjustment of \$3,592,896 being recognised as a liability at 30 June 2022. This adjustment has been included in the Summary of Misstatements section as corrected.</p> <p>We also reviewed the significant grants that were received in the 2021 financial year to determine whether there were any grants that had been recognised as revenue in 2021 that should have been deferred and recognised as revenue in 2022. As a result of this review we noted funding of \$2,448,151 that should have been deferred at 30 June 2021. This has been included in the Summary of Misstatements section as uncorrected and can remain uncorrected as the impact on the 2022 financial year falls below our materiality level.</p>



AREAS OF AUDIT FOCUS CONTINUED

SUPPLIER MASTERFILE (INHERENT RISK)

Description	Audit work performed	Summary of findings
There is an inherent risk that the supplier master file does not remain accurate and / or unauthorised changes are made to the supplier master file.	We reviewed the processes in relation to updating supplier details when requests are received and who has access the Masterfile to ensure that these controls are sufficient for the Council.	We did not detect any deficiencies in relation to the controls around the access of the supplier Masterfile.

PAYROLL MASTERFILE / FICTITIOUS EMPLOYEES (INHERENT RISK)

Description	Audit work performed	Summary of findings
There is an inherent risk that the payroll master file does not remain accurate and / or unauthorised changes are made to the supplier master file, particularly in relation to the inclusion of fictitious employees.	<p>We reviewed the following:</p> <ul style="list-style-type: none"> the user access lists of the payroll software to ensure that appropriate staff have access to the Masterfile The on boarding process for new staff members The process in relation to disabling terminated staff 	We did not detect any deficiencies in relation to the controls around the access of the payroll Masterfile or any indication of fictitious employees being created within the payroll software.

SUMMARY OF MISSTATEMENTS

CORRECTED MISSTATEMENTS

We identified the following misstatements during the course of our audit which have been corrected:

Description	Assets	(Liabilities)	Reserves	(Profit)/Loss
Recognition of deferred revenue in line with AASB 1058 Income for Not-for-profits entities	-	(3,592,896)	-	3,592,896
Net effect of corrected misstatements	-	(3,592,896)	-	3,592,896

UNCORRECTED MISSTATEMENTS

We detail below the uncorrected misstatements which we have identified during the audit, and that were determined by management to be immaterial, both individually and in aggregate to the financial report taken as a whole.

Misstatements have not been included if they are considered to be clearly trivial which we have set at \$162,000. Matters which are clearly trivial are regarded as clearly inconsequential when taken individually or in aggregate.

We will seek representation from management to acknowledge that:

- ▶ Uncorrected misstatements have been brought to their attention by us; and
- ▶ They have considered the effect of any uncorrected misstatements, aggregated during and pertaining to the latest period, on the financial report and consider the misstatements are immaterial individually and in aggregate to the financial report taken as a whole.

Description	Assets	(Liabilities)	Reserves	(Profit)/Loss
Recognition of deferred revenue in line with AASB 1058 Income for Not-for-profits entities (prior year impact)	-	-	2,448,151	(2,448,151)
Net effect of corrected misstatements	-	-	2,448,151	(2,448,151)



INTERNAL CONTROL

CURRENT YEAR

In accordance with ASA 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*, we are required to communicate in writing, significant deficiencies in internal control identified during our audit to those charged with governance on a timely basis.

The standard defines a deficiency in internal control as:

1. A control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial report on a timely basis; or
2. A control necessary to prevent, or detect and correct, misstatements in the financial report on a timely basis is missing.

Significant deficiency in internal control means a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgement, is of sufficient importance to merit the attention of the Audit and Risk Committee.

Our audit procedures did not identify any significant deficiencies that in our professional judgment are of sufficient importance to merit the attention of the Audit and Risk Committee.

INTERNAL CONTROL RISK ASSESSMENT

We have completed the testing of internal controls for the purpose of providing an audit opinion on Council's internal controls. This work focuses on controls exercised by the Council in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law.

Our assessment of internal controls is based on the criteria in the Better Practice Model - Financial Internal Control for South Australian Councils as issued by the Local Government Association of South Australia.

The Better Practice Model emphasises a risk based approach to internal financial controls. It states that a Council should design and implement internal financial controls activities and monitoring systems that prioritise extreme and high financial risk as identified by the Council's risk tolerance framework.

During the year management performed a risk assessment in relation to each of the risk categories identified in the Better Practice Model. In addition to this risk assessment, the Council also performed a self-assessment over all 'core controls' that are suggested per Better Practice Model.

For the purpose of our internal control audit opinion, we have performed our own risk assessment to identify the key financial risks facing the Council, determine the inherent risk level and evaluate core controls activities to address this risk. Upon comparing our risk assessment to the Council's, we noted no significant variances in the risk levels identified.

Below is a table that shows the results of the work completed on internal controls in 2022:

RISK CATEGORY	Controls tested	Effective	Ineffective
Strategic Financial Planning	9	9	-
Assets	21	21	-
Liabilities	8	8	-
Revenue	18	18	-
Expenses	26	26	-
External Services	3	3	-
Financial Governance	-	-	-
Total	85	85	-

Based on the work completed, we have not noted any reportable points or material exceptions that would lead to a qualification to the audit report on internal controls.



OTHER REPORTING REQUIREMENTS

INDEPENDENCE AND ETHICS

In conducting our audit, we are required to comply with the independence requirements of the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* and Part 4A of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

We have obtained independence declarations from all staff engaged in the audit.

We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

We have not become aware of any issue that would cause any member of the engagement team, BDO or any BDO network firm to contravene any ethical requirement or any regulatory requirement that applies to the audit engagement.

BDO has not provided any other services during the audit to City of Salisbury.

The *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* requires the lead auditor to make a declaration to the directors regarding independence. We are in a position to make this declaration, a draft of which has been included at [Appendix 2](#).

NON-COMPLIANCE WITH LAWS AND REGULATIONS

We have made enquiries in relation to any non-compliance with laws and regulations during the course of our audit. We have not identified any instances of non-compliance with laws and regulations as a result of our enquiries.

We have not identified any reportable matters during the course of our audit.

FRAUD

Management have confirmed that there were no matters of fraud identified for the period under audit, or subsequently. It should be noted that our audit is not designed to detect fraud however should instances of fraud come to our attention we will report them to you.

We have not identified any instances of fraud during the course of our audit.



APPENDIX 1 PROPOSED AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF CITY OF SALISBURY

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City of Salisbury (the Council), which comprises the statement of financial position as at 30 June 2022, 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 report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the accompanying financial report presents fairly, in all material respects, the Council's financial position as at 30 June 2022, and its financial performance and its cash flows for the year ended in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We are independent of the Council in accordance with the Local Government Act 1999 and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Council, would be in the same terms if given to the Council 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.

Information Other than the Financial Report and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the annual reports of Northern Adelaide Waste Management Authority for the year ended 30 June 2022.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report of the City of Salisbury, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



APPENDIX 1 PROPOSED AUDIT REPORT CONTINUED

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter

The financial report of City of Salisbury, for the year ended 30 June 2021 was audited by another auditor who expressed an unmodified opinion on that report on 13 October 2021.

Council's Responsibility for the Financial Report

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

In preparing the financial report, the Council's officers are responsible for assessing the Council'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 the Council's officers either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_files/ar4.pdf.

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, XX Month 20XX



APPENDIX 1 PROPOSED AUDIT REPORT CONTINUED

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE CITY OF SALISBURY

Opinion

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by City of Salisbury ('the Council') in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2021 to 30 June 2022 relevant to ensuring such transactions have been conducted properly and in accordance with law.

In our opinion, in all material respects:

- (a) The controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
- (b) The controls operated effectively as designed throughout the period from 1 July 2021 to 30 June 2022.

Basis for opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3150 Assurance Engagements on Controls issued by the Auditing and Assurance Standards Board.

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

The Council's responsibilities for the internal controls

The Council is responsible for:

- a) The receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
- b) Identifying the control objectives
- c) Identifying the risks that threaten achievement of the control objectives
- d) Designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
- e) Operating effectively the controls as designed throughout the period.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements in undertaking this assurance engagement.

Assurance practitioner's responsibilities

Our responsibility is to express an opinion, in all material respects, on the suitability of the design to achieve the control objectives and the operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities. ASAE 3150 requires that we plan and perform our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operated effectively throughout the period.



APPENDIX 1 PROPOSED AUDIT REPORT CONTINUED

An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness of those controls that we consider necessary to achieve the control objectives identified. An assurance engagement of this type also includes evaluating the suitability of the control objectives.

Limitations of controls

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

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

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, XX Month 2022



APPENDIX 2 AUDITOR INDEPENDENCE DECLARATION

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the City of Salisbury for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, XX Month 2022

APPENDIX 3 NEW DEVELOPMENTS

We wish to bring to your attention some upcoming changes in financial reporting which may cause significant changes to your future reported financial position and performance.

AASB 2020-1 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

Effective for annual reporting periods beginning on or after 1 January 2023, there are four main changes to the classification requirements within AASB 101 *Presentation of financial statements*:

- ▶ The requirement for an 'unconditional' right has been deleted from paragraph 69(d) because covenants in banking agreements would rarely result in unconditional rights.
- ▶ The right to defer settlement must exist at the end of the reporting period. If the right to defer settlement is dependent upon the entity complying with specified conditions (covenants), the right to defer only exists at reporting date if the entity complies with those conditions at reporting date.
- ▶ Classification is based on the right to defer settlement, and not intention (paragraph 73), and
- ▶ If a liability could be settled by an entity transferring its own equity instruments prior to maturity (e.g. a convertible bond), classification is determined without considering the possibility of earlier settlement by conversion to equity, but only if the conversion feature is classified as equity under IAS 32.

As these amendments only apply for the first time to the 30 June 2024 balance sheet (and 30 June 2023 comparative balance sheet), companies are not yet able to make an assessment of the impacts regarding the right to defer settlement, compliance with bank covenants, and intention to settle.

AASB 2021-2 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - DISCLOSURE OF ACCOUNTING POLICIES, AND DEFINITION OF ACCOUNTING ESTIMATES

Applicable to annual reporting periods commencing on or after 1 January 2023, this amending standard defines an 'accounting estimate' as monetary amounts in the financial statements that are subject to estimation uncertainty. This captures, for example, expected credit losses for receivables, or the fair value of an item recognised in the financial statements at fair value.

Accounting estimates are developed using measurement techniques including estimation techniques (such as used to determine expected credit losses or value in use) and valuation techniques (such as the income approach to determine fair value), and inputs. This amending standard clarifies that a change in an estimate occurs when there is either a change in a measurement technique or a change in an input.

It further clarifies that only material accounting policy information must be disclosed in the financial statements. This is the case when it relates to material transactions, other events or conditions, and:

- ▶ The entity has changed its accounting policy during the period
- ▶ There are one or more accounting policy options in Accounting Standards
- ▶ The accounting policy was developed applying the hierarchy in AASB 108
- ▶ Significant judgement was required in applying the accounting policy
- ▶ The accounting is complex.

APPENDIX 3 NEW DEVELOPMENTS CONTINUED

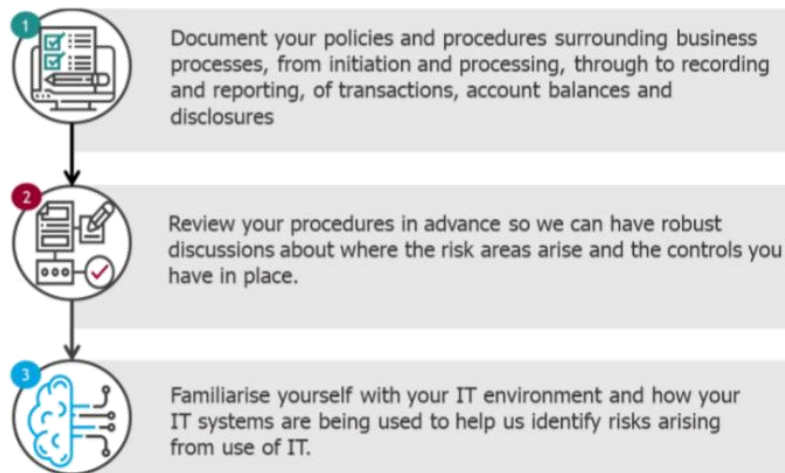
REVISED AUDITING STANDARD - ASA 315, IDENTIFYING AND ASSESSING THE RISKS OF MATERIAL MISSTATEMENT

Australian Auditing Standard 315 *identifying and Assessing the Risks of Material Misstatement (Revised)* (ASA 315) is effective for financial reporting periods beginning on or after December 15, 2021. It requires a more granular process of identification risks of material misstatement (RMM) in an entity, with a separate assessment of inherent risk and control risk for assertion level RMMs, to drive a more efficient and risk-responsive audit.

HOW HAS IT CHANGED?

- ▶ Requirement to perform a separate assessment of inherent risk and control risk for risks of material misstatement (RMMs) identified at the assertion level
- ▶ Spectrum of inherent risk, based on the likelihood and magnitude of an RMM
- ▶ Use of inherent risk factors (complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or fraud) to drive risk identification.
- ▶ Identification of 'risks arising from the use of IT' based on integrity of information in the information system; risks arising from ineffective design or non-application of controls
- ▶ Understanding controls over processes that support the effective operation of the IT environment

HOW CAN YOU ASSIST US TO TRANSITION TO THIS REVISED STANDARD?



APPENDIX 4 ESG AND YOUR BUSINESS

WHAT IS ESG?

ESG is the acronym for Environmental, Social and Governance. It is a holistic concept about an organisation's ability to create and sustain long-term value in a rapidly changing world, and managing the risks and opportunities associated with these changes.

ESG metrics are not part of mandatory [financial reporting](#) required by Australian Accounting Standards or International Financial Reporting Standards, but organisations across the world are increasingly making disclosures in their annual report or in a standalone sustainability report.

ESG is used as a framework to assess how an organisation manages risks and opportunities that changing market and non-market conditions create. ESG also puts a heavy emphasis on risk management, because monitoring and mitigating risks across all three dimensions is an important priority for any company that is serious about ESG. The three categories of ESG factors are as follow:-

- ▶ **Environmental** factors address an organisation's environmental impact and environmental stewardship. It is focused on improving the environmental performance of an organisation.
- ▶ **Social** factors refers to how an organisation manages relationships with, and creates value for, stakeholders. The social dimension is focused on an organisation's impact on its employees, customers and the community.
- ▶ **Governance** factors refers to an organisation's leadership and management philosophy, practices, policies, internal controls, and shareholder rights. The governance dimension is focused on an organisation's leadership and structure.

WHY IS ESG IMPORTANT FOR YOUR BUSINESS?

Investors across the globe are increasingly demanding organisations to outline their ESG framework and approach in order to assess the organisation's long-term sustainability. ESG has a potential significant impact on the following fundamental business issues relevant to the long-term success of the organisation:

- ▶ **Corporate reputation** - ESG can enhance a company's license to operate making it easier to accomplish business objectives and respond to crisis scenarios with key stakeholder groups.
- ▶ **Risk reduction** - ESG can assist with the identification of immediate and long-term risks depending on the industry and business model.
- ▶ **Opportunity management** - Shifting market and non-market conditions can expose unmet needs for new products and/or services, potential customer bases, and potential strategic relationships for addressing ESG issues.
- ▶ **Culture & intrinsic value** - ESG maturity is an indicator of a company's commitment to building a high performing, purpose-driven workforce and inclusive culture.

A robust ESG strategy can help attract the right talent and investors. To achieve a shift in sustainability we need to stop viewing ESG as a 'nice to have', it should be part of business strategy and risk management which can have a direct and positive impact on financial performance.

If you would like to speak with us about implementing an ESG framework in your organisation or providing assurance on your framework, please contact your audit engagement partner initially.

A teal-colored advertisement for BDO Australia. On the left, there is a vertical red bar with a white diagonal stripe. The text is white and includes contact information, a slogan, and a list of Australian states and territories. At the bottom, there is a disclaimer and a small disclaimer about BDO's membership.

1300 138 991
www.bdo.com.au

Distinctively different - it's how we see you
AUDIT • TAX • ADVISORY

NEW SOUTH WALES
NORTHERN TERRITORY
QUEENSLAND
SOUTH AUSTRALIA
TASMANIA
VICTORIA
WESTERN AUSTRALIA

We have prepared this report solely for the use of City of Salisbury. As you know, this report forms part of a continuing dialogue between the company and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy of this report without prior consent, we would not accept any responsibility for any reliance they may place on it.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

www.bdo.com.au



City of Salisbury
ABN 82 615 416 895

34 Church Street
PO Box 8
Salisbury SA 5108
Australia

Telephone 08 8406 8222
Facsimile 08 8281 5466
city@salisbury.sa.gov.au

www.salisbury.sa.gov.au

Andrew Tickle
BDO Audit Pty Ltd
422 King William Street
ADELAIDE SA 5000

12 October 2022

Dear Andrew,

AUDIT FOR YEAR ENDED 30 JUNE 2022 OF CITY OF SALISBURY

This representation letter is provided in connection with your audit of the financial report of City of Salisbury for the year ended 30 June 2022, for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purposes of appropriately informing ourselves:

Financial report

1. We have fulfilled our responsibilities, as set out in your engagement letter dated 21 June 2022, for the preparation for the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*; in particular that the financial report presents fairly in accordance therewith.
2. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained. Any and all deficiencies in internal control of which we are aware have been communicated to you.
3. We confirm that the selection and application of accounting policies remains appropriate, and that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them.
4. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
5. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.
6. All significant judgments related to accounting estimates have taken into account all relevant information of which management is aware and the selection or application of the methods, assumptions and data used by management in making the accounting estimates are consistent and appropriate.
7. The assumptions used in determining accounting estimates and related disclosures appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity.
8. Disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and reasonable within the context of the applicable financial reporting framework.

9. The appropriate specialised skills or expertise has been applied in making the accounting estimates as applicable.

Books, records and documentation

10. We have provided you with:
- Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - All minutes of meetings held by the Council and its Committees since the end of the previous reporting period have been given to you for your inspection, where requested;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
11. All transactions have been recorded in the accounting records and are reflected in the financial report.

Uncorrected misstatements

12. We acknowledge that you have brought to our attention uncorrected misstatements detected during the course of your audit (Schedule attached). We have considered the effect of any uncorrected misstatements on the financial statements. We consider the effect of the uncorrected misstatements to be immaterial, individually and in aggregate, to the financial report taken as a whole.

Related parties

13. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions.
14. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with Australian Accounting Standards in the financial report.

Fraud

15. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud.
16. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
17. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
- Management;
 - Employees who have significant roles in internal control; or
 - Others where fraud could have a material impact on the financial report.
18. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.

Litigation and claims

19. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered in the financial report; and accounted for and disclosed in accordance with Australian Accounting Standards.

Compliance with laws and regulations

20. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.

21. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.
- There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Subsequent events

22. All events occurring subsequent to the date of the financial report and for which adjustment or disclosure are required, including but not limited to accounting estimates have been adjusted or disclosed.

Other information

23. We have informed you of all the documents that we expect to issue which may comprise other information accompanying the financial report.
24. The financial report and any other information obtained by you prior to the date of the auditor's report are consistent with one another, and the other information does not contain any material misstatements.

Electronic presentation of Financial Report

25. We are responsible for the electronic presentation of the financial report.
26. We will ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version.
27. We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation.
28. We have assessed the controls over the security and integrity of data on the web site and that adequate procedures are in place to ensure the integrity of the information published.
29. We will not present the auditor's report on the full financial statements with extracts only of the full financial statements.

Yours faithfully,

Client Signature:

Client Signature:

John Harry,
Chief Executive Officer,
City of Salisbury.

Charles Mansueto,
General Manager Business Excellence,
City of Salisbury.

SCHEDULE: Uncorrected Misstatements - 30 June 2022

Description	Assets	(Liabilities)	Reserves	(Profit)/Loss
Recognition of deferred revenue in line with AASB 1058 Income for Not-for-profits entities (prior year impact)	-	-	2,448,151	(2,448,151)
Net effect of corrected misstatements	-	-	2,448,151	(2,448,151)

4 of 4

ITEM	7.1.2
	AUDIT AND RISK COMMITTEE
DATE	11 October 2022
HEADING	End of Financial Year Statement and Analysis
AUTHOR	Sadaf Hashim, Assistant Accountant, Business Excellence
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community
SUMMARY	This report and the associated attachments provides the Audit and Risk Committee with the information required to review the Annual Financial Statements for 2021 in accordance with the requirements of the <i>Local Government Act 1999</i> .

RECOMMENDATIONThat Council:

1. Receives the information.
2. Notes that the Audit and Risk Committee, in accordance with Section 126(4)(a) of the *Local Government Act 1999*, reviewed the annual financial statements of the Council for the year ended 30 June 2022 and is satisfied they present fairly the state of affairs of Council.
3. Approves, in accordance with Regulation 22 of the *Local Government (Financial Management) Regulations 2011* clauses (3) (a) and (4), that the Chief Executive Officer and the Chair of the City of Salisbury Audit and Risk Committee sign the statement to certify the independence of the Council Auditor, BDO Australia.
4. Approves that the draft analysis of the Annual Financial Statements, as presented in Attachment 1 to this report (Audit and Risk Committee 11 October 2022, Item 7.1.2), be included in the End of Year Financial Statements Report to Council.

ATTACHMENTS

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

1. Draft Council General Item Business 1
2. City of Salisbury Annual Financial Statements 2022

1. BACKGROUND

- 1.1 Section 126(4) of the *Local Government Act 1999* details the functions of an Audit and Risk Committee which includes

(a) reviewing annual financial statements to ensure that they present fairly the state of affairs of the council

- 1.2 Regulation 22 part 3 of the *Local Government (Financial Management) Regulations 2011* requires annually that the Chief Executive Officer and the presiding member of the Audit and Risk Committee certify the independence of the council auditor for the respective financial year.

2. CONSULTATION / COMMUNICATION

2.1 Internal

- 2.1.1 This report provides the mechanism for consultation and communication with the Audit and Risk Committee regarding the City of Salisbury's Annual Financial Statements for the year ending 30 June 2022.

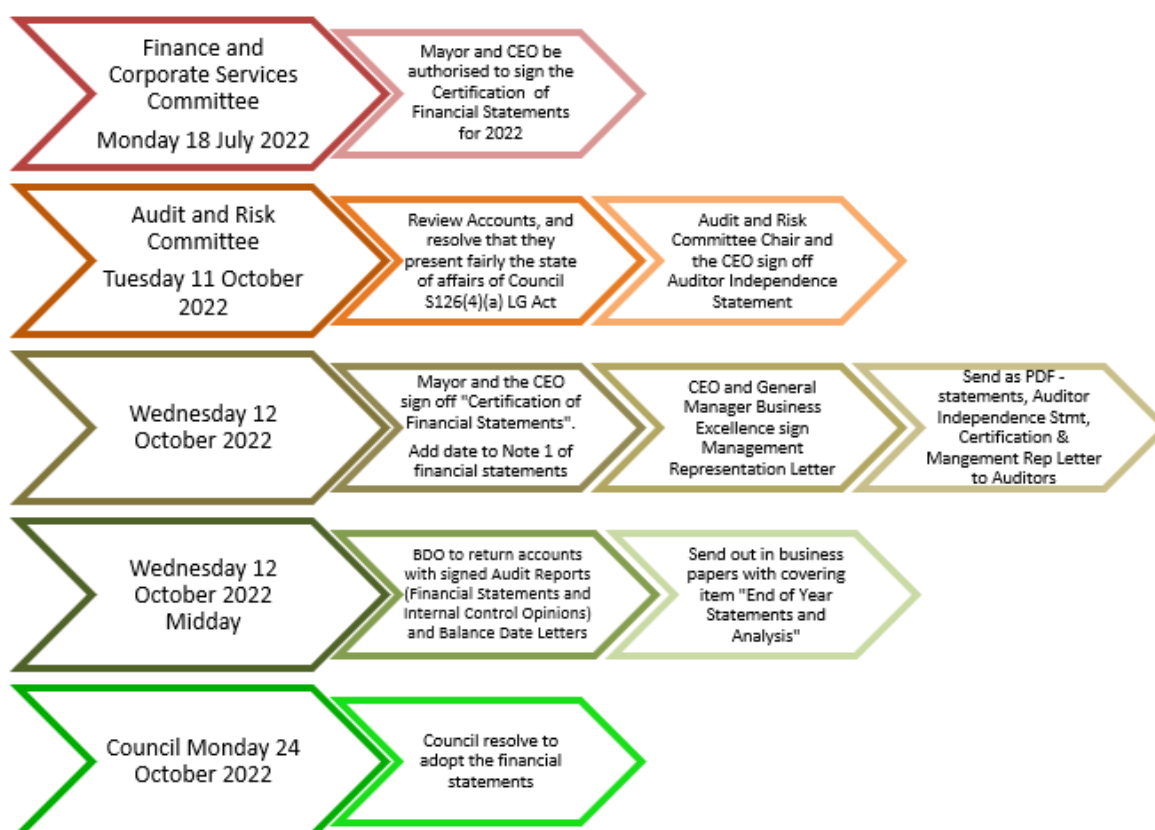
2.2 External

- 2.2.1 The Annual Financial Statements have been reviewed by Council's external auditor BDO Australia.

3. REPORT

- 3.1 The City of Salisbury's Annual Financial Statements for 2022 have been prepared in accordance with the *Local Government Act 1999*, the *Local Government (Financial Management) Regulations 2011*, the Australian Accounting Standards and the South Australian Model Financial Statements 2022.
- 3.2 The City of Salisbury's Audit and Risk Committee is required under section 126(4)(a) of the *Local Government Act 1999* to review the annual financial statements to ensure that they present fairly the state of affairs of the Council.
- 3.3 Our external auditors, BDO Australia, have conducted their review of the Annual Financial Statements for 2022, and are awaiting the Audit and Risk Committee's review prior to signing their audit opinion, after which the Annual Financial Statements for 2022 can be certified and then adopted by Council.
- 3.4 The Chief Executive Officer and the Mayor will sign the Certification of the 2022 Annual Financial Statements following the Audit and Risk Committee review, and it should be noted that this is also required by BDO Australia prior to them furnishing their audit opinions on the Annual Financial Statements and Internal Controls for 2022.
- 3.5 A timeline shown below demonstrates the process that is required to be followed to sign off the Annual Financial Statements for 2022.

Sign off Process Annual Financial Statements for 2022



3.6 An analysis of the Annual Financial Statements and results for the year will be presented to Council on 24 October 2022, and a draft copy of that report is attached to this report for the Audit and Risk Committee's reference and review.

3.7 Independence of Council Auditor

3.7.1 Regulation 22 of the *Local Government (Financial Management) Regulations 2011* provide in clauses (3) (a) and (4) that:

(3) *The following persons must each provide, on an annual basis, a statement that provides a certification as to compliance for the relevant financial year with the requirement that the auditor be independent of the council, council subsidiary or regional subsidiary (as the case may be):*

(a) *In a case involving a council or council subsidiary – the chief executive officer of the relevant council and the presiding member of the Audit and Risk Committee of the relevant body;*

(4) *A statement under sub-regulation (3) must accompany the financial statements for the relevant body.*

4. CONCLUSION / PROPOSAL

- 4.1 The Annual Financial Statements for the year ended 30 June 2022 have been prepared by Council Administration and have been audited by the City of Salisbury's external auditor BDO Australia. Following the review of the Annual Financial Statements for 2022 by the Audit and Risk Committee, the Statements will be certified by the Chief Executive Office and the Mayor and then BDO Australia will sign their audit opinion.
- 4.2 It is appropriate for the City of Salisbury's Audit and Risk Committee following its review of the Financial Statements to endorse, in accordance with Section 126 (4)(a) of the *Local Government Act 1999*, that they present fairly the state of affairs of Council and also that the external auditor's independence be certified in accordance with Regulation 22 of the *Local Government (Financial Management) Regulations 2011*.
- 4.3 The draft analysis of the Annual Financial Statements, as presented in Attachment 1 be recommended by the Audit and Risk Committee for inclusion in the End of Year Financial Statements Report to Council.

ITEM**ITEM****COUNCIL****DATE**

24 October 2022

HEADING

End of Year Financial Statement and Analysis

AUTHORSKate George, Manager Financial Services, Business Excellence
Sadaf Hashim, Assistant Accountant, Business Excellence**CITY PLAN LINKS**4.2 We deliver quality outcomes that meet the needs of our community
Choose an item.
Choose an item.**SUMMARY**

The City of Salisbury end of year processes for the financial year ended 30 June 2022 have been finalised and audited by Council's external auditor BDO Australia. This report provides detail of actual results compared to prior year actuals and to the budget position.

The annual financial statements have also been reviewed by the Audit Committee at the meeting on 11 October 2022. Further Council's external auditors are satisfied that they present fairly the state of affairs of the Council

RECOMMENDATIONThat Council:

1. Receives the information
2. The Annual Financial Statements for the year ended 30 June 2022 be adopted.

ATTACHMENTS

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

1. Annual Financial Statements for the year ended 30 June 2022

1. BACKGROUND

- 1.1 Regulation 10 of the Local Government (Financial Management) Regulations 2011 requires the Council to

- (1) *...prepare and consider a report showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statements of the Council, ... for the previous financial year compared with the estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements.*
- (2) *...council's operating surplus ratio, net financial liabilities ratio and asset renewal funding ratio compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.*

ITEM

2. CONSULTATION / COMMUNICATION**2.1 Internal**

- 2.1.1 This report provides the mechanism for consultation and communication with Council regarding the City of Salisbury's Annual Financial Statements (AFS) for the year ending 30 June 2022. This report has been reviewed by the City of Salisbury's Audit and Risk Committee at the meeting held 11 October 2022 and feedback from the Committee has been included into the 2022 AFS.

2.2 External

- 2.2.1 The AFS for 2022 have been audited by Council's Auditors, BDO Australia, and they have provided an unqualified audit opinion.

3. REPORT

- 3.1 The City of Salisbury's Financial Statements for the 2022 Financial Year have been prepared in accordance with the *Local Government Act 1999*, the *Local Government (Financial Management) Regulations 2011*, the Australian Accounting Standards and the South Australian 2022 Model Financial Statements.
- 3.2 In accordance with Section 126(4)(a) of the *Local Government Act 1999* the Audit Committee advised that it has reviewed the annual financial statements of the Council for the year ended 30 June 2022 and is satisfied they present fairly the state of affairs of Council.
- 3.3 The external auditors BDO Australia have conducted their audit and have provided an unqualified audit opinion on the Annual Financial Statements.
- 3.4 The following comments are provided with respect to the 2022 AFS, with commentary highlighting significant movements' year on year.
- 3.5 Please note the date convention that has been used in this report, where 2022 refers to the 2021/22 financial year and 2021 refers to the 2020/21 financial year.

4. FINANCIAL STATEMENT ANALYSIS**4.1 Statement of Comprehensive Income**Year on Year Comparative

- 4.1.1 The Statement of Comprehensive Income shows an Operating Surplus before capital amounts and other comprehensive income of \$13,385k compared to \$10,013k in the prior year.
- 4.1.2 Whilst the Operating Surplus has increased by \$3,372k from the prior year, there are a couple of main contributing variances. Income has overall increased by \$7,835k from 2021, with Rates being one of the main contributing factors that increased by \$4,472k compared to the last financial year. Another factor is the Grants, Subsidies and Contributions that have increased by \$3,688k due to an early receipt of 75% of the approximated 2022/23 Financial Assistance and Untied Local Roads Grants (FA&ULG) compared to the 50% early payment in the prior year. Other income items have remained fairly consistent and detailed in the later paragraphs.

ITEM

- 4.1.3 Overall expenditure has increased by \$4,463k year-on-year, with Employee costs increases of \$1,186k due to EB increases and other various movements relating to staff levels and leave payments, Materials, Contracts and Other expense increases of \$2,543k due to variances in various materials and supplies and contractual services and Depreciation increase of \$884k. Further details on these movements are outlined in the paragraphs below.
- 4.1.4 Rate Revenue has increased by 4.38% from \$102,121k in 2021 to \$106,594k in 2022, being an increase of \$4,473k. Council endorsed a 2.8% rate increase in the 2022 year compared to a 0% increase in 2021. Also included in this increase is growth in the number of rateable properties and development activities increasing valuation.
- 4.1.5 Statutory Charges have decreased by 3.91%, being a decrease of \$149k from \$3,805k in 2021 to \$3,656k in 2022. The most significant impacts are decreases in Building and Planning Fees of \$244k which started to normalize in 2022 after the implementation of Governments Stimulus Programs in 2021. Further, food premises inspection fees also decreased \$30k in 2022 as inspections were not performed as scheduled during the year due to the impact of COVID-19. Offsetting are the increases in Animal Registrations and Fines fees of \$58k and Parking fines increase of \$67k in 2022, where the revenue was low in 2021 as more educative approach was taken within the community during the year to support during the height of the COVID-19 pandemic.
- 4.1.6 User Charges have increased by 2.13%, being an increase of \$109k from \$5,084k in 2021 to \$5,193k in 2022, with increases in Cemetery charges of \$107k associated with higher number of burials. Sports/Club and hire rentals also increased \$148k during the year, where in 2021 they were low as a result of the waiving of rents as part of the COVID-19 recovery package endorsed by Council. This is partially offset by the reduced water supply charges of \$249k with lower non-residential sales compared to 2021 as a result of more rainfalls.
- 4.1.7 Grants, Subsidies and Contributions have increased by 24.65% from \$14,961 in 2021 to \$18,650k in 2022, being an increase of \$3,688k. The Financial Assistance Grant total for 2021 was \$8,883k, compared with 2022 total of \$11,534k. The equivalent of four quarterly payments were received in 2021, being two 2022 payments received in advance in 2021, and with two of the four quarterly payments for 2021 being received in 2020, leaving 2 quarterly payments for 2021 being received in the year. This compares with five quarterly payments in 2022 being the two remaining quarterly payments for 2022, and three 2023 quarterly payments received in advance into the 2022 year.

ITEM

Financial Assistance Grant	2022	2021	
Details of Payment	\$'000s	\$'000s	Notes
Standard Payment	4,828	4,146	[A]
Advance Payment	6,706	4,737	[B] & [C]
	11,534	8,883	

[A] Standard Payment represents two quarters of 2021 and 2022 allocation.
[B] 2022 Advance Payment represents estimated three quarters of the next years allocation.
[C] 2021 Advance Payment represents estimated two quarters of the next years allocation.

Also contributing to the favourable variance is higher than anticipated Roads to Recovery grant of \$384k and \$443k State Government Grant received for Greenwaste Kitchen Caddies.

- 4.1.9 Investment Income has remained relatively consistent with a slight decrease of 8.11%, being a decrease of \$10k from \$120k in 2021 to \$110k in 2022, primarily as a result of interest rates being low in both years; with the average interest rate on short-term investments for 2022 being 0.38% and for 2021 being 0.35%, and lower cash holdings throughout the year.
- 4.1.10 Reimbursements have decreased by 14.43% or a \$71k decrease from \$492k in 2021 to \$421k in 2022 which primarily relates to \$95k decrease in Recreation and Community Centers utility reimbursements in 2022, offset by the expenditure incurred.
- 4.1.11 Other Income has decreased by 30.54% from \$1,489k in 2021 to \$1,034k in 2022 being a decrease of \$455k, which is primarily a result of \$214k lower legal fees recovered through court action compared to the prior year. Further, Insurance Claim Reimbursements were also \$28k low compared to the prior year.
- 4.1.12 Net Gain – Equity Accounted Council Businesses has increased by \$250k from \$970k in 2021 to \$1,219k in 2022. The 2022 result reflects Council's share of NAWMA's performance reflecting a net surplus of \$2,363k and Council's share being \$1,219k. This has increased from an overall net surplus of \$1,891k in 2021 and Council's share being \$970k.
- 4.1.13 Employee Costs have increased by 3.2%, being an increase of \$1,186k from \$37,116k in 2021 to \$38,303k in 2022. The EB adjustment of 2.50% for both MOA staff and LGE staff, plus other various movements relating to staff increments and reclasses, and oncosts have contributed to this increase.
- 4.1.14 Materials, Contracts and Other Expenses has increased by 4.85%, being an increase of \$2,543k from \$52,409k in 2021 to \$54,952 in 2022 mainly related to Drainage Maintenance cost increase of \$441k, Road Sweeping \$120k, Domestic Hard Waste collection \$267k and NAWMA Waste Management costs increase of \$193k. Further costs related to Parks and Landscape maintenance which have increased by \$307k.

ITEM

Offsetting these increases is a \$956k less expense in Street lighting program in 2022 compared to 2021. In 2021, the program's expense was high due to the once-off expense of LED program of \$1,011k. This program is for the replacement of street lighting luminaires with LED's and is based on the agreement with SA Power Network. Due to the restrictive agreement terms and lack of control it was decided at the time that these costs are operating in their nature. However, this year, after further analysis with the external auditors, BDO Australia, the costs are capitalised in 2022 based on the fact that Council retains title to the luminaires resulting in 2022 LED Project costs being capitalised.

Various other increases/decreases have occurred throughout the 2022 year as a result of variations in contracts, materials and other factors.

- 4.1.15 Depreciation costs have increased by \$884k from \$28,862 in 2021 compared to \$29,746k in 2022. This is predominately related to the impact of new and donated assets brought on stream over the last 2 financial years with an associated increase in depreciation of around \$685k. Incremental adjustments to asset values through annual changes in unit rates and indexation have also contributed to the overall increase. These increases have been offset in part due to some Plant, Furniture and Equipment reaching the end of its useful life \$58k, as well as the write off of some Library books associated with the move of the Salisbury West Library to the Burton Community Centre \$32k.
- 4.1.16 Finance Costs have decreased by 23.42% being a decrease of \$150k from \$641k in 2021 to \$491k in 2022, which primarily results from a real decrease in Council's long-term borrowings and with no cash advances required in 2022.
- 4.1.17 Asset disposal and fair value adjustments, amounts received specifically for new or upgraded assets and physical resources received free of charge, which are all items below the operating surplus, are discussed in detail in the budget and variance analysis below (section 5.5).

4.2 Statement of Financial Position 30 June 2022

- 4.2.1 The Statement of Financial Position as at 30 June 2022 shows Net Assets (Total Assets less Total Liabilities) or 'Equity' has increased by 11.51% or \$180,128k from \$1,565M in 2021 to \$1,745M in 2022.
- 4.2.2 Infrastructure, Property, Plant and Equipment has significantly increased from \$1,551M in the 2021 to \$1,725M in the 2022 year and is in part due to additions to our asset portfolio of \$40,654k. Also contributing to this is the net asset revaluation increments totaling \$166,371k, primarily being revaluation increments for Land \$66,963k, Land Improvements \$4,490k, Buildings \$3,621k and Infrastructure \$91,297k. Offsetting these increases is accumulated depreciation totaling \$29,746k and disposals of assets renewed or replaced \$5,030k. Further to the significant increase in Infrastructure Assets is an increase in Capital Works in Progress from \$20,731k in 2021 to \$29,834k in 2022, which is primarily associated with the accelerated infrastructure program.

ITEM

- 4.2.3 Cash held by Council has slightly decreased by \$316k, from \$9,801k in 2021 to \$9,485k in 2022, and remains relatively high and primarily results from delays in the delivery of capital infrastructure program and results in higher levels of cash at the end of the financial year and lower levels of borrowing required during the year.
- 4.2.4 As contained in AFS Note 15 'Financial Indicators', Net Financial Liabilities have increased \$4,899 from \$14,584 to \$19,483, with the position as a proportion of total operating income, increased from 11.3% to 14.23%. Net Financial Liabilities are defined as total liabilities less financial assets expressed as a percentage of total operating revenue. Both the cash holdings and total financial liabilities have remained relatively the same as the last financial year contributing to this ratio of 14.23%, which is well inside the target range of less than 70% endorsed by Council for this indicator.
- 4.2.5 The Asset Renewal Funding Ratio has trended upwards to 99% in 2022 from 76% in 2021 (noting 2020 was 103.5%). The 2021 and 2022 infrastructure delivery programs were increased to support the community's economic recovery during the COVID-19 pandemic. The 2022 result of 99% is within the target range of 90% to 110% and reflects a good level of achievement against the asset management plan noting that there are significant renewal capital carry forwards and had these been delivered this would have resulted in higher ratio in 2022 offsetting the unfavourable result of 2021. This combined with a review of the program during 2022 and the resetting of the strategic asset management plan has established a new base line for the coming financial year and may result in a ratio of around a 100% rather than a ratio offsetting the 2021 result.

4.3 Statement of Cash Flows 30 June 2022

- 4.3.1 The Statement of Cash Flows shows a slight net decrease in cash and investments of \$316k, compared to a net increase of \$8,025k for the prior financial year, resulting in a cash balance of \$9,485k as at 30 June 2022.
- 4.3.2 Net cash provided by Operating Activities at 30 June 2022 was \$52,102k as compared with \$40,477k in 2021, being an increase of \$11,625k. This increase is primarily related to \$2,793 higher Rates received in 2022 from \$102,430k in 2021 to \$105,223k in 2022 as a result of rate collections recommencing after an extended period of delay in 2021 as part of COVID-19 relief, and also a rate increases of 2.8%. Another contributing factor is the Grants, Subsidies and Contributions that have increased by \$3,500k from \$15,415k in 2021 to \$18,915k in 2022. This is due to an early receipt of 75% of the approximated 2022/23 Financial Assistance and Untied Local Roads Grants (FA&ULG) compared to the 50% in the prior years. Further, the cash outflows for Materials, Contracts and Other Expenses had reduced slightly year on year being \$276k lower which is relatively minor. There is also an increase in Payments to Employees, increasing from \$36,959k in 2021 to \$38,233k in 2022 which reflects the EB increases, increments and reclasses and associated oncosts.

ITEM

- 4.3.3 Net cash used in Investing Activities has increased \$30,201k in 2021 to \$50,192k in 2022. This mainly relates to higher cash outflows for Renewal/Replacement of Assets which has increased by \$6,229k from \$20,400k in 2022 compared to \$14,171k in 2021; plus, higher cash outflows of \$8,881k for the New/Upgraded Assets from \$33,646k in 2022 compared to \$24,765k in 2021.
- 4.3.4 Net cash used in Financing Activities relates solely to Council's investment and borrowing activities. Overall net cash used in financing activities has decreased slightly by \$25k from \$2,251k in 2021 to \$2,226k in 2022, which is related to a reduction in lease liabilities, offset in part by a decrease in repayments of fixed term borrowings \$38k and proceeds from Bonds/Deposits of \$315k

ITEM

5. BUDGET ACTUAL ANALYSIS

- 5.1 The analysis below is based on the comparison between the actual end of year results for the year ended 30 June 2022, and the 2022 original budget. Comment is made only to variances greater than \$50k unless there are significant issues that need to be brought to members' attention.

City Of Salisbury
Statement of Comprehensive Income
As at 30 June 2022

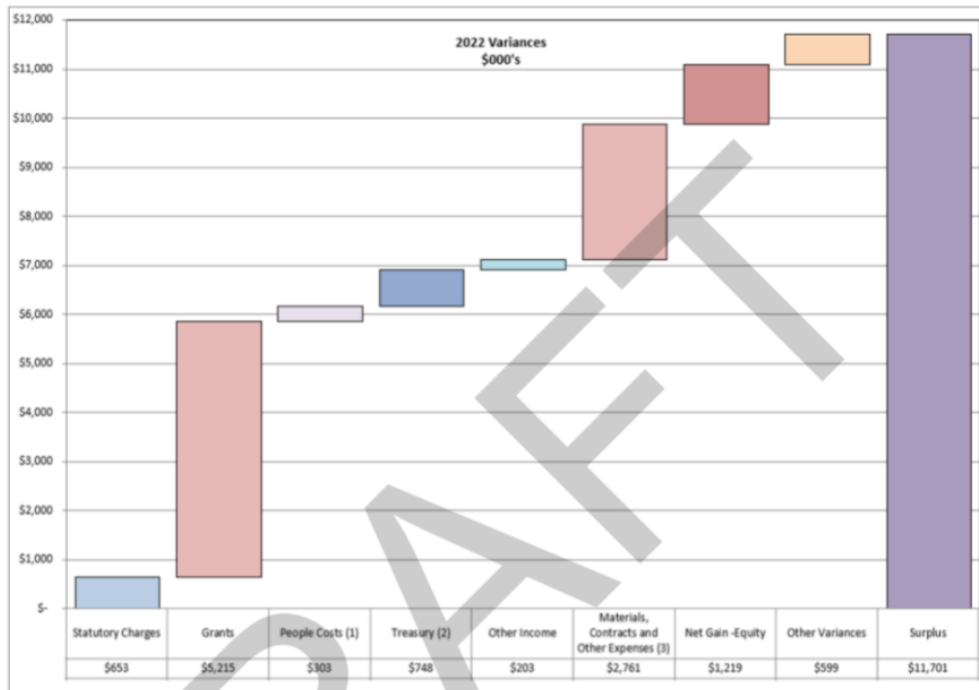
	Actual \$000	End of Financial Year Original Budget \$000	Variance \$000
Income			
Rates Revenues	106,593	106,336	257
Statutory Charges	3,656	3,003	653
User Charges	5,193	5,358	(165)
Grants, Subsidies & Contributions	18,650	13,435	5,215
Investment Income	111	94	17
Reimbursement	421	229	191
Other Income	1,034	831	203
Net Gain - Equity Accounted Council Businesses	1,219	-	1,219
Total Income	136,877	129,286	7,591
Expenses			
Employee Costs	38,303	40,082	1,779
Materials, Contracts and Other Expenses	54,952	56,237	1,285
Depreciation, amortisation & impairment	29,746	30,061	315
Finance Costs	491	1,222	731
Total Expenses	123,492	127,602	4,110
Operating Surplus/(Deficit)	13,385	1,684	11,701
Asset Disposal and Fair Value Adjustments	(5,388)	2,940	(8,328)
Amounts Received Specifically for New or Upgraded Assets	2,895	15,779	(12,884)
Physical Resources Received Free of Charge	2,866	1,000	1,866
Net Surplus/(Deficit) ⁽¹⁾	13,757	21,403	(7,645)
Other Comprehensive Income			
Changes in Revaluation Surplus - I,PP&E	166,371	41,671	124,700
Total Other Comprehensive Income	166,371	41,671	124,700
Total Comprehensive Income	180,128	63,074	117,055

(1) Transferred to Equity Statement

ITEM

5.2 Waterfall Analysis

5.2.1 The graph below shows the major components contributing to the increased surplus achieved in 2022 compared to budget. Following the graph is a table which provides a high-level commentary on the variances, with more detail contained in section 5.3 of this report.



- (1) People Costs is expenditure category "Employee Costs" less agency costs for backfilling vacancies, short term positions funded through the salary and wages provision and agency costs to deliver grant funded services which are disclosed within "Materials, Contracts and Other Expenses"
- (2) Treasury Costs is income category "Investment Income" together with savings on expenditure category "Finance Costs"
- (3) Materials, Contracts and Other Expenses have been adjusted for the variance in Agency costs for backfilling vacancies, which has been adjusted against People Costs.

2022 Variances	
Statutory Charges	The variance primarily relates to higher than budgeted Development and Planning Fees received \$852k, partially offset by lower Animal Registrations and Fines of \$42k, lower Parking Fees of \$150k and lower Food Inspection Fees of \$30k as a result of COVID implications.
Grants	The significant variance results from higher than budgeted Financial Assistance Grant and Untied Local Roads Funding \$4,397k with equivalent of five quarters received in 2022 compared to the budget of only four quarters and the budget being conservative compared to actual. Also, additional Developer Contributions \$818k compared to original budget.
People Costs	Various Wages and Salaries savings of \$3.0M across the organisation, with lower capitalization of staff time of \$589k and

ITEM

	unbudgeted COVID-19 special leave of \$530k, and also Operational and Grant Funded Positions being backfilled with agency staff costs of \$1,475k higher than budgeted.
Treasury	Higher levels of cash held throughout the year than anticipated by \$17k and lower interest costs than anticipated by \$731k as CAD's were not needed to be drawn down with delays in the infrastructure program.
Other Income	The variance primarily relates higher than budgeted Workers Compensation Bonus and Rebates favourable to budget by \$151k and \$58k respectively.
Materials, Contracts & Other	The favourable variance compared to budget mainly relates to Contractual Services which are \$2,416k favourable across various programs. The most significant favourable variances are in the operating components of infrastructure projects totaling \$2,254k which have been carried forward into the 2023 financial year. This includes various programs such as Kerb & Gutter Replacement, Verge Mowing, Park Maintenance and Sportsfield Lighting Maintenance.
Net Gain – Equity Accounted Business	The favourable variance reflects Council's share of results in our Regional Subsidiary NAWMA, which produced a net surplus of \$1,219k in 2022. Profit/Loss on share of joint ventures are not budgeted due to the uncertainty of what will be distributed at the end of year.

5.3 Income Analysis**5.3.1 Rates Revenues – Favourable Variance \$257k**

The favourable variance is primarily the result of final valuation increases from development activity on adoption compared with budget.

5.3.2 Statutory Charges – Favourable Variance \$653k

The favourable variance is primarily due to higher than budgeted Building and Development Lodgment fees and Planning fees of \$852k predominantly associated to a higher number of applications processed during the financial year. The increase in applications is related to the Government Stimulus Packages offered during the peak of the COVID-19 pandemic. Offsetting this favourable variance is lower than budgeted Parking Fines \$150k with Inspectors utilising a more educative approach to parking infringements rather than issuing fines, plus lower than budgeted Food Inspection Fees of \$30k and Animal Registrations and Fines of 42k.

5.3.3 User Charges – Unfavourable Variance \$165k

The unfavourable variance is primarily related to the impacts of the COVID-19 pandemic during the year within the program areas. The areas impacted are in the Community Home Support Program with Client Contributions \$87k lower than budgeted primarily within Social Activities \$27k and Minor Modifications \$33k. This is as a result of the suspension and modifications of various services provided in line with

ITEM

COVID-19 restrictions. Meal and Catering Income was also lower than original budget by \$30k, with Hall Hire income low by \$17k and attendances in Disability Support Program low by \$80k, all as a result of COVID-19 implications during the year. Similarly, Community Centers income such as Activity and Course Fees income is also \$26k low than budgeted.

Salisbury Water User charges are also unfavourable to original budget \$119k as a result of a decrease in External Water Sales due to more regular rainfalls during the year.

Offsetting these unfavourable variances is higher than budgeted Polaris Centre Mentoring Income \$40k, as a result of Council now providing Small to Medium Enterprise advisory services. Further, Cemetery Licence income is also \$91k higher than original budget, primarily as a result of an increase in pre-need licences purchased during the year, plus \$24k higher than budgeted Cemetery Charges related to extension of leases, and \$52k higher income related to Mausoleum Perpetual Care Fund income.

5.3.4 Grants, Subsidies and Contributions – Favourable Variance \$5,215k

The favourable variance primarily relates to higher than budgeted Financial Assistance Grant and Untied Local Road funding of \$4,397k with equivalent of five quarters received in 2022 compared to the budget of only four quarters and the budget being conservative compared to actual. Also, unbudgeted developer contributions totaling \$818k which were also received, however these are restricted contributions and will be expended in upcoming years within the required terms for expenditure.

There are also a number of minor variances associated with various grant funded programs received during the 2022 year.

5.3.5 Reimbursements – Favourable Variance \$191k

The favourable variance is primarily the result of various reimbursements received relating to works or services undertaken by Council, with the key areas being Recreational Services Contract Management \$128k and Security costs \$23k. These amounts relate to costs incurred within the materials, contracts and other expenses classification. Also impacting are numerous small amounts primarily from private works that are offset by the expenditure incurred.

5.3.6 Other Income – Favourable Variance \$203k

The favourable variance is related to higher than budgeted amounts received for Workers Compensation Bonus payment \$151 and Rebate received of \$58k.

5.3.7 Net Gain – Equity Accounted Council Businesses – Favourable Variance \$1,219k

The favourable variance reflects Council's share of results in our Regional Subsidiary NAWMA, who produced a net surplus of \$2,363k in 2022 with council's share being \$1,219k, (details of which are contained in paragraph 4.1.11). Profit/Loss on share of joint ventures such as

ITEM

NAWMA are budgeted to be a nil impact to ensure that Council is forming budgets that are sustainable without these equity impacts, and noting that NAWMA is not intended to generate surpluses.

Expenditure Analysis

5.3.8 Employee Costs - Favourable Variance \$1,779k

The favourable variance is primarily related to various Wages and Salaries savings of \$3M across the organisation. This is partly offset by the \$1,475k higher than budgeted agency costs backfilling for the Operational and Grant funded Positions, reported in Materials, Contracts and Other Expenses below. There were also vacancies during the year which resulted in the end result being favourable to original budget, with these savings declared to the Wages and Salaries Provision. The Provision ended the year with savings of \$1,127k, with allocations also made throughout the year to support operational requirements.

Offsetting the favourable variance is \$589k lower than budgeted Staff time capitalised and \$530k unbudgeted COVID-19 leave taken during the year. Further, Workers Compensation costs is also \$101k higher than budgeted as a result of an increase in the estimated percentage rate from the previous year (4.05% in 2021 as compared to 4.20% in 2022).

5.3.9 Materials, Contracts and Other Expenses - Favourable Variance \$1,285k

The favourable variance compared to budget mainly relates to Contractual Services which are \$2,416k favourable across various programs. The most significant favourable variances are in the operating components of infrastructure projects totaling \$2,254k including Kerb & Gutter Replacement works \$567k associated with road reseal program, noting that these funds of \$2,254k have been carried forward into the 2023 financial year. Other variances included Verge Mowing Residential Roads \$222k, Park Maintenance \$137k and Sportsfield Lighting Maintenance \$122k.

Consulting Services have also been favourable \$538k, with \$272k lower expenditure in IT operating projects. Further, operating lease rentals have ended the year \$444k favourable, in particular related to PC leases of \$385k, as a result of the impacts of the accounting standard AASB 16 Leases, however this impact is offset by associated costs in interest expense and depreciation in line with the standard.

Offsetting these favourable variances is Contract labour, which is required to be classified as a contractual expense for reporting purposes, and resulted in an unfavourable variance of \$1,475k compared to original budget. Contract labour utilised to backfill for vacant positions and offset by savings of \$1,127k in employee costs reported in wages and salaries above.

ITEM

Some of the other unfavourable variances relate to price increases during 2022 such as, Fuel costs which are unfavourable to original budget \$54k, Water Rates for Park Maintenance unfavourable \$245k, Insurance premiums are unfavourable \$65k, plus other various minor variances contributing to the overall variance at year end.

5.3.10 Depreciation Costs – Favourable Variance \$315k

The favourable variance is primarily the result of relatively lower Unit Rates increases included in the 2021 end of financial year compared to the estimates of 2.5%, which then contributes to lower depreciation in 2022 than originally budgeted. Further, some projects that were anticipated to be completed during 2021 were delayed due to the impact of COVID-19 and had been retimed into the 2022 and 2023 financial years resulting in overall less depreciation than estimated.

5.3.11 Finance Costs – Favourable Variance \$731k

The favourable variance relates to the timing of cash receipts and disbursements, with the budget allowing for the drawdown on cash advance debentures to fund the infrastructure program; however, this was not required during the 2022 financial year with significant retiming of the program in November 2021 and a high level of carry forwards at the 2022 end of financial year \$27.4M. This results in a favourable budget of \$803k against original budget expectations.

Offsetting this favourable variance is interest expense associated with Right-of-use leased assets \$78k in line with accounting standard *AASB 16 Leases*. This is not included in the original budget predictions due to the uncertainty of the amount to be recognised.

5.4 Non-Operating Items Analysis

5.4.1 Net Gain/(Loss) on disposal of assets is \$8,328k unfavourable, resulting primarily from the early renewal of assets which necessitates the writing off of the remaining value, and totals \$5,006k for 2022. This includes Building Assets \$2,662k, Land Improvement Assets \$769k and Infrastructure Assets \$1,575k. All of these assets have been renewed or replaced earlier than expected given the lives of these assets, resulting in a residual value needing to be written off.

The original budget also anticipated a gain of \$2,100k for net proceeds from property sales based on the pipeline of projects at the time of setting the budget, however net proceeds from property sales for 2022 was \$80k, related to the Hoyle Green Development. These unfavourable variances are slightly offset by \$153k related to Land Sale and \$244k accounting gain on disposal of items of Plant, Furniture and Equipment.

5.4.2 Amounts specifically for new or upgraded assets were unfavourable \$12,884k primarily as a result of timing of grant funding received, with early receipt of LRCI grant funds into the 2021 financial year, and Salisbury Recreation Precinct grant funding of \$7M now anticipated in 2023. Also contributing to the unfavourable result is \$3.6M grant income received in 2022 required to be recognised as income in advance

ITEM

as the assets to be constructed have not been completed in 2022 financial year.

- 5.4.3 Physical resources received free of charge had a favourable variance of \$1,866k. This amount normally represents the assets donated to Council which are associated with external property development and residential infill, with typical assets being road, kerbing, footpaths, drainage, and verges. It should be noted that the budget is an estimated figure due to the complexities involved in determining the expected levels of donated Erassets. There has been a total of \$2,866k worth of assets donated to Council during the 2022 year, all comprising of Infrastructure Assets.

5.5 Other Comprehensive Income Analysis

- 5.5.1 Changes in Revaluation Surplus – IPP&E resulted in a favourable variance to budget of \$124.7M. Budgeting for infrastructure revaluations is inherently complex, however the variance is the result of revaluation increments for Land \$66,963k, Land Improvements \$4,490k, Buildings \$3,621k and Infrastructure \$91,297k.

ITEM

5.6 Statement of Financial Position Analysis

- 5.6.1 The Statement of Financial Position for 2022 is set out below and details the actual end of financial year position against the original endorsed budget. Commentary has been made on significant variances between the estimates as presented at the adoption of the budget and the 2022 end of year position.

	Actual \$000	End of Financial Year Original Budget \$000	Variance \$000
Current Assets			
Cash and Cash Equivalents	9,485		9,485
Trade and Other Receivables	6,955	6,087	868
Inventories	289	2,255	(1,966)
Total Current Assets	16,728	8,342	8,387
Non Current Assets			
Financial Assets	1,008	354	654
Equity Accounted Investments in Council Businesses	6,043	3,000	3,043
Infrastructure, Property, Plant and Equipment	1,725,408	1,701,083	24,325
Other Non-Current Assets	32,731	18,020	14,712
Total Non Current Assets	1,765,190	1,722,457	42,734
Total Assets	1,781,919	1,730,798	51,120
Current Liabilities			
Cash Advance Debentures	-	(70,951)	70,951
Trade and Other Payables	(27,232)	(16,779)	(10,453)
Borrowings	(1,321)	(1,321)	0
Provisions	(5,221)	(9,875)	4,654
Current Liab-Other	1,216	-	1,216
Total Current Liabilities	(32,559)	(98,926)	66,367
Non Current Liabilities			
Borrowings	(3,769)	(6,471)	2,702
Provisions	(603)	(2,189)	1,586
Total Non Current Liabilities	(4,372)	(8,660)	4,288
Total Liabilities	(36,931)	(107,586)	70,655
Net Assets	1,744,988	1,623,213	121,775
Equity			
Accumulated Surplus	(385,031)	(405,852)	20,820
Asset Revaluation Reserves	(1,313,106)	(1,191,135)	(121,971)
Other Reserves	(46,852)	(26,226)	(20,626)
Total Equity	(1,744,988)	(1,623,213)	(121,775)

ITEM

5.6.1 The Statement of Financial Position as at 30 June 2022 shows a favourable variance when compared to budget for Net Assets (Total Assets less Total Liabilities) or 'Equity' of \$121,775k. This variance is primarily made up of the following items:

- Infrastructure, Property, Plant and Equipment is \$24,325k higher than originally budgeted, with lower levels of additions than originally planned with the program being retimed in November 2021, and significant level of carry forward, being more than offset by higher revaluation adjustments.
- Other Non-current assets are \$14,712k higher than budget estimates, which is primarily the result of higher than anticipated infrastructure projects in progress at the end of 2022. The budget was set with the last known actual result (30 June 2021), as it is expected to remain relatively static, although the mix of projects will of course change over time.
- Liabilities are overall lower than budget by \$66,367k predominantly due to the Original Budget including an expectation that Council would need to drawdown on Cash Advance Debentures \$70,951k which was not required as a result of the level of carry forwards of \$32M and the level of returned funds \$4.0M, noting that carried forward funds will potentially increase our cash requirements in 2023. Also, the retiming of the program in November 2021 resulted in deferral of expenditure of \$37.3M and returned funds of \$5.5M.

5.7 Financial Indicator Analysis

5.7.1 The Financial Indicators as presented in the original budget are set out below and have been compared to actual results for the 2022 financial year. Also included are adjusted Financial Indicators which normalise the ratios for the timing of the Financial Assistance Grant.

ITEM

Financial Indicators	Endorsed Operating Range	2021-22 Original Budget	2021-22 Actuals	Variance to Original Budget	2021-22 Adjusted Actuals	Variance to Original Budget
Operating Surplus Ratio	0.5% - 5%	1.30%	9.78%	8.48%	8.46%	7.16%
Net Financial Liabilities Ratio	<70%	78.23%	14.23%	64.00%	14.44%	63.79%
Asset Renewal Funding Ratio	90-110%	108.00%	99.05%	(8.95%)	N/A	N/A

- 5.7.2 The operating surplus ratio of 9.78% is a favourable variance of 8.48% when compared to budget. However, when adjusted for the year on year timing impact of the early receipt of the 2023 Financial Assistance Grant, plus the advance payment in the prior year of the 2022 Financial Assistance Grant the ratio decreases to 8.46%, which is a favourable variance of 7.16% to budget. Excluding the Grant receipts, the main factors contributing to this variance are Rates Revenue \$258k (Paragraph 5.3.1) and Statutory charges \$653k (Paragraph 5.3.2), plus lower expenses such as Employee costs \$1,779k (Paragraph 5.4.1), Materials, Contracts and Other Expenses \$1,285k (Paragraph 5.4.3) and Finance Costs \$731k (Paragraph 5.4.4), with variances detailed in referenced paragraphs. The current endorsed operating range for this indicator is 0.5%-5%.
- 5.7.3 Net Financial Liabilities was 14.23% for 2022 which is favourable by 64% when compared to the original budget, primarily as a result of our budget expectations that we would be in a Cash Advance Debentures of \$70,951k in 2022 which was ultimately not required, primarily as a result of the timing of the delivery of the infrastructure program as detailed in paragraph 5.7.1 (third dot point). The actual result falls within the current endorsed operating range for this indicator, being less than 70%.
- 5.7.4 The Asset Renewal Funding Ratio of 99.05% is slightly unfavourable variance of 8.95% when compared to budget, is higher than the 76% achieved in 2021 and lower than the 103.5% in 2020. The 2021 and 2022 infrastructure delivery programs were increased to support the community's economic recovery during the COVID-19 pandemic. The 2022 result of 99% is within the target range of 90% to 110% and reflects a good level of achievement against the asset management plan noting that there is significant renewal capital carry forwards and had these been delivered this would have resulted in higher ratio in 2022 offsetting the unfavourable result of 2021. This combined with a review of the program during 2022 and the resetting of the strategic asset management plan has established a new base line for the coming financial year and may result in a ratio of around a 100% rather than a ratio offsetting the 2021 result.

6. CONCLUSION / PROPOSAL

- 6.1.1 The Annual Financial Statements for 2022 have been prepared in accordance with the applicable Australian Accounting Standards and legislative requirements, and are recommended for adoption.

City of Salisbury

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2022

A progressive, sustainable and connected community



City of Salisbury

General Purpose Financial Statements for the year ended 30 June 2022

Contents	Page
Council Certificate	2
Understanding Council's Financial Statements	3
Principal Financial Statements	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to and forming part of the Financial Statements	8
Independent Auditor's Report – Financial Statements	54
Independent Auditor's Report – Internal Controls	55
Certificates of Audit Independence	
Council Certificate of Audit Independence	56
Audit Certificate of Audit Independence	57

City of Salisbury

General Purpose Financial Statements for the year ended 30 June 2022

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 2022 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

John Harry
Chief Executive Officer

12 October 2022

Gillian Aldridge
Mayor

12 October 2022

City of Salisbury

General Purpose Financial Statements

for the year ended 30 June 2022

Understanding Council's Financial Statements

Introduction

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

About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as 'presenting a true and fair view' of the Council's financial results for the year and ensuring both responsibility for and ownership of the Financial Statements across Council.

What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2022.

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

1. **Statement of Comprehensive Income**
A summary of Council's financial performance for the year, listing all income and expenses.
2. **Statement of Financial Position**
A 30 June snapshot of Council's financial position including its assets and liabilities.
3. **Statement of Changes in Equity**
The overall change for the year (in dollars) of Council's "net wealth".
4. **Statement of Cash Flows**
Indicates where Council's cash came from and where it was spent.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the four Primary Financial Statements.

About the Auditor's Reports

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

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

About the Independence Certificates

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

Who uses the Financial Statements?

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

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

City of Salisbury

Statement of Comprehensive Income
for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Income			
Rates	2a	106,593	102,121
Statutory Charges	2b	3,656	3,805
User Charges	2c	5,193	4,930
Grants, Subsidies and Contributions	2g	18,650	15,116
Investment Income	2d	111	120
Reimbursements	2e	421	492
Other income	2f	1,034	1,488
Net Gain - Equity Accounted Council Businesses	19(a)	1,219	970
Total Income		136,877	129,042
Expenses			
Employee costs	3a	38,303	37,116
Materials, Contracts and Other Expenses	3b	54,952	52,409
Depreciation, Amortisation and Impairment	3c	29,746	28,862
Finance Costs	3d	491	642
Total Expenses		123,492	119,029
Operating Surplus / (Deficit)		13,385	10,013
Physical Resources Received Free of Charge	2i	2,865	3,795
Asset Disposal and Fair Value Adjustments	4	(5,388)	(1,599)
Amounts Received Specifically for New or Upgraded Assets	2g	2,895	5,776
Net Surplus / (Deficit)		13,757	17,985
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	166,371	28,681
Total Amounts which will not be reclassified subsequently to operating result		166,371	28,681
Total Other Comprehensive Income		166,371	28,681
Total Comprehensive Income		180,128	46,666

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

City of Salisbury

Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
ASSETS			
Current assets			
Cash and Cash Equivalent Assets	5a	9,485	9,801
Trade and Other Receivables	5b	6,955	8,242
Inventories	5c	1,597	1,608
<u>Subtotal</u>		<u>18,037</u>	<u>19,651</u>
Total current assets		<u>18,037</u>	<u>19,651</u>
Non-current assets			
Financial Assets	6a	1,008	1,040
Equity Accounted Investments in Council Businesses	6b	6,043	4,824
Other Non-Current Assets	6c	31,423	22,336
Infrastructure, Property, Plant and Equipment	7a(i)	1,725,408	1,550,676
Total non-current assets		<u>1,763,882</u>	<u>1,578,876</u>
TOTAL ASSETS		<u>1,781,919</u>	<u>1,598,527</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	8a	20,044	14,798
Borrowings	8b	1,727	2,150
Provisions	8c	7,904	7,873
<u>Subtotal</u>		<u>29,675</u>	<u>24,821</u>
Total Current Liabilities		<u>29,675</u>	<u>24,821</u>
Non-Current Liabilities			
Borrowings	8b	5,349	7,013
Provisions	8c	1,907	1,833
Total Non-Current Liabilities		<u>7,256</u>	<u>8,846</u>
TOTAL LIABILITIES		<u>36,931</u>	<u>33,667</u>
Net Assets		<u>1,744,988</u>	<u>1,564,860</u>
EQUITY			
Accumulated surplus		385,031	380,558
Asset revaluation reserves	9a	1,313,105	1,146,734
Other reserves	9b	46,852	37,568
Total Council Equity		<u>1,744,988</u>	<u>1,564,860</u>
Total Equity		<u>1,744,988</u>	<u>1,564,860</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

City of Salisbury

Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2022					
Balance at the end of previous reporting period		380,558	1,146,734	37,568	1,564,860
Net Surplus / (Deficit) for Year		13,757	–	–	13,757
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	166,371	–	166,371
Other comprehensive income		–	166,371	–	166,371
Total comprehensive income		13,757	166,371	–	180,128
Transfers between Reserves		(9,284)	–	9,284	–
Balance at the end of period		385,031	1,313,105	46,852	1,744,988
2021					
Balance at the end of previous reporting period		373,183	1,118,053	26,958	1,518,194
Net Surplus / (Deficit) for Year		17,985	–	–	17,985
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	28,681	–	28,681
Other comprehensive income		–	28,681	–	28,681
Total comprehensive income		17,985	28,681	–	46,666
Transfers between Reserves		(10,610)	–	10,610	–
Balance at the end of period		380,558	1,146,734	37,568	1,564,860

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

City of Salisbury

Statement of Cash Flows

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Cash flows from operating activities			
<u>Receipts</u>			
Rates		105,223	102,430
Statutory Charges		3,783	3,942
User Charges		5,710	5,506
Grants, Subsidies and Contributions (operating purpose)		18,915	15,415
Investment Receipts		111	120
Reimbursements		421	541
Other Receipts		15,609	9,346
<u>Payments</u>			
Payments to Employees		(38,233)	(36,959)
Payments for Materials, Contracts and Other Expenses		(58,946)	(59,222)
Finance Payments		(491)	(642)
Net cash provided by (or used in) Operating Activities	11b	52,102	40,477
Cash flows from investing activities			
<u>Receipts</u>			
Net Disposal of Investment Securities		–	75
Sale of Real Estate Developments		79	2,489
Amounts Received Specifically for New/Upgraded Assets		2,895	5,776
Sale of Replaced Assets		547	581
Sale of Surplus Assets		243	363
Repayments of Loans by Community Groups		32	30
Distributions Received from Equity Accounted Council Businesses		(79)	–
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(20,400)	(14,171)
Expenditure on New/Upgraded Assets		(33,646)	(24,765)
Development of Real Estate for Sale		58	(579)
Capital contributed to Equity Accounted Council Businesses		79	–
Net cash provided (or used in) investing activities		(50,192)	(30,201)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		315	–
<u>Payments</u>			
Repayments of Borrowings		(1,735)	(1,773)
Repayment of Lease Liabilities		(806)	(478)
Net Cash provided by (or used in) Financing Activities		(2,226)	(2,251)
Net Increase (Decrease) in Cash Held		(316)	8,025
plus: Cash and Cash Equivalents at beginning of period		9,801	1,776
Cash and cash equivalents held at end of period	11a	9,485	9,801
Additional Information:			
plus: Investments on hand – end of year	6a	615	615
Total Cash, Cash Equivalents and Investments		10,100	10,416

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Page 7 of 57

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	9
2	Income	15
3	Expenses	19
4	Asset Disposal and Fair Value Adjustments	20
5	Current Assets	21
6	Non-Current Assets	21
7	Infrastructure, Property, Plant and Equipment	23
8	Liabilities	30
9	Reserves	31
10	Assets Subject to Restrictions	33
11	Reconciliation to Statement of Cash Flows	34
12(a)	Functions	35
12(b)	Components of Functions	36
13	Financial Instruments	37
14	Capital Expenditure and Investment Property Commitments	40
15	Financial Indicators	41
16	Uniform Presentation of Finances	44
17	Leases	45
18	Superannuation	48
19	Interests in Other Entities	49
20	Contingencies and Assets/Liabilities Not Recognised in the Balance Sheet	52
21	Events after the Statement of Financial Position Date	52
22	Related Party Transactions	53

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies

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

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

(1) Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 12 October 2022.

1.2 Historical Cost Convention

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

1.2 Critical Accounting Estimates

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

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

1.3 Rounding

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

(2) The Local Government Reporting Entity

City of Salisbury is incorporated under the *South Australian Local Government Act 1999* and has its principal place of business at 34 Church Street, Salisbury. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions.

Other entities in which Council has an interest but does not *control* are reported in Note 19.

(3) Income Recognition

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

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

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

continued on next page

Page 9 of 57

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

In recent years the payment of untied grants (financial assistance grants/local roads/supplementary grants) has varied from the annual allocation as shown in the table below:

Financial Year	Payment Received In Advance \$'000	Comments
2019/20	4,329	Relates to 2020/21
2020/21	4,737	Relates to 2021/22
2021/22	6,706	Relates to 2022/23

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

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

(4) Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

(5) Inventories

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

5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with *AASB 102 Inventories* and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

5.2 Other Real Estate Held for Resale

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

continued on next page

Page 10 of 57

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

(6) Infrastructure, Property, Plant and Equipment

6.1 Initial Recognition

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

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

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

6.2 Materiality

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

Examples of capitalisation thresholds applied during the year are disclosed in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually; these reviews are conducted either internally or externally through the completion of asset audits and valuations.

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

6.5 Intangible Assets

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

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

continued on next page

Page 11 of 57

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

6.6 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is higher of the present value of future cash inflows or value in use).

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

(7) Payables

7.1 Goods and Services

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

7.2 Payments Received in Advance and Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be. In accordance with AASB 1058 Income for Not-For-Profit Entities, grant revenue received to construct assets has been recognised as payments received in advance in 2022 financial year. During the 2022 end of financial year it was determined that some grants of this nature were not recorded as Income in Advance in 2021 financial year, totalling \$2.4M, however, as this does not result in a material misstatement this prior year error has not been corrected.

(8) Borrowings

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

(9) Employee Benefits

9.1 Salaries, Wages and Compensated Absences

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

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

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

9.2 Superannuation

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

continued on next page

Page 12 of 57

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

(10) Leases

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

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

10.1 Council as a lessee

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

i) Right of Use Assets

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

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

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

ii) Lease Liabilities

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

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

The Council applies the short term lease recognition exemption to its short term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(11) Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements are accounted for in accordance with AASB 128 *Investments in Associates and Joint Ventures* and set out in detail in Note 19.

(12) GST Implications

In accordance with Interpretation Abstract 1031 '*Accounting for the Goods and Services Tax*'

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

continued on next page

Page 13 of 57

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

(13) New accounting standards and UIG interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(14) Comparative Figures

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

(15) Disclaimer

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

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 2. Income

\$ '000	2022	2021
(a) Rates		
General Rates		
General Rates	106,199	101,670
Less: Mandatory Rebates	(1,267)	(1,217)
Less: Discretionary Rebates, Remissions and Write Offs	(869)	(776)
Total General Rates	104,063	99,677
Other Rates (Including Service Charges)		
Green Adelaide Board Regional Landscape Levy	2,110	2,016
Salisbury Business Association Separate Rate	127	118
Globe Derby Community Club Separate Rate	7	7
Total Other Rates (Including Service Charges)	2,244	2,141
Other Charges		
Penalties for Late Payment	286	303
Total Other Charges	286	303
Total Rates	106,593	102,121
(b) Statutory Charges		
Development Act Fees	1,232	1,536
Town Planning Fees	892	832
Animal Registration Fees and Fines	879	821
Parking Fines / Expiation Fees	224	157
Other Licences, Fees and Fines	429	459
Total Statutory Charges	3,656	3,805
(c) User Charges		
Water Supply	2,257	2,505
Property Lease	926	831
Cemetery Fees	648	541
Aged and Disability Services	619	388
Waste Disposal Fees	78	52
Sundry	665	613
Total User Charges	5,193	4,930
(d) Investment Income		
Interest on Investments		
- Local Government Finance Authority	25	46
- Banks and Other	70	61
- Loans to Community Groups	16	13
Total Investment Income	111	120

continued on next page

Page 15 of 57

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 2. Income (continued)

\$ '000	2022	2021
(e) Reimbursements		
Other	293	270
Contract Maintenance	128	222
Total Reimbursements	421	492

(f) Other income

Rebates Received	726	749
Sundry	308	739
Total Other income	1,034	1,488

(g) Grants, Subsidies, Contributions

Amounts Received Specifically for New or Upgraded Assets	2,895	5,776
Total Amounts Received Specifically for New or Upgraded Assets	2,895	5,776
Other Grants, Subsidies and Contributions	7,116	6,232
Untied Financial Assistance Grant	4,828	4,147
Individually Significant Item - Additional Financial Assistance Grant (refer below)	6,706	4,737
Total Other Grants, Subsidies and Contributions	18,650	15,116
Total Grants, Subsidies, Contributions	21,545	20,892

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

(i) Sources of grants

Commonwealth Government	2,946	5,360
State Government	16,677	14,719
Other	1,922	813
Total	21,545	20,892

(ii) Individually Significant Items

Advanced Financial Assistance Grant Recognised as Income	6,706	4,737
--	-------	-------

On 13 April 2022, Council received advance payment of the 75% of the 2022/2023 Financial Assistance Grant, totalling \$6,706k (comprising \$5,073k in general purpose funding and \$1,633k in untied local road funding) compared to the 50% received in advance in the prior year. This has materially increased Council's operating results in the current year, as these amounts are recognised as income upon receipt, as detailed in Note 1. Potential material effects will be experienced when the timing of these grant payments are once again restored to a normal schedule.

continued on next page

Page 16 of 57

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 2. Income (continued)

\$ '000	2022	2021
(h) Conditions over Grants and Contributions		
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:		
Unexpended at the close of the previous reporting period	4,602	1,043
Less:		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Technology Drive Mawson Lakes - Dual Traffic	(479)	—
Verge Development	(341)	—
Newlyn Terrace Parafield Gardens - Tree Screen Renew	(284)	—
Burton Community Hub - Shed and Community Garden	(250)	—
Whites Rd Emu Crossing - School Zone and Pedestrian Crossing	(250)	—
Strowan Park Picnic and Open Space	(174)	—
Tea Tree Gully Business Advisory Services	(164)	(50)
Morella Community Centre Outdoor Kitchen	(144)	—
Twelve25 Entry Upgrade and Landscaping	(143)	—
Salisbury Oval Indoor Community Cricket and Recreation Facility	(111)	—
Mawson Lakes School - Kiss and Drop	(100)	—
Twelve 25 Special Projects	(80)	—
Waterwatch	(71)	(38)
OH&S - Special Distribution Fund	(30)	(52)
Risk and Governance - Special Distribution Fund	(6)	(58)
Mindset for Life Program	(3)	(38)
Dry Creek Park Way - City Wide Trails	—	(200)
NDIS Participants	—	(75)
Preventative WHS Programs - Special Distribution Fund	—	(39)
ACE Project (Accredited)	—	(21)
Perspex Screens for Public PC's - Special Distribution Fund	—	(15)
ACE Project (Non-accredited)	—	(13)
Drug and Alcohol Framework	—	(8)
Pooraka Farm Family Fun Day	—	(5)
Other	(205)	—
Subtotal	(2,835)	(612)

continued on next page

Page 17 of 57

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 2. Income (continued)

\$ '000	2022	2021
Plus:		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Salisbury Recreation Precinct Entry Carpark	934	—
Church and John Improvements	750	—
Technology Drive Mawson Lakes - Dual Traffic	450	929
Little Para River Capital Works	317	317
Fairbanks Drive Toilets and Sports Facility	305	323
Domestic Hardwaste	273	—
Salisbury Oval Indoor Community Cricket Facility	200	311
Waterwatch General	152	71
Redhill Road Ingle Farm - Traffic Improvements	64	115
Mawson Lakes School - Kiss and Drop	54	100
Verge Development	—	341
Newlyn Terrace Parafield Gardens - Tree Screen Renewal	—	284
Burton Community Hub - Shed and Community Garden	—	250
Mawson Lakes Irrigation System Upgrade	—	250
Strowan Park Picnic and Open Space	—	174
Tea Tree Gully Business Advisory Services	—	164
Morella Community Centre Outdoor Kitchen	—	144
Twelve25 Entry Upgrade and Landscaping	—	143
Belfree and Elder Smith Road - Major Traffic	—	80
OH&S - Special Distribution Fund	—	30
Risk and Governance - Special Distribution Fund	—	6
Mindset for Life Program	—	3
Other	211	136
Subtotal	3,710	4,171
Unexpended at the close of this reporting period	5,477	4,602
Net increase (decrease) in assets subject to conditions in the current reporting period	875	3,559
 (i) Physical Resources Received Free of Charge		
Land and Improvements	—	86
Roads, Bridges and Footpaths	725	1,551
Stormwater Drainage	2,140	2,158
Total Physical Resources Received Free of Charge	2,865	3,795

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 3. Expenses

\$ '000	Notes	2022	2021
(a) Employee costs			
Salaries and Wages		32,198	31,083
Employee Leave Expense		5,233	5,344
Superannuation - Defined Contribution Plan Contributions	18	587	658
Superannuation - Defined Benefit Plan Contributions	18	3,075	2,765
Workers' Compensation Insurance		1,667	1,749
Less: Capitalised and Distributed Costs		(4,457)	(4,483)
Total Operating Employee Costs		38,303	37,116
Total Number of Employees (full time equivalent at end of reporting period)		418	405
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		11	35
Bad and Doubtful Debts		2	2
Elected Members' Expenses		489	482
Election Expenses		44	36
Lease Expense - Low Value Assets / Short Term Leases		123	143
Subtotal - Prescribed Expenses		669	698
(ii) Other Materials, Contracts and Expenses			
Contractors		37,271	34,779
Sundry		4,806	4,630
Energy		4,375	5,186
Parts, Accessories and Consumables		3,223	2,599
Levies Paid to Government - Regional Landscape Levy		2,112	2,046
Insurance		1,161	1,102
Water Rates		849	800
Levies - Other		275	360
Legal Expenses		211	209
Subtotal - Other Material, Contracts and Expenses		54,283	51,711
Total Materials, Contracts and Other Expenses		54,952	52,409

continued on next page

Page 19 of 57

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 3. Expenses (continued)

\$ '000	2022	2021
(c) Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Infrastructure	15,677	15,175
Land Improvements	6,093	5,754
Buildings and Other Structures	4,337	4,175
Plant and Equipment	3,070	3,128
Right-of-use Assets	420	449
Library Books	149	181
Subtotal	29,746	28,862
Total Depreciation, Amortisation and Impairment	29,746	28,862
(d) Finance Costs		
Interest on Loans	413	532
Interest on Leases	78	98
Interest on Cash Advance Debentures	–	12
Total Finance Costs	491	642

Note 4. Asset Disposal and Fair Value Adjustments

\$ '000	2022	2021
Infrastructure, Property, Plant and Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	547	581
Less: Carrying Amount of Assets Sold	(5,684)	(3,621)
Gain (Loss) on Disposal	(5,137)	(3,040)
(ii) Assets Surplus to Requirements		
Proceeds from Disposal	243	363
Less: Carrying Amount of Assets Sold	(573)	(305)
Gain (Loss) on Disposal	(330)	58
Real Estate Development Assets		
Proceeds from Disposal	179	2,489
Less: Carrying Amount of Assets Sold	(100)	(1,106)
Gain (Loss) on Disposal	79	1,383
Net Gain (Loss) on Disposal or Revaluation of Assets	(5,388)	(1,599)

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 5. Current Assets

\$ '000	Notes	2022	2021
(a) Cash and Cash Equivalent Assets			
Cash on Hand at Bank		1,312	1,021
Short Term Deposits		8,173	8,780
Total Cash and Cash Equivalent Assets		9,485	9,801
(b) Trade and Other Receivables			
Rates - General and Other		3,463	3,926
Debtors - General		1,741	2,766
GST Recoupment		1,317	983
Prepayments		401	535
Loans to Community Organisations		33	32
Subtotal		6,955	8,242
Total Trade and Other Receivables		6,955	8,242
(c) Inventories			
Stores and Materials		244	247
Real Estate Developments	6	1,309	1,339
Cemetery Plinths, Vaults and Inurnments		44	22
Total Inventories		1,597	1,608

Note 6. Non-Current Assets

\$ '000	2022	2021
(a) Financial Assets		
Receivables		
Council Rates Postponement Scheme	59	58
Loans to Community Organisations	334	367
Subtotal	393	425
Total Receivables	393	425
Other Financial Assets (Investments)		
Mortgages over Property - Affordable Housing Scheme	615	615
Total Other Financial Assets (Investments)	615	615
Total Financial Assets	1,008	1,040

continued on next page

Page 21 of 57

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 6. Non-Current Assets (continued)

\$ '000	Notes	2022	2021
(b) Equity Accounted Investments in Council Businesses			
Northern Adelaide Waste Management Authority	19	6,043	4,824
<u>Total Equity Accounted Investments in Council Businesses</u>		6,043	4,824

Council Solutions was wound up as at 15 October 2019 and the net equity was distributed to the Constituent Councils in line with the respective interests.

(c) Other Non-Current Assets**Inventories**

Real Estate Developments	1,367	1,395
Total Inventories	1,367	1,395

Other

Capital Works-in-Progress	29,846	20,731
Intangible Assets - Water Licenses	210	210
Total Other	30,056	20,941

<u>Total Other Non-Current Assets</u>	31,423	22,336
--	---------------	---------------

Other disclosures**Real Estate Developments - Current and Non-Current**

(Valued at the lower of cost and net realisable value)

Residential	2,676	2,734
Total Real Estate for Resale	2,676	2,734

Represented by:

Acquisition Costs	1,367	1,396
Development Costs	1,309	1,338
Subtotal	2,676	2,734

Apportionment of Real Estate Developments

Current Assets	1,309	1,339
Non-Current Assets	1,367	1,395

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant and Equipment

(a(i)) Infrastructure, Property, Plant and Equipment

\$ '000	Fair Value Level	as at 30/06/21				Asset movements during the reporting period					as at 30/06/22			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Land - Other	2	487,726	–	–	487,726	–	–	(24)	–	66,963	554,666	–	–	554,666
Land Improvements	3	206,252	–	(81,368)	124,884	10,297	3,104	(769)	(6,093)	4,490	223,418	–	(87,506)	135,912
Buildings and Other Structures	3	151,019	–	(47,977)	103,042	3,489	1,768	(2,662)	(4,337)	3,621	156,547	–	(51,626)	104,921
Infrastructure	3	1,282,339	–	(463,120)	819,219	7,584	10,801	(1,575)	(15,677)	91,297	1,414,755	–	(500,240)	914,515
Right-of-Use Assets		–	3,148	(893)	2,255	53	–	–	(420)	–	–	3,201	(1,313)	1,888
Plant and Equipment		–	32,470	(20,148)	12,322	3,431	–	–	(3,070)	–	–	34,598	(22,194)	12,404
Library Books		–	2,416	(1,188)	1,228	127	–	–	(149)	–	–	2,154	(1,052)	1,102
Total Infrastructure, Property, Plant & Equipment		2,127,336	38,034	(614,694)	1,550,676	24,981	15,673	(5,030)	(29,746)	166,371	2,349,386	39,953	(663,931)	1,725,408
Comparatives		2,044,492	37,541	(566,062)	1,515,971	22,408	16,404	(3,927)	(28,862)	28,681	2,127,336	38,034	(614,694)	1,550,676

continued on next page

Page 23 of 57

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant and Equipment (continued)

(b) Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

Valuation of Assets

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

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

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

a) Fair Value Hierarchy

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

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

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

b) Valuation Techniques

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

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

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

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

c) Capitalisation Thresholds

continued on next page

Page 24 of 57

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant and Equipment (continued)

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

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

d) Estimated Useful Lives

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

Plant, Furniture and Equipment

Office Equipment	3 to 10 years
Office Furniture	3 to 10 years
Vehicles and Road-making Equipment	2 to 20 years
Other Plant and Equipment	3 to 20 years

Building and Other Structures

Building Components	10 to 120 years
Playground Equipment	10 to 25 years
Benches, Seats, etc	10 to 15 years

Infrastructure

Roads - Seal	20 to 35 years
Roads - Base	60 to 105 years
Roads - Sub-Base	180 to 315 years
Unsealed Roads	5 to 10 years
Bridge Components	20 to 100 years
Footpaths	8 to 80 years
Kerb, Gutter and Medians	50 to 300 years
Drainage Pipes	80 to 100 years
Culverts, Headwalls and Junction Boxes	80 to 100 years
Dams and Reservoirs	200 to 400 years
Bores	75 years
Reticulation Pipes - PVC	50 to 80 years
Pumps and Telemetry	10 to 50 years

Other Assets

Library Books	3 to 7 years
Artworks/Local History	Indefinite
Street Trees	50 years
Right of Use Assets	3 to 5 years

e) Table of Fair Values 2021/22

continued on next page

Page 25 of 57

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant and Equipment (continued)

	Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	Total \$'000s
Land	-	554,666	-	554,666
Land Improvements	-	-	135,912	135,912
Buildings and Other Structures	-	4,315	100,606	104,921
Infrastructure	-	-	914,514	914,514
Total	-	558,981	1,151,032	1,710,013

f) Disclosed Fair Value Measurements

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$'000s
Land	2	Market Value	554,666

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

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$'000s
Land Improvements	3	Cost Approach	135,912

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

a. Independent valuations are provided by Tonkin Consulting using a methodology that utilises observable Council specific contract rates or industry construction guides to derive a unit rate used to calculate a current replacement cost for each asset. Assets valued via this method include Footpaths, Kerbing and Carpark Pavement/Seals all situated on Council Reserves. In 2021/22 a 3 year average of these unit rates have been utilised.

b. Revalued using a 3 year average of the Local Government Pricing Index (LGPI) from 2019/20 to 2021/22. Assets valued via this method include Fencing, Irrigation Equipment, Playgrounds, Sports Courts/Facilities, Reserve Furniture, Landscaping and Other Structures all situated on Council Reserves.

c. Independent valuations provided by Tonkin Consulting in 2019/20 using a methodology that utilises observable Council cost information as well as their knowledge of the water industry and references to various construction guides (such as Rawlinsons Australian Construction Handbook) to derive an index for each asset component associated with Councils Recycled Stormwater Business Unit, which includes assets such as Pipework, Pumps, Bores, Valves, Electrical and Computer Equipment. In 2020/21, an independent valuation of the current replacement cost for these assets was undertaken using an ASR Asset Price Index provided by Tonkin Consulting, derived from references to various construction guides (such as Rawlinsons Australian Construction Handbook). In 2021/22, an independent valuation of the current replacement cost for these assets was undertaken using a 3 year average from 2019/20 to 2021/22 of an ASR Asset Price Index provided by Tonkin Consulting, derived from references to various construction guides (such as Rawlinsons Australian Construction Handbook).

d. Independent valuations initially provided by JLL in 2017/18 using a methodology that utilises observable rates and cost information from their research across the Playground and Fitness Equipment industries. Assets valued via this method included Playgrounds and Fitness Equipment. These assets have been revalued from 2018/19 to 2020/21 utilising the Local Government Pricing Index (LGPI) and in 2021/22 utilising a 3 year average of the Local Government Pricing Index (LGPI) from 2019/20 to 2021/22.

continued on next page

Page 26 of 57

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant and Equipment (continued)

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$'000s
Building and Other Structures	2	Market Value	4,315
Building and Other Structures	3	Cost Approach	100,606
Total			104,921

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

a. Independent market valuations were provided by Public Private Property for the 2020/21 and 2021/22 Financial Year using a methodology that utilises observable, comparable market sales data in the Salisbury Council area.

b. Independent valuations of the current replacement cost for buildings at a component level was undertaken by Sproutt - Professional Engineering Services and Public Private Property as at 1 July 2020 using a methodology that utilises observable rates and cost information from their extensive knowledge across Building Infrastructure. As at 30 June 2021 for the 2020/21 Financial Year, an independent valuation of the current replacement cost for these assets was undertaken using Building Component Indexes provided by Tonkin Consulting, derived from references to the Rawlinsons Australian Construction Handbook. For the 2021/22 Financial Year, an independent valuation of the current replacement cost for these assets was undertaken using a 3 year average from 2019/20 to 2021/22 of Building Component Indexes provided by Tonkin Consulting, derived from references to the Rawlinsons Australian Construction Handbook.

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$'000s
Infrastructure	3	Cost Approach	914,514

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

a. Independent valuations are provided by Tonkin Consulting using a methodology that utilises observable Council specific contract rates or industry construction guides to derive a unit rate used to calculate a current replacement cost for each asset. Assets valued via this method include Footpaths, Kerbing, Carpark Pavements/Seals and Drainage Pipes/Pits all situated on or under Council Roads. In 2021/22 a 3 year average of these unit rates have been utilised.

b. Independent valuations initially provided by SMEC in 2016/17 using a methodology that utilises observable rates and cost information from their extensive knowledge of water retention related infrastructure. Assets valued via this method include Major Drainage Dams. In the financial years from 2017/18 to 2020/21 these assets were revalued using the Local Government Pricing Index (LGPI). In 2021/22 a 3 year average of the LGPI from 2019/20 to 2021/22 has been utilised.

c. Independent valuations provided by Infrastructure Management Group and Counterpart Solutions as at 30 June 2022 utilising a methodology that utilises their extensive knowledge across Road Infrastructure as well as a 3 year average of unit rates derived from references to the Rawlinsons Australian Construction Handbook. Assets valued under this method include Road Seals/Pavements.

d. Revalued using a 3 year average from 2019/20 to 2021/22 of the Local Government Pricing Index (LGPI). Assets valued via this method include Bridges, Irrigation Equipment on Roads, Road Furniture, Landscaping on Roads, Open Drainage Systems and Minor Drainage Dams.

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

continued on next page

Page 27 of 57

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant and Equipment (continued)

Highest and best use

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

Land Under Roads

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

Land

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

Infrastructure, Buildings and Land Improvements

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

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

Observable Inputs:

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

Unobservable Inputs/Estimates:

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

Intangible Assets

Intangible Assets have been accounted for in accordance with the requirements of *AASB 138 Intangible Assets*. Council has purchased from the market in arm's length transactions, Water Licences that enable the harvesting and sale of stormwater, and is of the opinion that these Water Licences meet the definition and recognition requirements of Intangible Assets, specifically Intangible Assets with an indefinite useful life. Initial recognition of these Water Licences is at cost, and after initial recognition they are carried at cost less any accumulated impairment losses.

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

continued on next page

Page 28 of 57

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant and Equipment (continued)

Street Trees

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

Plant, Furniture and Fittings

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

Library Books

Library books are accounted for under the replacement method. Library stock at 30 June 2022 is valued using nominal values recommended by the Public Library Service (PLS). All new purchases are treated as replacement items and the expense is classified as depreciation. This expense is then adjusted by the movement in the calculated value of the library stock.

Right of Use Assets

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

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 8. Liabilities

\$ '000	Notes	2022 Current	2022 Non Current	2021 Current	2021 Non Current
(a) Trade and Other Payables					
Goods and Services		13,375	–	11,502	–
Payments Received in Advance ^{8a}		5,822	–	2,560	–
Accrued Expenses - Employee Entitlements		506	–	356	–
Accrued Expenses - Other		26	–	32	–
Deposits, Retentions and Bonds		315	–	348	–
Total Trade and Other Payables		20,044	–	14,798	–

(8a) Income in Advance

(b) Borrowings

Loans		1,321	3,769	1,735	5,090
Lease Liabilities	17b	406	1,580	415	1,923
Total Borrowings		1,727	5,349	2,150	7,013

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

(c) Provisions

Salisbury Memorial Park Maintenance Provision		–	110	–	100
Mortgage Loss Provision		–	16	–	16
Employee Entitlements (including oncosts)		7,904	1,781	7,873	1,717
Total Provisions		7,904	1,907	7,873	1,833

Movements in Provisions

2021 (current and non-current) \$ '000	Salisbury Memorial Park Maintenance Provision 2022	Mortgage Loss Provision 2022
Opening Balance	100	16
Additional Amounts Recognised	10	–
Closing Balance	110	16

Page 30 of 57

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 9. Reserves

	as at 30/06/21		as at 30/06/22
\$ '000	Opening Balance	Increments (Decrements)	Closing Balance
(a) Asset Revaluation Reserve			
Land - Other	386,793	66,963	453,756
Land Improvements	28,861	4,490	33,351
Buildings and Other Structures	16,707	3,621	20,328
Infrastructure	712,035	91,297	803,332
Library Books	2,338	—	2,338
Total Asset Revaluation Reserve	1,146,734	166,371	1,313,105
Comparatives	1,118,053	28,681	1,146,734

	as at 30/06/21			as at 30/06/22
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Closing Balance
(b) Other Reserves				
Development and Public Infrastructure Reserve	1,756	683	(424)	2,015
Open Space Reserve	1,481	38	—	1,519
Car Parking Reserve	951	4	—	955
Property Disposal Reserve	2,437	198	—	2,635
Mausoleum Perpetual Care Reserve	875	56	—	931
Salisbury Memorial Park Reserve	915	3	—	918
Carried Forward Funds Reserve	26,089	32,075	(26,089)	32,075
Salisbury Water Business Unit Reserve	3,064	470	—	3,534
Northern Futures Fund Reserve	—	265	—	265
Business Transformation Future Fund Reserve	—	2,005	—	2,005
Total Other Reserves	37,568	35,797	(26,513)	46,852
Comparatives	26,958	29,513	(18,903)	37,568

continued on next page

Page 31 of 57

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 9. Reserves (continued)

Purposes of Reserves

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Development and Public Infrastructure Reserve

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

Open Space Reserve

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

Carpark Reserve

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

Property Disposal Reserve

To retain the proceeds of any property sales, including surplus land and redevelopments, under the provision of Section 194 of the *Local Government Act 1999* and subject to compliance with all legal requirements thereof, and the cash proceeds received from Council's real estate developments. These proceeds are to be utilised to repay current debt or reduce future borrowing requirements.

Mausoleum Perpetual Care Fund Reserve

To provide maintenance for the Mausoleum situated at Salisbury Memorial Park.

Salisbury Memorial Park Reserve

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

Carried Forward Funds Reserve

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

Salisbury Water Business Unit Reserve

Generated by the allocation of surpluses, and offset by deficits resulting from the operations of the Salisbury Water Business Unit. Allocations from the Reserve can only be made following a resolution of Council and can only be utilised to fund either business development, asset renewal, offset losses or to distribute dividends to Council.

Northern Futures Fund Reserve

Funds held to be utilised to support local communities, particularly those in priority groups, to engage in lifelong learning leading to employment and provide accessible, quality services and resources relating to schools to work transition, workforce development, employment programs, career transitioning and capacity building. A reference group including three industry representatives, two education representatives and a representative from both the SA Government and City of Salisbury have oversight of the fund and how monies will be disbursed.

Business Transformation Reserve

Generated by the allocation of identified expenditure savings and income gains as stated within the Business Transformation Future Fund Policy and to be utilised to fund future costs associated with projects that align with the City of Salisbury's three success factors being Exceptional Community Experience, Quality Outcomes and Great Place to Work, without unnecessarily burdening the community with the costs of these initiatives in the year of expenditure.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 10. Assets Subject to Restrictions

\$ '000	2022	2021
The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.		
Cash and Financial Assets		
Open Space Contributions	1,519	1,481
Developer Contributions	2,970	2,706
Unexpended Grants and Subsidy Funds	–	4,602
Total Cash and Financial Assets	4,489	8,789
Total Assets Subject to Externally Imposed Restrictions	4,489	8,789

Open Space Contributions are received primarily to fund reserves/playspaces and other recreational areas within new subdivisions. Developer Contributions are received primarily to fund infrastructure works in new subdivisions. These funds are held in Reserves (as disclosed in Note 9) until required and as such are regarded as restricted. Grant and Subsidy Funds received but not yet expended are regarded as restricted, and are disclosed in Note 2g.

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2022	2021
---------	-------	------	------

(a) Reconciliation of Cash

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

Total Cash and Equivalent Assets	5	9,485	9,801
Balances per Statement of Cash Flows		9,485	9,801

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

Net Surplus/(Deficit)		13,757	17,985
Non-Cash Items in Income Statements			
Depreciation, Amortisation and Impairment		29,746	28,862
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(1,219)	(970)
Non-Cash Asset Acquisitions		(2,865)	(3,795)
Grants for capital acquisitions treated as Investing Activity		(2,895)	(5,776)
Net (Gain) Loss on Disposals		5,388	1,599
		41,912	37,905
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		1,688	(203)
Net (Increase)/Decrease in Inventories		(19)	51
Net Increase/(Decrease) in Trade & Other Payables		8,416	2,507
Net Increase/(Decrease) in Unpaid Employee Benefits		95	214
Net Increase/(Decrease) in Other Provisions		10	3
Net Cash provided by (or used in) operations		52,102	40,477

(c) Financing Arrangements

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

Bank Overdrafts	—	500
Corporate Credit Cards	500	500
LGFA Cash Advance Debenture Facility	50,317	50,317

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

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).										
\$ '000	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Functions/Activities										
Public Order and Safety	3,856	3,889	4,110	3,960	(254)	(71)	13	–	484	582
Health	159	210	271	1,586	(112)	(1,376)	37	5	6,018	5,112
Social Security and Welfare	3,544	3,517	9,017	8,586	(5,473)	(5,069)	2,813	3,048	16,331	15,692
Housing and Community Services	3,845	3,653	35,870	37,252	(32,025)	(33,599)	668	248	522,921	495,900
Recreation and Culture	1,188	1,123	41,842	35,266	(40,654)	(34,143)	729	574	550,602	491,546
Transport and Communication	5,162	3,350	17,249	18,643	(12,087)	(15,293)	5,157	3,324	594,300	507,828
Economic Affairs	106	135	8,566	7,621	(8,460)	(7,486)	10	32	99	88
Other, Not Attributed and Admin	117,798	112,195	6,567	6,115	111,231	106,080	9,223	7,885	91,164	81,779
Total Functions/Activities	135,658	128,072	123,492	119,029	12,166	9,043	18,650	15,116	1,781,919	1,598,527

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

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 12(b). Components of Functions

The activities relating to Council functions are as follows:

Public Order and Safety

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

Health

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

Social Security and Welfare

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

Housing and Community Services

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

Recreation and Culture

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

Transport and Communication

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

Economic Affairs

Building Act administration, economic initiatives, tourism.

Other, Not Attributed and Administration

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

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms and Conditions:

Deposits are returning fixed interest rates between 1.05% and 2.05% (2021: 0.30% and 0.45%). Short term deposits have an average maturity of 30 days and an average interest rate of 1.92% (2021: 30 days and 0.375%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates and Associated Charges

Accounting Policy:

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

Terms and Conditions:

Secured over the subject land, arrears attract interest of 2% (2021: 2.0%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Fees and Other Charges

Accounting Policy:

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

Terms and Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms and Conditions:

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

Carrying Amount:

Approximates fair value.

continued on next page

Page 37 of 57

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

Liabilities - Creditors and Accruals

Accounting Policy:

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

Terms and Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities - Interest Bearing Borrowings

Accounting Policy:

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

Terms and Conditions:

Secured over future revenues, borrowings are repayable biannually; interest is charged at fixed rates between 4.0% and 6.80% (2021: 4.0% and 7.01%).

Carrying Amount:

Approximates fair value.

Liabilities - Leases

Accounting Policy:

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

continued on next page

Page 38 of 57

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets and Liabilities					
2022					
Financial Assets					
Cash and Cash Equivalents	9,485	–	–	9,485	9,485
Receivables	5,237	393	–	5,630	5,630
Other Financial Assets	–	–	615	615	615
Total Financial Assets	14,722	393	615	15,730	15,730
Financial Liabilities					
Payables	14,211	–	–	14,211	14,222
Current Borrowings	1,321	–	–	1,321	1,321
Non-Current Borrowings	–	3,624	145	3,769	3,769
Leases	406	1,580	–	1,986	1,986
Total Financial Liabilities	15,938	5,204	145	21,287	21,298
2021					
Financial Assets					
Cash and Cash Equivalents	9,801	–	–	9,801	9,801
Receivables	6,724	425	–	7,149	7,149
Other Financial Assets	–	–	615	615	615
Total Financial Assets	16,525	425	615	17,565	17,565
Financial Liabilities					
Payables	12,238	–	–	12,238	12,238
Current Borrowings	2,154	–	–	2,154	1,735
Non-Current Borrowings	–	5,612	201	5,813	5,090
Leases	415	1,923	–	2,338	2,338
Total Financial Liabilities	14,807	7,535	201	22,543	21,401

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

\$ '000	2022		2021	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	8.22%	–	6.47%	–
Fixed Interest Rates	6.08%	5,090	5.82%	6,825
		5,090		6,825

Net Fair Value

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

continued on next page

Page 39 of 57

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

Risk Exposures

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

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

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

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

Set out below is the movement in the allowance for expected credit losses:

Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	2022	2021
---------	------	------

(a) Capital Commitments

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

Buildings	9,769	1,679
Infrastructure	18,728	16,049
Plant and Equipment	1,343	931
	<u>29,840</u>	<u>18,659</u>

These expenditures are payable:

Not later than one year	29,840	18,659
	<u>29,840</u>	<u>18,659</u>

(b) Other Expenditure Commitments

Other non-capital expenditure commitments in relation to investment properties at the reporting date but not recognised in the financial statements as liabilities:

Audit Services	33	33
	<u>33</u>	<u>33</u>

These expenditures are payable:

Not later than one year	33	33
	<u>33</u>	<u>33</u>

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 15. Financial Indicators

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021	Indicators 2020
<p>Financial Indicators overview</p> <p><i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i></p>				
1. Operating Surplus Ratio				
Operating Surplus	13,385	9.8%	7.8%	7.5%
Total Operating Income	136,877			
<p><i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i></p>				
2. Net Financial Liabilities Ratio				
Net Financial Liabilities	19,483	14.2%	11.3%	17.2%
Total Operating Income	136,877			
<p><i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i></p>				
Adjusted Operating Surplus Ratio				
Operating Surplus	11,416	8.5%	7.5%	7.6%
Total Operating Income	134,908			
Adjustments to Ratios				
<p>In recent years the Federal Government has made advance payments prior to 30 June from future year allocations of financial assistance and supplementary local roads grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.</p>				
3. Asset Renewal Funding Ratio				
Asset Renewals	19,853	99.0%	76.0%	103.5%
Infrastructure & Asset Management Plan required expenditure	20,044			
<p><i>Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.</i></p>				

Financial Indicators - Graphs

continued on next page

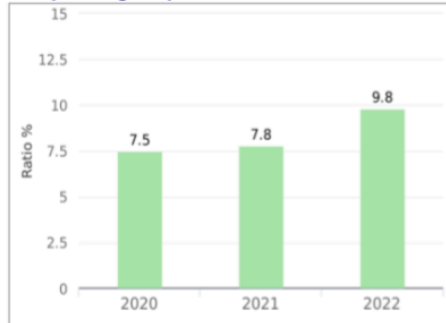
Page 41 of 57

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 15. Financial Indicators (continued)

1. Operating Surplus Ratio



Purpose of operating surplus ratio

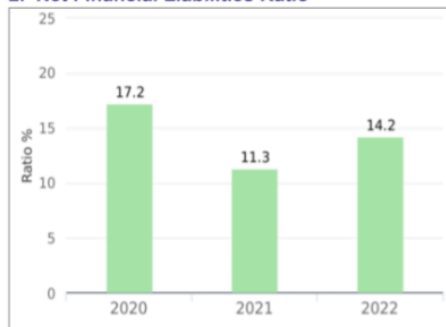
This indicator is to determine the percentage the operating revenue varies from operating expenditure

Commentary on 2021/22 result

2021/22 ratio 9.8%

The target for the operating surplus ratio is 0.5% to 5% with the actual results sitting above the upper limit, primarily due to the delivery of the capital program with delays resulting in lower interest costs as borrowing levels remain low and lower depreciation due to the delay in completion of assets for take up.

2. Net Financial Liabilities Ratio



Purpose of net financial liabilities ratio

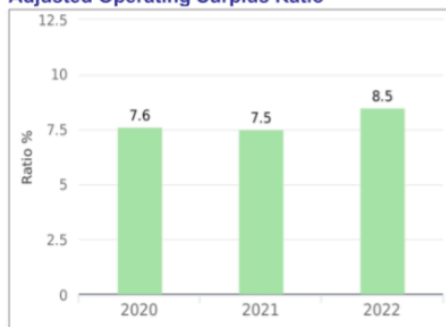
This indicator shows the significance of the net amount owed to others, compared to operating revenue

Commentary on 2021/22 result

2021/22 ratio 14.2%

Net financial liabilities ratio remains low with low levels of debt and advanced payment of the Financial Assistance Grant and Untied Local Roads Grant bolstering the cash position at the end of the financial year. Further contributing is the timing of the delivery of the capital program with significant carry forward into the 2022/23 financial year.

Adjusted Operating Surplus Ratio



Purpose of adjusted operating surplus ratio

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

Commentary on 2021/22 result

2021/22 ratio 8.5%

The target for the operating surplus ratio is 0.5% to 5% with the actual results sitting above the upper limit, primarily due to the delivery of the capital program with delays resulting in lower interest costs as borrowing levels remain low and lower depreciation due to the delay in completion of assets for take up.

3. Asset Renewal Funding Ratio

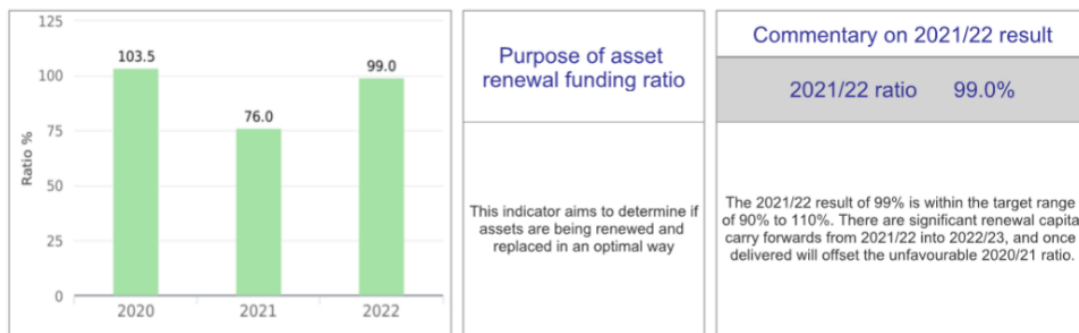
continued on next page

Page 42 of 57

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 15. Financial Indicators (continued)



City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 16. Uniform Presentation of Finances

\$ '000	2022	2021
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income	136,877	129,042
less Expenses	(123,492)	(119,029)
Operating Surplus / (Deficit)	13,385	10,013
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(20,400)	(14,171)
add back Depreciation, Amortisation and Impairment	29,746	28,862
add back Proceeds from Sale of Replaced Assets	547	581
	9,893	15,272
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property and Real Estate Developments)	(33,767)	(27,833)
add back Amounts Received Specifically for New and Upgraded Assets	2,895	5,776
add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale)	322	2,852
	(30,550)	(19,205)
Net Lending / (Borrowing) for Financial Year	(7,272)	6,080

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 17. Leases

(i) Council as a lessee

Terms and conditions of leases

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

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

(a) Right of use assets

\$ '000	Information Technology Assets	Land	Total
2022			
Opening balance	1,136	1,119	2,255
Additions to right-of-use assets	53	–	53
Adjustments to right-of-use assets due to re-measurement of lease liability	–	–	–
Depreciation charge	(379)	(41)	(420)
Balance at 30 June	810	1,078	1,888
2021			
Opening balance	1,429	1,161	2,590
Additions to right-of-use assets	32	–	32
Adjustments to right-of-use assets due to re-measurement of lease liability	82	(1)	81
Depreciation charge	(407)	(41)	(448)
Balance at 30 June	1,136	1,119	2,255

continued on next page

Page 45 of 57

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 17. Leases (continued)

(b) Lease liabilities

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

\$ '000	2022	2021
Balance at 1 July	2,338	2,702
Additions	53	32
Accretion of interest	78	98
Payments	(484)	(512)
Other	—	18
Balance at 30 June	1,985	2,338
Classified as:		
Current	405	415
Non Current	1,580	1,923

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

The Group had total cash outflows for leases of \$543k.

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	420	449
Interest expense on lease liabilities	78	98
Expense relating to short term leases	123	143
Total amount recognised in profit or loss	621	690

continued on next page

Page 46 of 57

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 17. Leases (continued)

(ii) Council as a lessor

Leases Providing Revenue to the Council

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

Investment Property

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

\$ '000	2022	2021
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	1,011	1,033
Later than one year and not later than 5 years	2,219	2,779
Later than 5 years	2,133	2,599
	5,363	6,411

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 18. Superannuation

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.00% in 2021/22; 9.50% in 2020/21). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2020/21) of "superannuation" salary.

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

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 19. Interests in Other Entities

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

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2022	2021	2022	2021
Council's Share of Net Income				
Joint Ventures	1,219	970	6,043	4,824
Total Council's Share of Net Income	1,219	970	6,043	4,824

((a)i) Joint Ventures, Associates and Joint Operations

(a) Carrying Amounts

\$ '000	Principal Activity	2022		2021	
Northern Adelaide Waste Management Authority	Waste Management	6,043		4,824	
Total Carrying Amounts - Joint Ventures and Associates		6,043		4,824	

Northern Adelaide Waste Management Authority

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

Whilst the City of Salisbury has a 53.76% share of equity in NAWMA for the 2022 Financial Year, Council is of the opinion that it does not have control over NAWMA's operations. The rationale being that all three Constituent Councils hold equal voting power at 33.33% and NAWMA's Chairperson and CEO are independent from the constituent Councils. Therefore the ability for Council to control NAWMA's operations is limited to Council's voting power at 33.33%, not its share of equity at 53.76%. Accordingly Council has utilised the equity accounting method to recognise its share of equity in NAWMA for the 2022 Financial Year.

(b) Relevant Interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2022	2021	2022	2021	2022	2021
Northern Adelaide Waste Management Authority	54.07%	54.73%	54.07%	54.73%	33.33%	33.33%

continued on next page

Page 49 of 57

City of Salisbury

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 19. Interests in Other Entities (continued)

(c) Movement in Investment in Joint Venture or Associate

\$ '000	Northern Adelaide Waste Management Authority	
	2022	2021
Opening Balance	4,824	3,854
Share in Operating Result	1,219	970
Council's Equity Share in the Joint Venture or Associate	6,043	4,824

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position

Cash and Cash Equivalents	9,802	7,167
Other Current Assets	5,193	4,194
Non-Current Assets	20,679	22,914
Total Assets	35,674	34,275
Current Trade and Other Payables	7,127	6,667
Current Financial Liabilities	2,243	2,527
Current Provisions	327	366
Non-Current Financial Liabilities	8,310	10,512
Non-Current Provisions	6,489	5,388
Total Liabilities	24,496	25,460
Net Assets	11,178	8,815

Statement of Comprehensive Income

Other Income	48,155	45,686
Management Fees	—	—
Interest Income	262	240
Total Income	48,417	45,926
Employee Costs	4,147	3,827
Materials, Contracts and Other Expenses	38,184	36,523
Depreciation, Amortisation and Impairment	3,315	3,250
Finance Costs	467	512
Total Expenses	46,113	44,112
Operating Result	2,304	1,814

continued on next page

Page 50 of 57

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 19. Interests in Other Entities (continued)

(e) Share of Joint Operations Expenditure Commitments

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

\$ '000	2022	2021
(i) Capital Expenditures Payable		
Not later than one year	17,128	16,791
Later than one year and not later than 5 years	19,032	35,506
	<u>36,160</u>	<u>52,297</u>

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

(ii) Lease Payments Commitments Payable

Not later than one year	1,100	1,428
Later than one year and not later than 5 years	3,005	4,064
	<u>4,105</u>	<u>5,492</u>

((a)ii) Individually Immaterial Council Businesses

Council did not have any individually immaterial businesses

((a)iii) Unconsolidated Structured Entities

Council has no Unconsolidated Structured Entities

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

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

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

1. Land under roads

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

2. Potential insurance losses

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

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

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

3. Legal matters

Council is the planning consent authority for its area under the *Development Act 1993* (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of nil appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

4. Cemetery

Council operates a Cemetery Facility - Salisbury Memorial Park. A Contingent Liability exists for the ongoing maintenance of this Cemetery. This liability remains for a period of 100 years after the expiry of the lease on the last burial of the site. In addition, Council is party to a leasing arrangement for the management and operations of the Mausoleum situated at Salisbury Memorial Park. As part of this lease the lessee is required to contribute to the Perpetual Care Fund which was established to fund the long term maintenance of the Mausoleum upon expiry of the lease.

Note 21. Events after the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2022, up to and including the date when the financial statements are 'authorised for issue' have been taken into account in preparing these statements.

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

Accordingly, the 'authorised for issue' date is 12 October 2022.

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

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 22. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel (KMP) of the Council include the Mayor, Councillors, CEO, General Managers and certain prescribed officers under section 112 of the *Local Government Act 1999*, as well as other personnel that satisfy the criteria of KMP as contained within *AASB 124 Related Party Transactions*. In some circumstances members of the KMP have left Council during the financial year, however their compensation has still been included. In all, 44 persons were paid the following total compensation:

\$ '000	2022	2021
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	5,537	5,459
Post-Employment Benefits	485	454
Long-Term Benefits	750	717
Total	6,772	6,630

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

Receipts from Key Management Personnel comprise:

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

Transactions with Regional Subsidiaries:

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

	Payments	Outstanding
Northern Adelaide Waste Management Authority	15,437	1,365
Total	15,437	1,365

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

Northern Adelaide Waste Management Authority	14,338
Total	14,338

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

City of Salisbury

General Purpose Financial Statements
for the year ended 30 June 2022

Independent Auditor's Report - Financial Statements

City of Salisbury

General Purpose Financial Statements
for the year ended 30 June 2022

Independent Auditor's Report - Internal Controls

City of Salisbury

General Purpose Financial Statements for the year ended 30 June 2022

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Salisbury for the year ended 30 June 2022, the Council's Auditor, Bentleys has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

John Harry
Chief Executive Officer

Graham Reynolds
Presiding Member, Audit Committee

Date: 11 October 2022

City of Salisbury

General Purpose Financial Statements for the year ended 30 June 2022

Statement by Auditor

I confirm that, for the audit of the financial statements of City of Salisbury for the year ended 30 June 2021, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Auditor's Name

Audit Firm Name

Date: dd MMMM yyyy

ITEM	7.1.3
	AUDIT AND RISK COMMITTEE
DATE	11 October 2022
HEADING	3-Year Internal Audit Plan 2022/23-2024/25
AUTHOR	Hussain Rafeeu, Internal Auditor & Risk Coordinator, CEO and Governance
CITY PLAN LINKS	4.2 We deliver quality outcomes that meet the needs of our community 4.4 We plan effectively to address community needs and identify new opportunities
SUMMARY	Recommendations from the last Audit and Risk Committee meeting are incorporated in the 3-year Internal Audit Plan 2022/2023 to 2024/2025. Changes since it was last presented to the Audit and Risk Committee in July 2022 are highlighted.

RECOMMENDATIONThat Council:

1. Approves the updates made to the 3-year Internal Audit Plan 2022/2023 to 2024/2025 as set out in Attachment 1 to this report (Audit and Risk Committee, 11/10/2022, Item No.7.1.3).
2. Notes the accompanying high-level indicative draft scope for pending audits as set out in Attachment 2 of this report (Audit and Risk Committee, 11/10/2022, Item No.7.1.3).

ATTACHMENTS

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

1. 3-year Internal Audit Plan 2022-23 to 2024-25
2. Indicative Scopes for Pending Audits

1. BACKGROUND

- 1.1 The 3-year Internal Audit Plan 2022-2023 to 2024-2025 and the accompanying indicative draft audit scopes were last considered by the Audit & Risk Committee in July 2022.
- 1.2 At the July 2022 meeting, the Audit & Risk Committee requested that the Internal Audit Plan be reviewed to assess the impact of the Enterprise Resource Planning (ERP) project on the planned IT Investment Strategy Audit.

2. REPORT

The updated 3-year Internal Audit Plan 2022-2023 to 2024-2025 is set out in Attachment 1 to this report.

Key changes and updates to the 3-year Internal Audit Plan 2022-2023 to 2024-2025 are as follows:

2.1 IT Investment Strategy Audit, replaced with Desktop Audit on Strategic Alignment of IT Investments

Management considered to undertake a Desktop Audit on Strategic Alignment of IT Investments, initially focusing on the ERP project itself, and then undertake a comprehensive internal audit post the ERP project implementation. On 31 August 2022, the revised indicative scope and the revised 3-year Internal Audit Plan was shared with the Audit and Risk Committee as an out of session circulation and members expressed their support for the revised approach. The following point is added to the audit scope following feedback from the Audit and Risk Committee:

“Alignment of Business needs to the ERP solution being selected through a Business Requirements process and tender evaluation process”.

The Desktop Audit on Strategic Alignment of IT Investments will be undertaken internally by the Council’s Internal Auditor & Risk Coordinator.

2.2 Update on Ongoing Audits

2.2.1 Fleet, Heavy Vehicle, High Value and Portable Assets Audit

This audit is progressing and on schedule, to be completed and reported to the Audit & Risk Committee in November 2022.

2.3 Pending Audits to commence in the Current Year and Audits Rescheduled to Next Year

The following audits are on schedule in accordance with the last update to the Audit and Risk Committee in July 2022.




- IT Investment Strategy Audit – replaced with a Desktop Audit on Strategic Alignment of IT Investments to commence in November 2022.
- Strategic reporting process Audit – This audit is now rescheduled from November 2022 to March 2023, as the Desktop Audit on Strategic Alignment of IT Investments is now agreed to be undertaken in November 2022.
- IT Disaster Recovery Audit – to commence in April 2023.
- Independent External Review of Internal Audit Function – to commence in June 2023.

2.4 Indicative Scopes for Pending Audits for the 3-year Internal Audit Plan

Following incorporation of feedback from the Audit and Risk Committee out of session circulation, the revised indicative scopes with track changes are set out in Attachment 2 to this report. The scopes are in draft and indicative only, and a more detailed audit scope will be written for approval by the CEO, with input and feedback following further stakeholder consultation.

3. CONCLUSION / PROPOSAL

This report outlines the progress made towards the completion of the 3-year Internal Audit Plan since it was last presented to the Audit and Risk Committee in June 2022 and seeks the Audit and Risk Committee's input and feedback on the revised 3-year Internal Audit Plan 2022/2023 to 2024/2025 and on the indicative draft scopes for pending audits.



Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025								
								3-Yr IA Plan					
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	2022/2023	2023/2024	2024/2025	Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 11 October 2022)
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	<ul style="list-style-type: none">• Unplanned spending• Inadequate valuation of assets or inaccurate depreciation• Inadequate planning for infrastructure repairs or upgrades	1	Fleet, Heavy Vehicle, High Value & Portable Assets Audit	Fleet, Heavy Vehicle, High Value & Portable Assets This audit is to provide assurance that the established governance and risk management is sufficiently robust to protect and ensure the viability of the fleet, heavy vehicles, high value and portable assets.				The City owns and operates a significant fleet of vehicles. There is a risk that the mismanagement of this fleet causes inefficiencies in regard to productivity and negative cost impact. This review is to provide assurance that the established governance and risk management in regard to management of this fleet is sufficiently robust to protect the viability of these assets.	People & Culture; Community Experience; Strategic Development Projects; Financial Services; Field Services; and Strategic Procurement	Audit is in progress and aimed to report to Audit & Risk Committee in November 2022.
8	Lack of alignment and integrity of IT systems and data to support service delivery	High	High	<ul style="list-style-type: none">• Lack of business engagement and clarity of roles• External pressure for changes to systems• Failure to adequately involve IT when developing plans, strategies and projects• Failure to consider all options when improving a system or process• Organisational change is not conducted in a structured and logical manner	5	IT Investment Strategy Audit Desktop Audit on Strategic Alignment of IT Investments	IT Investment Strategy Audit Desktop Audit on Strategic Alignment of IT Investments To provide assurance that the strategy around IT investment is sufficiently robust to support the current business requirements and continuous improvement initiatives. The overall objective of the audit is to provide assurance that the planned investment on Enterprise Resource Planning (ERP) solution is aligned to the City's Digital Strategy 2027, to support the current business requirements and continuous improvement initiatives and is aligned to the accomplishment of City Plan 2035.				The City has significant reliance upon technology to maintain and drive business requirements and efficiency gains. Failure to correctly manage the future IT acquisitions and costings may impact the City of Salisbury with inefficient processes, legacy IT issues and lagging IT systems leading to inefficiencies, financial impact, service interruption and inability to maximize continued improvements. This review is to provide City of Salisbury with assurance that the IT Investment Strategy is sufficiently robust to support current and changing business requirements and continuous improvement initiatives. Given that COS is in the midst of a major IT investment project involving the acquisition of an Enterprise Resource Planning (ERP) system, following the last Audit & Risk Committee feedback, management determined that it is more value adding to undertake an initial desktop audit on the strategic alignment of IT Investment by the City's Internal Auditor & Risk Coordinator, audit instead of a full-fledged IT investment audit by an external audit firm. A full-fledged IT Investment is to be undertaken at a later stage upon the implementation of the ERP system.	Governance; Business Systems and Solutions; Financial Services; and Strategic Procurement	Desktop Audit on Strategic Alignment of IT Investments is scheduled to commence in November 2022.
6	Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	<ul style="list-style-type: none">• Inadequate performance measures which are not linked to objectives or strategies• Failure to deliver what is expected by the local community due to a lack of alignment of strategic plans• Limited meaningful corporate performance indicators in place• Inconsistent reporting and data collection of corporate performance indicators• Processes and systems fail to address customer needs• Failure to engage with all stakeholders in developing the City Plan	4	Strategic reporting process Audit	Strategic reporting process audit Assurance on the processes and controls in place, specifically in relation to the City Plan, Business Planning and Annual Planning.				City of Salisbury has established its strategic plan, City Plan 2035, covering its 4 strategic key directions, followed by critical actions and performance indicators for the medium to long term. The audit will review the strategic reporting processes including but not necessarily limited to reporting on; the City Plan 2035, and other relevant plans including Annual Plan and Business Plans.	People & Culture; Economic Development & Urban Policy; Governance; Business Systems and Solutions; Environmental Health & Safety; Financial Services; Communications & Customer Relations; and Strategic Procurement	It has been decided that the Strategic Alignment of IT Investments desktop audit will be undertaken internally by the City's Internal Auditor & Risk Coordinator. Hence, this audit is rescheduled to commence in March 2023.

Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025										
							3-Yr IA Plan								
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description			2022/2023	2023/2024	2024/2025	Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 11 October 2022)
8	SR#8: Lack of alignment and integrity of IT systems and data to support service delivery	High	High	<ul style="list-style-type: none">• Lack of plans and procedures to inform response strategies when a cybersecurity incident occurs• Lack of auditing and logging functions to capture events	3	IT Disaster Recovery Audit	IT Disaster Recovery Audit Provide assurance that adequate disaster recovery processes are in place at City of Salisbury and the processes are likely to be effective in the event of a disruption.						Cybersecurity risk is recognised as an emerging and ever changing risk for many organisations which may lead to financial loss, service interruption, data loss and/or reputation damage from an event impacting the City's information systems. COS has developed a Disaster Recovery Plan in Jan 2022 and is currently being implemented. COS's disaster recovery processes are however not tested/audit independently in the past to ensure that the plan and processes are adequately designed and effectively implemented.	Business Systems and Solutions	Retain as previously scheduled to commence in April 2023.
N/A	N/A	N/A	N/A	N/A - not included in the strategic risk register.	14	Independent External Review of Internal Audit Function	Independent External Review of Internal Audit Function The audit is to obtain an understanding and form an opinion on the current Internal Audit function, compliance with the Internal Audit Standards, and existing issues and areas for improvement.						In accordance with the best practice standards, COS's Internal Audit Charter states that "In order to ensure that the quality of internal audit work is of a consistently high standard, the CEO shall ensure that a quality review of the internal audit function is undertaken by an independent External Service Provider at least every five years". The last audit was undertaken in 2016, and is due for another review, to comply with the standards.	Governance	Retain as originally scheduled to commence in June 2023.
4	Failure to manage the impact of environmental and social factors on Council infrastructure, assets and services	High	Medium	<ul style="list-style-type: none">• Inadequate understanding and planning for factors impacting the environment• Failure to consider environmental consequences when planning and designing infrastructure	7	Tree Management Framework Audit	Tree Management Framework Audit Provide assurance that COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management, and ensure that the framework is adequate and implemented effectively.						The City has a street tree population of over 76,000, made up of more than 70 different species, within its streetscapes, parks and open spaces including reserves and wetlands, which contribute to the Key Direction 2 'Sustaining Our Environment' and Key Direction 3 'The Living City' in our City Plan 2035. A replacement value of approximately \$3.4m for trees is included within asset class 'Roads, Bridges and Footpaths' in the Audited Financial Statements for FY2019/20. COS has an ongoing Street Tree Renewal Program that aims to renew about 1,000 trees each year. To ensure the sustainability of this strategy, COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management. This review is to provide assurance that the City's Tree Management Framework is adequate and implemented effectively.	Community Planning & Vitality; Community Experience; Economic Development & Urban Policy; Development Services; Environmental Health & Safety; Financial Services; Communications & Customer Relations; and Field Services .	On schedule to commence in July 2023.

Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025								
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	3-Yr IA Plan			Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 11 October 2022)
								2022/2023	2023/2024	2024/2025			
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	<ul style="list-style-type: none">• Inadequate revenue and a failure to maximise revenue from all sources• Short term revenue is maximised at the expense of longer term revenue• Revenue from the sale of assets (land) is not invested for the longer term benefit of the community• Introduction of draft legislation regarding rate capping• Fraud, misconduct or maladministration• Changes to legislation/obligations imposed by other levels of government• Potential new revenue streams/opportunities are not fully investigated• Council ultimately becomes financially unsustainable• City revenue has to be raised increasingly through more traditional methods (rate rises)• Financial cost associated with falling rates revenue or increasing bad or doubtful debts	6	Rates Setting Process, Revenue and Debtors Audit	Rates Setting Process, Revenue and Debtors Audit Ensure that the Rates setting process comply with legislative compliance requirements, and appropriately reviewed and validated for accuracy, impact on financial sustainability. Ensure that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process is effective as per approved policies and procedures in accordance with relevant legislation.				<p>The City has recorded a total revenue of \$127.39m for FY2019/20 (\$125.75m for FY 2018/19), of which 80% is from Rates, 13% from Grants, Subsidies and Contributions, and remaining 7% from fees, and other charges/income. City of Salisbury has pre-agreed chargeable price amounts for Rates, Levies, Fees, Fines, concessions, rebates etc. used for invoicing purposes for the respective years.</p> <p>Debtors reflected on the Statement of Financial Position under Trade and Other Receivables amounts to \$8.07m for FY2019/20 (\$8.97m for FY2018/19).</p> <p>Although revenue and debtors testing is included within the external audit scope, the focus is more on true and fair view of revenue and debtors figure reflected on the financial statements; and the internal control assessment is often not reviewed in greater depth and breadth with expanded detailed testing of the revenue and collection process and controls as it is done in a typical internal audit. Therefore, it is recommended to cover this audit at least once in every 3 years as part of our internal audit program, as an industry best practice measure.</p> <p>The aim of this audit is to ensure that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process is effective as per approved policies and procedures in accordance with relevant legislation.</p>	Business & Admin Support; and Financial Services	Commencement rescheduled from May 2023 to August 2023 considering best availability and least impact to Finance team.
1-9	All Strategic Risks in the Strategic Risk Register	High	High	<ul style="list-style-type: none">• Inadequate performance of risk assessments	9	Risk Management Audit	Risk Management Audit Ensure that the City of Salisbury has robust policies, procedures and framework in place for risk management and controls are in place to manage risks effectively.				<p>Risk Management being an integral part of our organizational process, this is one of the essential areas to incorporate in the Internal Audit Plan as a recurring audit at least every 3 years. The objective of risk management audit is to ensure that the City of Salisbury has robust policies and procedures and framework in place for risk management and controls in place to manage risks are operating effectively.</p>	All Divisions	Retain as originally scheduled to commence in October 2023.
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	<ul style="list-style-type: none">• Fraud, misconduct or maladministration• Unplanned spending	8	Fraud and Corruption Prevention Control Audit	Fraud and Corruption Prevention Control Audit Provide assurance that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.				<p>The revised Fraud and Corruption Prevention and Management Policy states that the City has a zero-tolerance stance towards fraud, corruption, misconduct and maladministration. The City has various policies and procedures and internal control measures for prevention of fraud, corruption, maladministration and misconduct, and independent assessment of systems and processes takes place as part of the annual external audit and remains a part of many internal audits. Given that there are continuous changes happening within the control environment, systems, process, and stakeholders involved, the emergence of newer risk and failure of controls may occur and therefore an assessment of controls for fraud is essential. Hence, the objective of this audit is to determine the effectiveness of fraud prevention strategies. This audit aims to ensure that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.</p>	All Divisions	Retain as originally scheduled to commence in January /2024.

Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025								
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	3-Yr IA Plan			Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 11 October 2022)
								2022/2023	2023/2024	2024/2025			
8 & 8	SR 1: Inadequate response to a business continuity or emergency event, or major incident at a Council run Community event. SR8: Lack of alignment and integrity of IT systems and data to support service delivery	High	High	<ul style="list-style-type: none">• Lack of business engagement and clarity of roles• External pressure for changes to systems• Failure to adequately involve IT when developing plans, strategies and projects• Failure to consider all options when improving a system or process• Organisational change is not conducted in a structured and logical manner	11	Business Continuity Audit	Business Continuity Audit provides assurance on the Business Continuity Management (BCM) Framework and the measures in place to ensure that, in the event of a disruption, critical business operations can be maintained, or restored in a timely manner, with minimal impact to the CoS and its stakeholders.				The previous BCP audits were undertaken in 2014 and 2018. Since then, BCP reviews for individual processes have been undertaken and it may be beneficial for COS to undertake an overall BCP audit to determine the adequacy and effectiveness of the current BCM framework and process.	All Divisions	Retain as originally scheduled to commence in January 2024.
10	City of Salisbury reputation suffers due to services provided not meeting community needs and expectations, resulting in a reduction in business investment.	High	High	<ul style="list-style-type: none">• Elected Member cohesion• Lack of or ineffective community consultation and engagement• Failure to deliver services expected by the community• Customer service is not properly monitored or managed• Not meeting strategic objectives• Failure to undertake legislative requirements• Lack of or ineffective community consultation and engagement	15	Community Consultation Process, and Community Perception Survey Effectiveness Audit	Community Consultation Process, and Community Perception Survey Effectiveness Audit The audit is to provide assurance that the City's community consultation and engagement process is adequate and effective, and ensure that the community perception surveys undertaken are effective and achieving intended objectives.				The mapping of internal audits against the strategic risk register identified that this area has not been audited for adequacy and effectiveness in the past. However, relevant policies and procedures are in place and community perception surveys are undertaken regularly. It may be beneficial for the City to determine the effectiveness of these surveys and how well the learnings from these surveys are incorporated in the service delivery and planning process of Council, and whether the relevant policies and procedures are effectively implemented.	Community Experience; Community Experience & Relationships; Community Development; City Development; and Any other Divisions that involve the development of policy, delivery of projects, including where this is a statutory requirement, etc that requires consultation with the community.	Retain as originally scheduled to commence in March 2024.
8 & 8	SR#6: Ineffective governance results in the provision of services which do not meet community expectations. (High / Medium). SR#8: Lack of alignment and integrity of IT systems and data to support service delivery (High / High)	High	Medium	<ul style="list-style-type: none">• Limited meaningful corporate performance indicators in place• Inconsistent reporting and data collection• Lack of business engagement and clarity of roles• External pressure for changes to systems• Failure to adequately involve IT when developing plans, strategies and projects• Failure to consider all options when improving a system or process• Organisational change is not conducted in a structured and logical manner	2	Data Governance Audit	Data Governance Audit Audit on data governance is to provide assurance that City of Salisbury data governance processes ensure adequate protection of information and effective data management required to meet business needs. Audit on IT investment strategy is to provide assurance that the strategy around IT investment is sufficiently robust to support the current business requirements and continuous improvement initiatives.				<p>There is the risk that City's data management processes could result in loss of data or the inability to utilize the data. This review will provide assurance regarding the adequacy of protection of City of Salisbury information.</p> <p>The City has significant reliance upon technology to maintain and drive business requirements and efficiency gains. Failure to correctly manage the future IT acquisitions and costings may impact the City of Salisbury with inefficient processes, legacy IT issues and lagging IT systems leading to inefficiencies, financial impost, service interruption and inability to maximize continued improvements. This review is to provide City of Salisbury with assurance that the IT Investment Strategy is sufficiently robust to support current and changing business requirements and continuous improvement initiatives.</p>	People & Culture ; Community Experience; Economic Development & Urban Policy; Business Systems and Solutions; Financial Services; and Communications & Customer Relations. Governance; and Strategic Procurement	Commencement date rescheduled from July 2022 to July 2024, as the audit area is affected by the new ERP system acquisition and deployment in process.
3	Lack of management of public and environmental health risks	High	High	<ul style="list-style-type: none">• Inadequate management, monitoring or testing• Animal/vermon infestation• Noxious plants• Failure of waste disposal contractor to meet contractual obligations.	13	By-Laws Management and Enforcement Process Audit	Ensure that the City of Salisbury has appropriate policies and procedures for management and enforcement of by-laws, and ensure that the by-laws management and enforcement process is efficient, effective, and complies with relevant legislations.				Strategic Risk Register Review lead to identification of Risk Causes and factors, and no specific end-to-end audit has been undertaken on the effectiveness of by-law management and enforcement process in the past.	Primarily Environmental Health & Community Compliance Division and touch base with other divisions as required.	Retain as originally scheduled to commence in July 2024.

City of Salisbury 3 Year Internal Audit Plan 2022/23 - 2024/25

Strategic Risk					3 YEAR INTERNAL AUDIT PLAN - 2022/2023 to 2024/2025								
Risk	Risk Description	Inherent Risk	Residual Risk	Relevant Causes from Strategic Risk Register	Audit Ref	Audit Title	Audit Title and Summary Description	3-Yr IA Plan			Rationale for Inclusion	Internal Key Stakeholder Divisions Impacted	Status Update (as at 11 October 2022)
								2022/2023	2023/2024	2024/2025			
5 & 6	SR5: City of Salisbury financial sustainability is compromised by internal decisions and / or external events. SR6: Ineffective governance results in the provision of services which do not meet community expectations.	High	Medium	• Insufficient or reduction in grant funding	12	Grants Management Audit	Grants Management Audit Provide assurance that the grants provide to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and aligned to the City Plan 2035.				The City offers many grants to encourage develop and support community projects. COS offers many different categories of grants available for a broad range of activities with a business or community focus, as listed on its website. This audit is to provide assurance that the grants provide to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and aligned to the City Plan 2035.	Community Planning & Vitality; Community Capacity & Learning; Community Experience; Infrastructure Delivery & Management; Economic Development & Urban Policy; Financial Services; and Communications & Customer Relations.	Retain as originally scheduled to commence in August 2024.
5	City of Salisbury financial sustainability is compromised by internal decisions and / or external events.	High	Medium	• Insufficient or reduction in grant funding • Inadequate revenue and a failure to maximise revenue from all sources • Unplanned spending • Inadequate valuation of assets or inaccurate depreciation • Inadequate planning for infrastructure repairs or upgrades • Introduction of draft legislation regarding rate capping • Fraud, misconduct or maladministration • Changes to legislation/obligations imposed by other levels of government • Potential new revenue streams/opportunities are not fully investigated • Changes to roles and responsibilities assigned to City of Salisbury by federal or state government • Short term revenue is maximised at the expense of longer term revenue • Poorly structured debt funding • Poor investment decision making • Unknown consequences of new infrastructure provision from other levels of government or private sector investment • Failure to encourage investment in	10	Budgetary Control Audit	Budgetary Control Audit Ensure that the City of Salisbury has robust policies and procedures covering the annual budget preparation process, and that budgetary control processes are implemented effectively and comply with any legislative requirements.				Strategic Risk Register Review lead to identification of Risk Causes and factors, that have not been assured through internal audit testing in the past. Although Budgetary controls are tested annually as part of the externally audit process testing of LGA Financial Best Practice Model, a full fledge, end-to-end audit has not been performed on the effectiveness of the budget preparation and control process in the past.	Primarily Financial Services Division and touch base with other divisions as required.	Retain as originally scheduled to commence in November 2024.

Legend for Status Update

- Presented to Audit & Risk Committee Meetings
- Ongoing Audits
- Audit Commencement Planned for Future Period

Note: strike through text for removals, and additions in RED

INDICATIVE SCOPES FOR PENDING AUDITS ON THE 3 YEAR INTERNAL AUDIT PLAN 2022/2023-2024/2025

(The scopes are indicative only and in early draft format - actual scope will vary pending stakeholder engagement and further input)

1. DATA GOVERNANCE AUDIT

The overall objective of the audit on data governance is to provide assurance that City of Salisbury data governance processes ensure adequate protection of information and effective data management required to meet organisational needs.

The specific objectives for the audit will be to ensure that:

- The City has appropriate policies and procedures covering all aspects of data governance and the data management lifecycle, including collection, maintenance, usage and dissemination that are clearly defined and documented.
- A process is in place for training of new staff and refresher training for existing staff to provide understanding of the Records Management system and requirements.
- Internal audit complies with necessary statutory and regulatory requirements related to data management and data governance.
- The City has an adequate governance structure and processes in place to support the management of data, including data privacy, confidentiality and Freedom of Information requests and disclosures.
- Data collection and retention levels are adequate and effective as per policies and procedures and industry best practice guidelines.
- Data and database structures are designed and developed in an efficient manner to ease data analytics and avoid data redundancies.
- Audit trails and history logs on master data changes are available for traceability and reviewed.
- Data inventories are maintained and managed with appropriate levels of data security level category classifications, where relevant.
- Controls related to data content management, record management, data quality, data access, data sharing, data security and data risk management are adequate and implemented effectively. (Note: The audit will focus only on the safety and security aspects of data itself and full-fledged cybersecurity review is beyond the scope of this audit.)

2. IT DISASTER RECOVERY AUDIT

The overall objective of the audit is to provide assurance that City of Salisbury has adequate disaster recovery processes in place, and the processes are likely to be effective in the event of a disruption.

The specific objectives for the audit will be to ensure that:

- A Disaster Recovery Plan exists with the exact steps to be covered if a disaster event occurs.
- The Disaster Recovery Plan steps captures the relevant scenario expectations including Maximum Allowable Outages (MAO), Recovery Point Objective (RPO) and Recovery Time Objective (RTO).
- The approved Disaster Recovery Plan is tested appropriately with relevant test case scenarios.
- Critical systems required to be recovered following a disaster event have been identified.
- Single points of failure have been identified.
- Business Continuity Plans are fully linked with IT disaster recovery arrangements.
- Server infrastructure includes testing of the ability to recover systems; and
- Backups are completed and taken off-site to provide additional resilience in the event of a disaster event.

3. STRATEGIC REPORTING PROCESS AUDIT

The overall objective of the audit is to provide assurance on the processes and controls in place, specifically in relation to the City Plan, Business Planning and Annual Planning.

The specific objectives for the audit will be to ensure that:

- The City has policies and procedures governing the strategic planning process.
- The City is in compliance with statutory and regulatory requirements in terms of strategic reporting.
- Strategic plan documents align to the City's approved 4 Strategic directions and goals.
- The deliverables identified in City Plan 2035 cascade down to goals, deliverables and performance indicators reflected on other strategic planning documents.
- All required departmental and/or divisional Business Plans are established as a 4-year rolling plan covering all the essential areas and are reviewed annually by end of June.
- Budgets and resources are planned for all critical action points under immediately noticeable impact areas.
- Appropriate systems are in place to capture the strategic reporting information.
- Established mechanism report performances against strategic plans.
- The strategic information reported is effective, accurate, reliable and timely.
- There are clear roles and responsibilities for the strategic planning process.
- The strategic planning process is resourced appropriately.
- There is simplicity and ease of reporting processes
- There is transparency and accountability in the strategic reporting process
- Strategic reporting process has agreed performance indicators and are reviewed appropriately.

~~4. IT INVESTMENT STRATEGY AUDIT~~

~~The overall objective of the audit is to provide assurance that the strategy around IT investment is sufficiently robust to support the current business requirements and continuous improvement initiatives.~~

~~The specific objectives for the audit will be to ensure that:~~

- ~~• The City has a formalised and appropriate IT Investment Strategy process document.~~
- ~~• The City's IT investment strategy is aligned to the deliverables in City Plan 2035.~~
- ~~• IT investment strategy is fully integrated with an overall IS/IT strategy.~~
- ~~• IT investment strategy facilitates the maintenance of critical IS/IT infrastructure.~~
- ~~• IT investment strategy is fully backed by business cases and feasible economically and operationally.~~

4. DESKTOP AUDIT ON STRATEGIC ALIGNMENT OF INFORMATION TECHNOLOGY (IT) INVESTMENTS.

The overall objective of the audit is to provide assurance that the planned investment on Enterprise Resource Planning (ERP) solutions is aligned to the City's Digital Strategy 2027, to support the current business requirements and continuous improvement initiatives (such as the Business Transformation project initiatives) and is aligned to the accomplishment of City Plan 2035.

The specific objectives for the audit will be to ensure that:

- The current IT investment process applied for the ERP solutions adequately aligns to the Digital Strategy 2027 and deliverables in City Plan 2035.

- Alignment of Business needs to the ERP solution being selected through a Business Requirements process and tender evaluation process.
- Appropriate funding considerations are in place for the investment in ERP solutions.
- Decision making on the ERP solutions investments includes better practice considerations.

5. RATES SETTING PROCESS, REVENUE AND DEBTORS AUDIT

The overall objective of the audit on Rate setting process is to ensure that the Rates setting process comply with legislative compliance requirements, and is appropriately reviewed and validated for accuracy and impact on financial sustainability. The overall objective on review of debtors and revenue side is to ensure that there are no revenue leakages, and that the revenue charged and collected are accurate and complete, and revenue and debtor management process is effective as per approved policies and procedures in accordance with relevant legislation.

The specific objectives for the audit will be to ensure that:

- The City has formalised and adequately designed policies, procedures and framework covering the rate setting process and aligned to the legislative requirements.
- Applicable policies, procedures and legislative requirements are being followed in cases during the rate setting process.
- The relevant assumptions applied in the rate setting process are validated and tested appropriately.
- The public consultation and feedback process are adequately administered and taken sufficient account of ratepayers' feedback on their proposals before finalising rates.
- Rates calculation and application of rates through the rate setting system is accurate.
- Local Government Financial Best Practice Model controls related to rates setting, revenue and debtors are implemented effectively.
- There are no unnoticed, unaccounted, unrealised or unintended revenue losses.
- The City has formalised and adequately designed policies and procedures covering the revenue and debtor management process.
- The City's revenue and debtor management processes are implemented effectively as per agreed policies and procedures.

6. TREE MANAGEMENT FRAMEWORK AUDIT

The overall objective of the audit is to provide assurance that COS has established a Tree Management Framework for the management of its urban forest, covering policy measures in the area of tree planting, tree protection, tree removal, tree asset management, community consultation and engagement, and risk management, and ensure that the framework is adequate and implemented effectively.

The specific objectives for the audit will be to ensure that:

- The City has formalised policies and procedures covering its Tree Management Framework that are adequately designed and established.
- The Tree Management Framework covers Environmental and Social factors including the trees in public open space and private sphere.
- The City's Tree Management Framework is implemented effectively.
- The City's tree management strategy is aligned to relevant deliverables in City Plan 2035.
- The City maintains appropriate level of traceability and verification and recording of Tree Assets reflected in the financial statements where relevant.
- Street Tree Renewal Program is implemented effectively.

- Public requests / complaints related to tree removal, tree planting, and other tree management related matters are resolved and reported effectively in accordance with clearly document policies and procedures.
- Any legislative compliance requirements related to tree management arising from Local Government Act 1999, Planning, Development and Infrastructure Act 2016, Commonwealth Environmental Protection and Biodiversity Conservation Act 1999, Natural Resource Management Act 2004, Environmental Protection Act 1993, Electricity Act 1996, Heritage Places Act 1993, Road Traffic Act 1961, Aboriginal Heritage Act 1988 and Water Industry Act 2012, are identified and their level of compliance assessed at a high level.
- City of Salisbury has efficient processes in place to identify and manage potential tree hazards and is implemented effectively.

7. FRAUD AND CORRUPTION PREVENTION CONTROL AUDIT

The overall objective of the audit is to provide assurance that current practices are effective to prevent, detect, and manage risks related to fraud, corruption, misconduct and maladministration, and ensure that controls are implemented as per agreed policies and procedures.

The scope of the audit is to ensure that the City:

- has an effective fraud control framework, which is integrated with the City's organisation-wide risk management strategy.
- has appropriate, well understood and current fraud control plans, which address major risks
- has established effective fraud controls.
- has adequate internal systems, training and reporting processes to support effective implementation and monitoring of fraud control plans.
- regularly test, monitor and report on the effectiveness of the fraud control plan and associated practices.
- review the outcomes of testing and use the insights gained to inform continuous improvement in fraud prevention and to update fraud control plans to ensure their ongoing appropriateness.

8. RISK MANAGEMENT AUDIT

The overall objective of the audit is to ensure that the City of Salisbury has robust policies, procedures and framework in place for risk management and controls are in place to manage risks effectively.

The specific objectives for the audit will be to ensure that:

- The City has formalised and adequately designed policies, procedures and framework covering its risk management process.
- The City's risk management processes are implemented effectively as per agreed policies and procedures.
- Risk tolerance limits and thresholds are defined along with corresponding action points on the risk management plan / framework for better transparency and avoidance of doubts.
- The City has up-to date registers for risk, including its strategic risk register and operational risk registers.
- Risk management is embedded within the whole organisational processes.
- Formalised and regular processes are implemented effectively for the identification of risks, assessment of risks, and treating risks.
- The status of risk treatment action plans (especially all the high-risk ones) is reported to senior management in a timely manner.

- The City has implemented any actions arising from LGA Mutual Liability Scheme review recommendations on risk management.

9. BUDGETARY CONTROL AUDIT

The overall objective of the audit is to ensure that the City of Salisbury has robust policies and procedures in place covering the annual budget preparation process, and that budgetary control processes are implemented effectively and comply with legislative requirements.

The specific objectives for the audit will be to ensure that:

- The City has formalised and adequately designed policies and procedures covering its budgetary control and management process and aligned to relevant legislations.
- The City's approved budget and budgetary control management processes are implemented effectively as per agreed policies and procedures and comply with relevant legislative requirements.
- Budget responsibility and accountability are clearly defined, appropriately allocated and regularly reviewed.
- Budget requirements are effectively reviewed and monitored on a regular basis.
- Budget variances are identified, properly reported and approved.
- Accurate, relevant and timely management information is produced and used effectively to inform decision making and reporting.

10. BUSINESS CONTINUITY AUDIT

The overall objective of the audit is to assess the adequacy of practices and procedures to manage COS's business continuity. The audit will provide assurance that process and the measures in place to ensure that, in the event of a disruption, critical business operations can be maintained, or restored in a timely manner, with minimal impact to the CoS and its stakeholders.

The specific objectives for the audit will be to ensure that:

- The City has formalised an overarching policy / procedure document covering the business continuity management process.
- Critical systems and functions requiring Business Continuity Plans (BCPs) are identified.
- BCPs are current and adequately developed for all critical functions and systems.
- BCPs for critical functions and systems covers business resumption and continuity / contingency strategies.
- Business Impact Analysis approaches and process are determined and agreed in the BCPs.
- Effective communication plans are established to manage public and media relations in the event of a disruption.
- There is an agreed process in place for activating BCPs when emergencies occur.
- Business continuity plans are adequately monitored and maintained.
- A formalized business continuity training program exists, and all individuals responsible for developing and implementing BCP have been adequately trained.
- Business continuity plans are tested periodically and the test results and lessons learned are reviewed, documented, and applied.

11. GRANTS MANAGEMENT AUDIT

The overall objective of the audit is to provide assurance that the grants provided to City of Salisbury community and businesses are awarded to eligible recipients, and managed effectively as per approved policies and procedures and aligned to the City Plan 2035.

The specific objectives for the audit will be to ensure that:

- The City's policies and procedures covering its grant management process are adequately developed for all categories of grants and communicated appropriately to the relevant stakeholders.
- The eligibility criteria and award process for all grant categories have been established and communicated, and have been complied with.
- COS has a central register of fund recipients, capturing the details of previous funding received.
- Conflict of interest avoidance measures are incorporated and followed in the grant awarding process.
- Grants schemes are aligned to City Plan 2035.
- All grants have terms and conditions or signed agreements specifying the expectations on usage and reporting requirements agreed by the Grant Recipient and COS.
- COS have a monitoring process in place to ascertain that Grant Recipients adhere to timely reporting requirements in the Grant Agreement.
- Any unused funding from the grant is dealt with appropriately as per the grant agreement or agreed terms and conditions.
- Any contingency percentages included in the grant scheme are appropriately allocated and disbursed.
- COS measures the effectiveness of the grant schemes, and use feedbacks for quality assurance purposes in future planning and grant scheme designing.

12. BY-LAWS MANAGEMENT AND ENFORCEMENT PROCESS AUDIT

The overall objective of the audit is to ensure that the City of Salisbury has appropriate policies and procedures for management and enforcement of by-laws, and ensure that the by-laws management and enforcement process is efficient, effective, and complies with relevant legislations.

The specific objectives for the audit will be to ensure that:

- The City has formalised and adequately designed policies and procedures covering the by-law management and enforcement process.
- The City has appropriate Structure and governance of by-law enforcement teams.
- Feedback from rate payers are appropriately incorporated and by-laws are reviewed and updated on a regular basis.
- Enforcement fines and penalties comply with relevant legislations and are charged accurately.
- The City's methods and approaches to enforcement are adequate and effective.
- There are clearly identified performance measures and metrics for by-law enforcement.
- Enforcement team is sufficiently staffed and appropriately trained.
- By-law related complaints are handled effectively.

13. INDEPENDENT EXTERNAL REVIEW OF INTERNAL AUDIT FUNCTION

The overall objective of the audit is to obtain an understanding and form an opinion on the current Internal Audit function, determine the level of compliance with the Internal Audit Standards, and identify existing issues and areas for improvement.

The specific objectives for the audit will be to ensure that:

- The City has formalised and adequately designed policies and procedures covering the internal audit process.

- The City is in conformance with mandatory internal auditing requirements, including the Internal Audit Standards.
- The Audit & Risk Committee and management expectations of Internal Audit are being met.
- The Internal Audit is value adding and contributing to the organisational objectives.

14. COMMUNITY CONSULTATION PROCESS, AND COMMUNITY PERCEPTION SURVEY EFFECTIVENESS AUDIT

The overall objective of the audit is to provide assurance that the City's community consultation and engagement process is adequate and effective, and ensure that the community perception surveys undertaken are effective and achieving intended objectives.

The specific objectives for the audit will be to ensure that:

- The City has formalised, adequately designed and current policies, procedures and framework covering the community consultation, engagement and community perception survey process.
- Any legislative compliance requirements in relation to community consultation process are met.
- Contemporary engagement tools and best practices are incorporated within the community consultation process.
- Community engagement strategies are developed and implemented effectively.
- Community need assessments are undertaken effectively through the community consultative process, and applied in policy, planning, strategy formulation and service delivery.
- Community perception survey results are evaluated appropriately and systematically apply any resultant learning outcomes in policy, planning, strategy formulation and service delivery.
- Community consultation, engagement initiatives and perception survey outcomes are reported to senior management and Council appropriately.

ITEM	7.2.1
	AUDIT AND RISK COMMITTEE
DATE	11 October 2022
HEADING	Draft Annual Report 2021/2022
AUTHOR	Helen Atkins, Team Leader Communications and Marketing, Business Excellence
CITY PLAN LINKS	4.5 We engage meaningfully and our community is aware of Council initiatives
SUMMARY	A council must, on or before 30 November in each year, prepare and adopt an annual report relating to the operations of the council for the financial year ending on the preceding 30 June. The annual report must include the material, and include specific reports on the matters, specified in Schedule 4 of the <i>Local Government Act 1999</i> , as amended from time to time by regulation.

RECOMMENDATIONThat Council:

1. Notes that the Audit and Risk Committee received the Draft 2021/22 Annual Report as contained in Attachment 1 to this report, subject to any changes requested and noting that minor edits are still to be made to finalise the 2021/22 Annual Report in readiness for Council adoption on or before 30 November 2022.

ATTACHMENTS

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

1. Draft Annual Report 2021/2022

1. BACKGROUND

- 1.1 The Draft 2021/22 Annual Report reflects the performance and achievements made by Council during the past financial year under the key directions of A Welcoming and Liveable City, A Sustainable City, A Growing City that creates new opportunities and Innovation and Business Development as outlined in the City of Salisbury's City Plan 2035.
 - 1.1.1 The Draft 2021/22 Annual Report has been collated with information from the different business divisions across the organisation.
 - 1.1.2 Elected Member and Audit and Risk Committee Members' feedback is welcomed to inform further refinements before finalisation.
- 1.2 In accordance with section 132 of the *Local Government Act 1999* and in support of sustainable practices, the final version of the Annual Report will be available on the Council website for download or print. A digital copy will also be distributed to relevant authorities as required, as well as to all Elected Members.

2. CITY PLAN CRITICAL ACTION

2.1 N/A

3. CONSULTATION / COMMUNICATION

3.1 Internal

3.1.1 Governance, Business Excellence, Executive Group

4. REPORT

4.1 Attached for noting is the Draft 2021/221 Annual Report

4.2 Pursuant to section 131 of the *Local Government Act 1999 (the Act)*, a Council must, on or before 30 November in each year, prepare and adopt an annual report relating to the operations of the council for the financial year ending on the preceding 30 June.

4.3 The annual report must include the material, and include specific reports on the matters, specified in Schedule 4 of the Act, as amended from time to time by regulation.

4.4 The City of Salisbury's Financial Statements, which are tabled on this Audit & Risk Committee agenda at Item 7.1.2, will be included in the 2021/22 Annual Report once finalised.

5. CONCLUSION / PROPOSAL

5.1 The Audit and Risk Committee is asked to note the Draft 2021/22 Annual Report. Further updates are required to finalise the Annual Report, however these will not materially alter the content.



DRAFT ANNUAL REPORT 2021-2022



Acknowledgement of Country

The City of Salisbury acknowledges that we are on the traditional Country of the Kurna people of the Adelaide Plains and pays respect to Elders past and present. We recognise and respect their cultural heritage, beliefs and relationship with the land. We acknowledge that they are of continuing importance to the Kurna people living today.

DRAFT



Contents

Acknowledgement of Country..... X

Foreword..... X

City Plan 2035..... X

City Plan Structure..... X

Our Vision X

Annual Plan 2021-22 X

Elected Members..... X

Ward Boundaries..... X

Council..... X

Community Champions X

A Welcoming and liveable City..... X

A Sustainable City X

A growing City that Creates new opportunities..... X

Innovations and Business Development X

City Dashboard and Corporate Indicators X

City of Salisbury Financial Statements X

Subsidiary Report 2021-22 NAWMA Annual Report..... X

DRAFT

EDIT CONTENTS PAGE
UPON COMPLETION

Foreword



The City of Salisbury's vision of being a progressive, sustainable and connected community has been highlighted through key projects that were delivered in the 2021/22 financial year.

Despite returning to a sense of normality, Council once again showed leadership during the COVID-19 pandemic by supporting the community and businesses through uncertain times.

Bridgestone Athletics Centre became the home of athletics in South Australia during 2022, due to the SA Athletics Stadium in Mile End undergoing an upgrade. The three athletics clubs that use Bridgestone Athletics Stadium also experienced membership increases of 35 per cent during 2021/22.

Other progressive projects included the completion of improvements at The Paddocks, such as a new playground, viewing mound, board walk and pathways, as well as clearing the pond.

In line with Council's commitment to sustainability, 10,000 new trees and shrubs were planted along the Little Para River with the help of school students and community members. The many popular planting days play an important role in enhancing the City's biodiversity corridors.

Other sustainable projects include the use of recycled glass in the construction of a path from Jenkins Reserve to Carisbrooke Park. This process is managed by the Northern Adelaide Waste Management Authority.

The Polaris Business and Innovation Centre once again worked with hundreds of businesses to provide mentorship programs, seminars and support in relevant areas, such as digital marketing.

In 2021-22, Council's Economic Development team worked with 29 companies to help them expand or relocate to the region, including Noumed Pharmaceuticals, which is building an \$85 million manufacturing plant that will create 250 jobs during construction and 180 ongoing roles.

As we look forward to 2022/23 our continued efforts and initiatives will further underpin and advance the vision for our City.

Chief Executive Officer John Harry

A stylized, handwritten signature in black ink, likely belonging to John Harry, the Chief Executive Officer.

City Plan 2035

The Local Government Act requires Councils to regularly prepare strategic management plans. This City Plan, along with Council's 'Long Term Financial Plan' and 'Strategic Asset Management Plan', address the Council's obligations.

In preparing this Plan, Council has:

- assessed economic, environmental, social and demographic trends and projections
- reviewed State Government policies and directions, including the 'State Infrastructure Strategy', 'Growth State', 'Planning and Design Code' and 'Climate Change Strategy' (some of which are not yet finalised)
- identified regional development projects and initiatives that could affect Salisbury
- reviewed other Council strategies, including the 'Adapting Northern Adelaide Climate Adaptation Plan', 'Intercultural Plan', 'Youth Action Plan', 'Growth Action Plan' and 'Ability Inclusion Strategic Plan'
- reviewed strategies currently being developed, such as our draft 'Place Activation Strategy' and 'Digital Strategy'

- commissioned an economic report into how to grow Salisbury's economy and ways for residents to benefit from that growth
- reviewed Council research, such as the 'Community Perceptions Survey'
- engaged with the community and stakeholders to inform the City Plan's priorities and directions.

A City Dashboard that highlights the social, environmental and economic factors shaping our City, as well as key indicators for the performance and sustainability of Council, is part of this plan. These indicators introduce each of the directions outlined in this document. Further information on these indicators can be found on Council's website.

Other factors may impact on our City over the life of this plan. These include the rapid advance of technology; changes in work practices as a result of Covid 19; the continued evolution of social media; changes in transport such as electric cars, on-demand services and autonomous systems; and changing expectations on all levels of government.

City Plan Structure

City Plan 2035 contains a vision for Salisbury to be ‘a progressive, sustainable and connected community’. It has three directions that capture the social, environmental and economic influences on Salisbury, and one direction that addresses factors within Salisbury Council itself.



A welcoming and liveable City

Encompasses issues that affect the liveability of the City and the health and wellbeing of its people, including safety, social connections, the look and feel of our neighbourhoods, and the facilities and programs available to support our community’s aspirations.



A sustainable City

Includes protecting and conserving our diverse natural environment to support biodiversity, reducing Council’s environmental footprint, ensuring we make the most of our resources and enabling our community, environment and infrastructure to be resilient to a changing climate.



A growing City that creates new opportunities

This focuses on how we support the success and growth of local businesses, job opportunities for our residents, attracting investment, quality urban planning and providing infrastructure that supports economic activity.



Innovation and Business Development

Outlines how Council will work to provide exceptional experiences, deliver quality outcomes and be recognised as a great place to work.

Several ‘Foundations’ are then identified for each of the 4 directions.

Council has determined that these Foundations are the goals that we will seek to achieve for Salisbury. . They are supported by critical actions that outline the Council’s priority deliverables over the life of the plan.

CRITICAL ACTIONS

Our critical actions range from operational and site-specific projects that will have immediate impact, to strategic objectives that will guide how and what Council achieves in the longer term.

Immediately noticeable impact

Strategic projects
significant stand-alone projects to be delivered by Council within the next four years

Operational focus
services that community feedback has highlighted must be Council priorities through feedback from our community

Medium to longer term impact

Future planning
strategies and plans Council will develop or review that are important for delivering our City Vision

Advocacy priorities
priority projects for which investment will be sought from other organisations

Accompanying the above is a range of corporate indicators that highlight the progress being made in addressing the foundations.

Our Vision

Salisbury

a progressive, sustainable
and connected community

Council's vision is for Salisbury to be a progressive, sustainable and connected community.

Council's Elected Members developed this vision after they considered the factors that characterise successful cities and their aspirations for Salisbury.

Successful communities are **progressive**. They embrace change as essential if they are to be liveable and competitive in a changing environment and economy. At the same time, successful communities take pride in their heritage and use their history as the foundation for identifying and creating opportunities and for understanding how to respond to challenges.

Successful cities think about the long term while making decisions today – this is the essence of **sustainability**. They care about the environment, their people and the legacy they leave for future generations. Internally, they are financially responsible, have excellent systems in place and promote a culture that values enduring outcomes.

Connections abound and take many forms. Some connections are social, such as friendships formed through community groups or with neighbours. Some are environmental, including the connections people have with nature or the biodiversity corridors that support wildlife. Other connections are economic, such as the links between residents, jobs and businesses. Salisbury is a diverse community and we value connections between our many cultures. For connections to prosper, there must be appropriate infrastructure that enables people to move and connect with places further afield.

The Salisbury community consists of the 143,560 people who live in our 32 suburbs, whether they have been here all their lives or are new arrivals; the 7,200 businesses and 53,000 workers that make Salisbury the state's fourth largest economy; and the community groups, schools, churches and sporting clubs that bring people together.

Salisbury has many of the building blocks in place to achieve its vision. This City Plan outlines the actions that Council will prioritise over the next four years to enable Salisbury to achieve it.

Long Term Financial Plan and Annual Business Plan for 2022-23

Looking ahead to 2022/23

The City of Salisbury continues to put the needs of our community first and is ready to undertake a number of exciting initiatives in the new Financial Year 2022/23. Priorities include building on the work accelerated through Council's COVID-19 Infrastructure Recovery Program, while at the same time investing in community assets for the future and increasing the level of services that matter to you.

The 2022/23 Long Term Financial Plan and Annual Business Plan (Annual Business Plan) incorporates the exciting redevelopment of the Salisbury Recreation Precinct, which includes the development of a \$28.4m Aquatic Centre which will include the construction of indoor warm water hydrotherapy, lap and leisure pools, a gymnasium, water play park and café. Other large-scale initiatives that will be important during 2022/23 Financial Year include:

Community Spaces

There will once again be a major focus on the continued development of community facilities through the creation of great inviting places to visit, such as The Paddocks recreation and open space precinct on Maxwell Road, and the refurbishment of the Yalumba Drive and Fairbanks Drive Reserves, both in Paralowie.

City Amenity

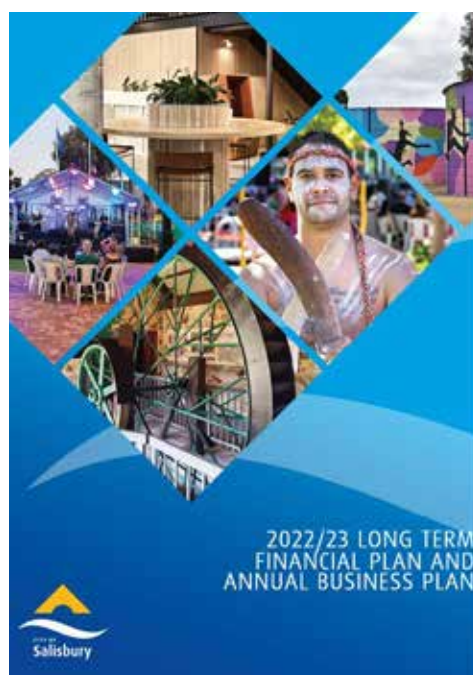
Council's Streetscape Program will vibrantly transform the City's streetscape, improving its overall attractiveness and accessibility. Continued investment in the City Wide Trails Program will increase the City's network, with projects scheduled for completion within the 2022/23 Financial Year costing \$1M.

Commercial Precincts

The Church and John Street Revitalisation is a key project as part of the City Centre revitalisation, that will upgrade and refresh these important City Centre locations. The ambitious and exciting revitalisation will support the community, traders and visitors to the City Centre. Once completed, the project will create a high-quality environment that will encourage economic investment and increased visitation.

Traffic Improvements

Council's Major Traffic Improvements Program will address identified, specific major traffic network deficiencies in the City. A total of \$1.2M has been allocated to improve these. Through the 2022/23 Annual Business Plan, Council maintains an ambitious program of City enhancement, while remaining committed to long-term financial sustainability to ensure we are best placed to support our community in the coming years. Together we will continue to improve and enhance our City to achieve our vision of a progressive, sustainable and connected community for the benefit of all.



Long Term Financial Plan and Annual Business Plan for 2022-23

Features of the 2022/23 Budget

In 2022/23, Council will see the official opening of the new Burton Community Hub, which will provide library services, community programs, technology labs, meeting and quiet spaces and a community garden for the community to enjoy.

Other key outcomes will include the completion of the upgrade to Fairbanks Drive Reserve, at Paralowie, and the Church and John Streets Revitalisation Project. Construction of the new Salisbury Aquatic Centre will commence and continue into 2023/24.

Some of the key identified projects for the 2022/23 plan are as follows:

- New outdoor fitness equipment, St Kilda Adventure Playground - \$70,000
- New playspace and parking facilities, Kingswood Crescent Reserve, Paralowie - \$250,000
- Reserve upgrade and new sports clubrooms, Yalumba Drive Reserve, Paralowie - \$2.1 million
- Flood mitigation, Catterall Avenue Reserve, Salisbury Heights - \$310,000
- Salisbury Recreation Precinct Redevelopment - \$28.4 million
- Church and John Street Revitalisation - \$3 million
- School pedestrian and transport improvements, Salisbury East High School - \$195,000
- Reserve upgrade, Fairbanks Drive Reserve, Paralowie - \$2.6 million
- Hausler Reserve, Paralowie – Stage 2 Upgrade - \$1.2 million
- New cricket practice wicket and off-street parking, Baltimore Reserve, Parafield Gardens - \$400,000
- Para Hills Knights leased facility building renewal works, Paddocks, Para Hills West - \$500,000
- New community sports clubroom, Paddocks - \$4.2 million (including \$1.2 million of State Government funding)
- New dog park for small dogs, Dry Creek Linear, Mawson Lakes - \$72,000
- Dog park renewal and improvements, Golding Oval, Para Vista - \$150,000
- New irrigation and turf, Bush Park, Pooraka - \$210,000

Long Term Financial Plan and Annual Business Plan for 2022-23

How do we set rates?

Setting rates is a balance between funding Council operations, maintaining our financial sustainability and the need to contain increases to minimise the impact on ratepayers. Council is mindful of the impact and affordability of rates and regularly compares our rates with those of other metropolitan councils; in terms of average rates Salisbury ranks third lowest based on available 2021/22 data.

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

For the financial year 2022/23 Council has adopted an average residential rate increase of 3.5 per cent, and an average commercial and industrial increase of 3.9 per cent. The increase for each property may vary where the change in market value is different to the average market movement, or as a result of improvements, a change in land use or zoning, a change in ownership, or a correction to property values.

Rate Categories

Minimum Rates apply to all properties where the capital value falls below a certain level so that all ratepayers make a fair contribution. The minimum rate for 2022/23 has increased from \$1,044 in 2021/22 to \$1,081 in 2022/23 reflecting a 3.5 per cent increase over the 2021/22 minimum rate.

Differential Rating - different rates may be applied to different categories of property called 'land uses' as determined by the Valuer General. A loading is applied to commercial and industrial properties and to vacant land. Residential and other properties pay the base rate. The differential rate for vacant land is 30 per cent higher compared to the residential rate to support development of land.

Separate Rates - Council collects rates for other organisations:

- Salisbury Business Association - to enable it to market and promote the City Centre
- Globe Derby Community Club - to maintain an area of common land held through 63 shares
- Regional Landscape (RL) Levy which councils are required to collect on behalf of the State Government. All enquiries about the RL Levy can be directed to the Green Adelaide Board on 08 8204 7910 or at dew.greenadelaide@sa.gov.au

Annual Plan for 2022-23

OPERATING BUDGET BY KEY DIRECTION	2022/23		
	EXP \$000's	INC \$000's	NET \$000's
A WELCOMING AND LIVEABLE CITY			
Community Development	2,237	15	2,222
Library Services	8,245	610	7,635
Community Centres	3,016	339	2,678
Recreation Services	1,789	126	1,663
Community Sport and Club Facilities	4,227	-	4,227
Community Health and Wellbeing	7,037	3,618	3,419
Cemetery	594	507	87
Food and Health Regulation	1,273	253	1,020
Inspectorate Services	1,130	289	841
Animal Control	1,947	1,012	935
Crime Prevention and Repair	437	-	437
Street Lighting	3,934	-	3,934
TOTAL A WELCOMING AND LIVEABLE CITY	35,867	6,769	29,098
A SUSTAINABLE CITY			
Water Management	1,688	1,151	537
Waste Management	11,111	2,737	8,374
Parks and Landscapes	18,984	426	18,558
City Infrastructure	32,892	124	32,768
TOTAL A SUSTAINABLE CITY	64,675	4,437	60,238
A GROWING CITY THAT CREATES NEW OPPORTUNITIES			
Economic Development	1,596	59	1,537
Development Services	5,227	1,640	3,587
Urban Planning and Development	1,872	-	1,872
Roads	13,798	3,332	10,466
Footpaths	3,195	-	3,195
TOTAL A GROWING CITY THAT CREATES NEW OPPORTUNITIES	25,688	5,030	20,658
INNOVATION AND BUSINESS DEVELOPMENT			
Innovation and Business Development	3,451	735	2,716
Council	2,649	2	2,648
Sundry	2,367	7,762	(5,395)
TOTAL INNOVATION AND BUSINESS DEVELOPMENT	8,468	8,499	(32)
Rates Revenue	-	111,191	(111,191)
TOTAL OPERATING SURPLUS / (DEFICIT)	134,697	135,926	1,229

Elected Members

MAYOR



Gillian Aldridge OM
0411 703 706
galdridge@salisbury.sa.gov.au

CENTRAL WARD



Cr Chad Buchanan JP
Deputy Mayor
0403 677 807
cbuchanan@salisbury.sa.gov.au



Cr Donna Proleta
0433 750 832
dproleta@salisbury.sa.gov.au

HILLS WARD



Cr Shiralee Reardon JP
0427 095 566
sreardon@salisbury.sa.gov.au



Cr Peter Jensen JP
0437 987 990
pjensen@salisbury.sa.gov.au

PARA WARD



Cr Kylie Grenfell
0433 703 691
kgrenfell@salisbury.sa.gov.au



Cr Sarah Ouk JP
0423 002 064
souk@salisbury.sa.gov.au

EAST WARD



Cr Maria Blackmore
0411 281 164
mblackmore@salisbury.sa.gov.au



Cr Adam Duncan
0429 662 933
aduncan@salisbury.sa.gov.au

NORTH WARD



Cr David Hood
0432 799 931
dhood@salisbury.sa.gov.au



Cr Graham Reynolds
0413 966 500
greynolds@salisbury.sa.gov.au

WEST WARD



Cr Lisa Braun
0413 046 069
lbraun@salisbury.sa.gov.au



Cr Beau Brug JP
bbrug@salisbury.sa.gov.au

SOUTH WARD

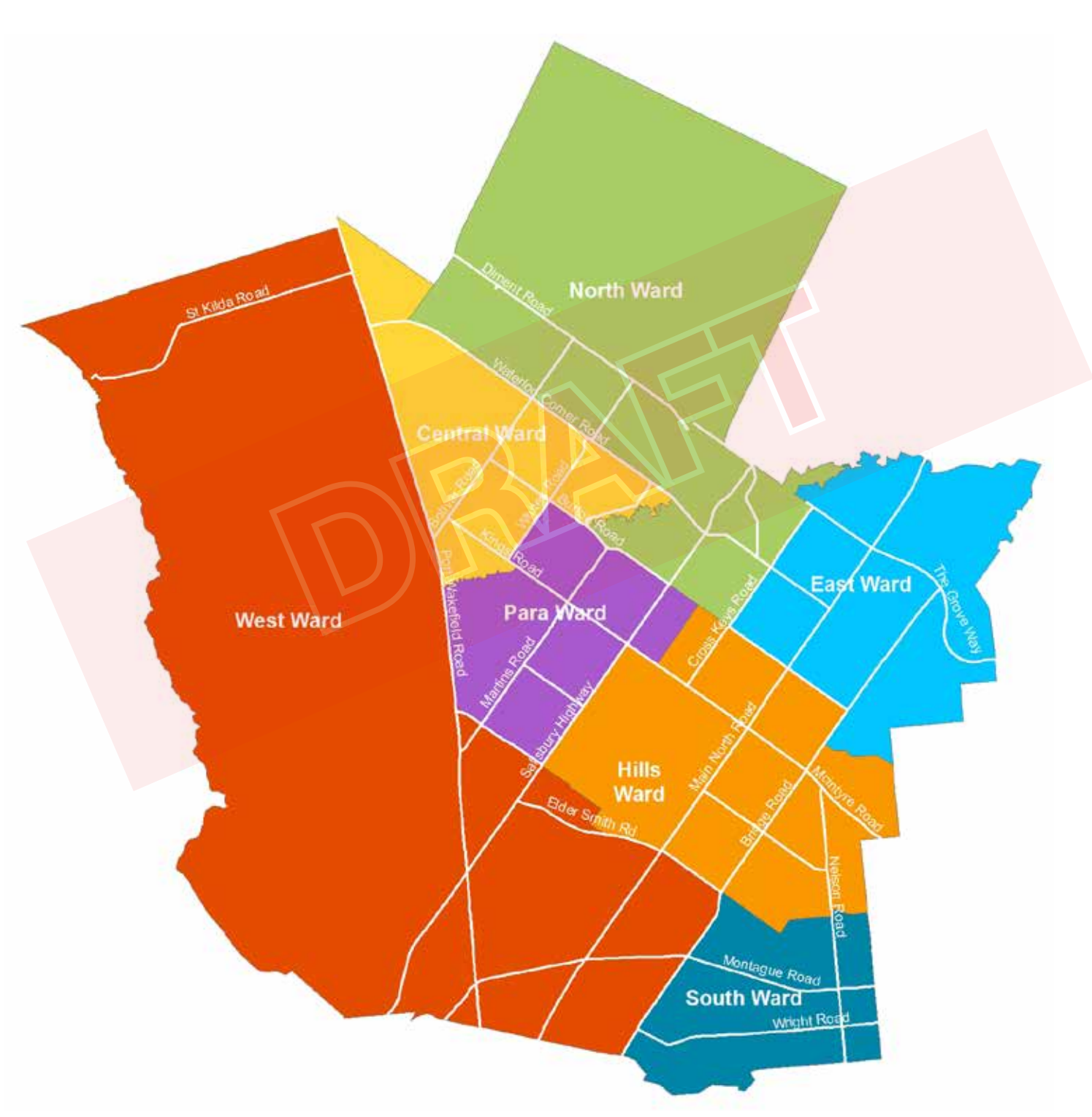


Cr Natasha Henningsen
0477 413 108
nhenningsen@salisbury.sa.gov.au



Cr Julie Woodman JP
0431 188 788
jwoodman@salisbury.sa.gov.au

Ward Boundaries



Council

Elector Representation

The community of the City of Salisbury is currently represented on Council by a Mayor who is elected from the whole community, and 14 Elected Members representing seven wards with two Elected Members per ward. Elected Members are elected by the residents of their respective ward.

In accordance with Section 12 of the Local Government Act 1999 Council is required to conduct an Elector Representation Review as prescribed by the Local Government (General) Regulations 2013 and published by notice in the South Australian Government Gazette.

The City of Salisbury conducted a Representation Review in 2016-2017. The next review is scheduled for 2024 -2025.

The Local Government Act 1999 sets out the requirements and processes that councils are required to follow when undertaking and elector representation review. The Representation Review process requires Council to review all aspects of the composition of Council including ward boundaries. The process involves the public notification and opportunity for community submissions at key stages of the review.

The representation quota for the City of Salisbury, that is the number of electors represented by each Councillor, is shown in the table below. The City of Salisbury has approximately 98,474 electors across 13 wards. Comparative data for other major metropolitan Councils in Adelaide has also been included in the table below. The representation quota has been determined by dividing the total number of electors for each council by the number of Elected Members.

Council	Elected Members ²	Electors	Representation Quota ³
Salisbury	15	98474	6564
Playford	16	67796	4237
West Torrens	15	43183	2878
Charles Sturt	17	90259	5309
Port Adelaide/Enfield	18	89105	4237
Marion	13	68216	5247
Onkaparinga	13	131830	10140
Tea Tree Gully	13	74880	5760

¹ Data source: Electoral Commission SA 2022 (available from the LGA SA).

² Including the Mayor

³ Representation quota for the purposes of Schedule 4 of the Local Government Act 1999.

¹ Data supplied by the Local Government Association.

Council

Elected Member Allowances

Each Elected Member receives an annual allowance, paid monthly in arrears. The Remuneration Tribunal is responsible for the determination of Elected Member Allowances to be applied. Elected Member allowances were reviewed by the Remuneration Tribunal in Determination No. 6 of 2018, which resulted in an increase to allowances for City of Salisbury Elected Members as follows, effective November 2021:

Mayor, Gillian Aldridge OAM:	\$100,332 per annum
Deputy Mayor, Cr Chad Buchanan:	\$30,588.75 per annum
Chair of Standing Committee Cr Chad Buchanan (not cumulative as already incorporated in remuneration for position of Deputy Mayor) Cr Donna Proleta Cr Julie Woodman Cr Lisa Braun Cr Adam Duncan Cr Kylie Grenfell Cr Graham Reynolds	\$31,353.75 per annum
Councillor Cr Maria Blackmore Cr Peter Jensen Cr Shiralee Reardon Cr David Hood Cr Sarah Ouk Cr Julie Woodman Cr Natasha Henningsen Cr Beau Brug	\$25,083 per annum
Chair of Sub Committee Cr Beau Brug Cr Chad Buchanan (ineligible due to holding position of Deputy Mayor) Cr Maria Blackmore Cr Shiralee Reardon Cr Peter Jensen	\$248 per meeting limited to an aggregate amount of \$1,483 per annum

In accordance with section 76 of the Act, allowances set out in Determination No. 6 of 2018: Members of Local Government councils will be adjusted annually on the first, second and third anniversary of the 2018 local government election to reflect changes in the Consumer Price Index, where the Consumer Price Index is defined as "the Consumer Price Index (All groups index for Adelaide)" Published by the Australian Bureau of Statistics.

In addition to an allowance, Elected Members are offered resources to assist in the representation of their community and conducting Council business. This includes an Apple iPad, laptop computer and printer, broadband internet access, stationery and business cards. The Mayor has access to a personal assistant and is provided with a mobile phone and car. The Elected Members Allowances, Facilities and Support Policy provides full details of resources (including reimbursement of expenses) provided to Elected Members. The policy as well as a register that records all Elected Members allowances and support, is available on the City of Salisbury website.

Independent members of the Audit and Risk Committee and the Council Assessment Panel are paid a sitting fee to attend meetings, as outlined below

- Audit and Risk Committee
 - \$500 per meeting attended
- Council Assessment Panel
 - Presiding Member - \$500 per meeting attended
 - Other independent members - \$400 per meeting attended
 - Elected Member attendance: currently Cr Beau Brug, receives \$320 per meeting attended in addition to his standard Councillor allowance listed above.

Council

Council and Committee Structure

Council is supported in its decision-making process by 8 Committees and 6 Sub-Committees

In addition, two other committees are established under legislation: the Audit and Risk Committee and the Council Assessment Panel (CAP) are independent Committees comprising of experts external to Council as well as Elected Member representation.

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

The Committee structure and membership is set out below. Terms of Reference for each Committee can be found on our Website.

Council also maintains a Delegations Register on our website to support efficient and effective decision making.

Council Governance Structure



Council

There were 13 Council meetings held between 1 July 2021 and 31 June 2022; of these, 12 were Ordinary Council meetings and 1 was a Special Council meeting:

Council	26 Jul	23 Aug	27 Sep	25 Oct	22 Nov	20 Dec	24 Jan	28 Feb	28 Mar	26 Apr	23 May	14 Jun	27 Jun	Meetings held	Total Attended
Mayor G Aldridge (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	13
Cr M Blackmore	✓	✓	✓	-	-	✓	✓	✓	✓	✓	✓	✓	-	13	10
Cr L Braun	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	13	12
Cr B Brug	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	13
Cr C Buchanan (Deputy Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	13
Cr A Duncan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	13
Cr K Grenfell	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	13
Cr N Henningsen	✓	-	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	-	13	10
Cr D Hood	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	13
Cr P Jensen	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	13	12
Cr S Ouk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	13
Cr D Proleta	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	LOA	✓	✓	13	12
Cr S Reardon	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13	12
Cr G Reynolds	✓	✓	✓	✓	✓	✓	✓	✓	LOA	✓	✓	✓	✓	13	12
Cr J Woodman	✓	✓	✓	✓	✓	✓	✓	✓	LOA	✓	✓	-	✓	13	11

LOA - Leave of Absence

Council

Committee and Sub Committees

NOTE: The Mayor is an ex officio member of some committees of Council (with the exception of the Audit and Risk Committee and the Council Assessment Panel). Some committees meet concurrently and as such in those instances the Mayor is unable to attend both meetings.

Policy and Planning Committee

This Committee is formed under Section 41 of the Local Government Act 1999. The Committee meets on the third Monday of each month. The Committee operates in accordance with the provisions under the Local Government Act, the Local Government (Procedures at Meetings) Regulations 2013 and its Terms of Reference. There were 12 Policy and Planning Committee meetings held between 1 July 2021 and 30 June 2022.

Composition:

Cr C Buchanan (Chairman), Cr M Blackmore (Deputy Chairman), all members of Council

Policy & Planning Committee	19 Jul	16 Aug	20 Sept	18 Oct	15 Nov	13 Dec	17 Jan	21 Feb	21 Mar	19 Apr	16 May	20 Jun	Meetings held	Total Attended
Mayor G Aldridge (ex officio)	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	11
Cr M Blackmore	-	✓	✓	-	-	✓	✓	✓	✓	✓	✓	-	12	8
Cr L Braun	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	12	11
Cr B Brug	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	11
Cr C Buchanan (Deputy Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr A Duncan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	12	11
Cr K Grenfell	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr N Henningsen	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	12	11
Cr D Hood	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr P Jensen	-	✓	✓	✓	✓	-	-	✓	-	✓	-	✓	12	6
Cr S Ouk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr D Proleta	✓	✓	✓	✓	✓	✓	-	✓	✓	-	LOA	✓	12	10
Cr S Reardon	-	✓	-	✓	-	✓	✓	✓	✓	✓	✓	✓	12	8
Cr G Reynolds	✓	✓	✓	✓	✓	✓	✓	✓	LOA	✓	-	✓	12	10
Cr J Woodman	✓	✓	-	✓	✓	✓	✓	✓	LOA	LOA	✓	✓	12	11

LOA - Leave of Absence

Council

Urban Services Committee

This Committee is formed under Section 41 of the Local Government Act 1999. The Committee meets on the third Monday of each month. The Committee operates in accordance with the provisions under the Local Government Act, the Local Government (Procedures at Meetings) Regulations 2013 and its Terms of Reference. The Urban Services Committee held 12 meetings between 1 July 2021 and 30 June 2022.

Composition:

Cr C Buchanan
 Cr M Blackmore (Deputy Chairman)
 Cr L Braun – (Chairman)
 Cr N Henningsen
 Cr D Hood
 Cr P Jensen
 Cr S Ouk

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

Attendance:

Urban Services Committee	19 Jul	16 Aug	20 Sept	18 Oct	15 Nov	13 Dec	17 Jan	21 Feb	21 Mar	19 Apr	16 May	20 Jun	Meetings held	Total Attended
Mayor G Aldridge (ex officio)	-	-	✓	-	-	✓	-	-	-	✓	-	✓	12	4
Cr M Blackmore	-	✓	✓	-	-	✓	✓	✓	✓	✓	✓	-	12	8
Cr L Braun (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	12	11
Cr C Buchanan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr N Henningsen	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	12	11
Cr D Hood (Deputy Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr P Jensen	-	✓	✓	✓	✓	-	-	✓	-	✓	-	✓	12	6
Cr S Ouk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12

LOA - Leave of Absence

Council

Governance and Compliance Committee

This Committee is formed under Section 41 of the Local Government Act 1999. The Committee meets on the third Monday of each month. The Committee operates in accordance with the provisions under the Local Government Act, the Local Government (Procedures and Meetings) Regulations 2013 and its Terms of Reference. The Governance and Compliance Committee held 12 meetings between 1 July 2021 and 30 June 2022.

Composition:

Cr J Woodman (Chairman)
 Cr S Reardon – (Deputy Chairman)
 Cr B Brug
 Cr A Duncan
 Cr Ky Grenfell
 Cr D Proleta
 Cr G Reynolds

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

Attendance:

Governance & Compliance Committee	19 Jul	16 Aug	20 Sept	18 Oct	15 Nov	13 Dec	17 Jan	21 Feb	21 Mar	19 Apr	16 May	20 Jun	Meetings held	Total Attended
Mayor G Aldridge (ex officio)	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	10
Cr B Brug	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	11
Cr A Duncan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	12	11
Cr K Grenfell	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr D Proleta	✓	✓	✓	✓	✓	✓	-	✓	✓	-	LOA	✓	12	9
Cr S Reardon (Deputy Chair)	-	✓	-	✓	-	✓	✓	✓	✓	✓	✓	✓	12	9
Cr G Reynolds	✓	✓	✓	✓	✓	✓	✓	✓	LOA	✓	✓	✓	12	11
Cr J Woodman (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	LOA	✓	LOA	✓	12	11

LOA - Leave of Absence

Council

Finance and Corporate Services Committee

This Committee is formed under Section 41 of the Local Government Act 1999. The Committee meets on the third Monday of each month. The Committee operates in accordance with the provisions under the Local Government Act, the Local Government (Procedures at Meetings) Regulations 2013 and its Terms of Reference. The Finance and Corporate Services Committee held 12 meetings between 1 July 2021 and 30 June 2022.

Composition:

Cr D Proleta (Chairman)
Cr P Jensen – (Deputy Chairman)

All members of Council
**The Mayor is, ex-officio, a member of this Committee

Finance & Corporate Services Committee	19 Jul	16 Aug	20	18 Oct	15 Nov	13 Dec	17 Jan	21 Feb	21 Mar	19 Apr	16 May	20 Jun	Meetings held	Total Attended
Mayor G Aldridge (ex officio)	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	10
Cr M Blackmore	-	✓	✓	-	-	✓	✓	✓	✓	✓	✓	✓	12	9
Cr L Braun	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr B Brug	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	11
Cr C Buchanan (Deputy Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr A Duncan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	12	11
Cr K Grenfell	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr N Henningsen	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	12	11
Cr D Hood	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr P Jensen	-	✓	✓	✓	-	-	-	✓	-	✓	-	✓	12	6
Cr S Ouk	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr D Proleta	✓	✓	✓	✓	✓	✓	-	✓	✓	-	LOA	✓	12	10
Cr S Reardon	-	✓	-	✓	-	✓	✓	✓	✓	✓	✓	✓	12	9
Cr G Reynolds	✓	✓	✓	✓	✓	✓	✓	✓	LOA	✓	-	✓	12	10
Cr J Woodman	✓	✓	-	✓	✓	✓	✓	✓	LOA	✓	✓	-	12	11

Council

Community Wellbeing and Sport Committee

This Committee is formed under Section 41 of the Local Government Act 1999. The Committee meets on the third Tuesday of each month. The Committee operates in accordance with the provisions under the Local Government Act, the Local Government (Procedures at Meetings) Regulations 2013 and its Terms of Reference. The Community Wellbeing and Sport Committee held 12 meetings between 1 July 2021 and 30 June 2022.

Composition:

Cr A Duncan (Chairman)
Cr C Buchanan (Deputy Chairman)
Cr B Brug
Cr D Hood

Cr P Jensen
Cr S Ouk
Cr J Woodman
**The Mayor is, ex-officio, a member of this Committee

Attendance:

Governance & Compliance Committee	20 Jul	17 Aug	21 Sept	19 Oct	16 Nov	14 Dec	18 Jan	22 Feb	22 Mar	20 Apr	17 May	15 Jun	Meetings held	Total Attended
Mayor G Aldridge (ex officio)	✓	-	-	✓	✓	-	✓	✓	✓	✓	-	✓	12	8
Cr B Brug	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	11
Cr C Buchanan (Deputy Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓	12	11
Cr A Duncan (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr D Hood	✓	✓	✓	✓	✓	-	✓	✓	-	-	-	✓	12	11
Cr P Jensen	-	✓	✓	✓	-	✓	✓	✓	-	✓	✓	✓	12	7
Cr S Ouk	✓	✓	-	✓	✓	✓	✓	✓	-	✓	✓	-	12	9
Cr J Woodman	✓	✓	✓	✓	-	✓	✓	✓	LOA	LOA	✓	✓	12	9

LOA - Leave of Absence

Council

Innovation and Business Development Committee

This Committee is formed under Section 41 of the Local Government Act 1999. The Committee meets on the third Tuesday of each month. The Committee operates in accordance with the provisions under the Local Government Act, the Local Government (Procedures at Meetings) Regulations 2013 and its Terms of Reference. The Innovation and Business Development Committee held 12 meetings between 1 July 2021 and 30 June 2022.

Composition:

Cr K Grenfell (Chairman)
Cr B Brug (Deputy Chairman)
Cr M Blackmore
Cr C Buchanan

Cr P Jensen
Cr G Reynolds
Cr J Woodman

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

Attendance:

Innovation & Business Development Committee	20 Jul	17 Aug	21 Sept	19 Oct	16 Nov	14 Dec	18 Jan	22 Feb	22 Mar	20 Apr	17 May	15 Jun	Meetings held	Total Attended
Mayor G Aldridge (ex officio)	✓	-	-	✓	✓	-	✓	✓	✓	✓	-	✓	12	8
Cr M Blackmore	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	-	✓	12	10
Cr B Brug (Deputy Chair)	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	11
Cr C Buchanan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	12	10
Cr K Grenfell (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12
Cr P Jensen	-	✓	✓	✓	-	✓	✓	✓	-	-	-	✓	12	7
Cr G Reynolds	✓	✓	✓	✓	✓	✓	✓	✓	LOA	✓	✓	✓	12	11
Cr J Woodman	✓	✓	✓	✓	-	✓	✓	✓	LOA	LOA	✓	✓	12	9

LOA - Leave of Absence

Council

CEO Review Committee

This Committee is formed under Section 41 of the Local Government Act 1999. The Committee meets quarterly in the second week of the month. The Committee operates in accordance with the provisions under the Local Government Act, the Local Government (Procedures at Meetings) Regulations 2013 and its Terms of Reference. The CEO Review Committee held 4 meetings between the 1 July 2021 and 30 June 2022.

Composition:

Mayor Gillian Aldridge (Chair)
Cr C Buchanan

Cr D Proleta
Cr S Reardon
Cr J Woodman

Attendance:

CEO Review Committee	14 Jul	13 Sep	15 Feb	10 May	Meetings held	Total Attended
Mayor G Aldridge (ex officio)	✓	✓	✓	✓	4	4
Cr C Buchanan (Deputy Chair)	✓	✓	✓	-	4	3
Cr D Proleta	✓	✓	-	-	4	2
Cr S Reardon	✓	✓	-	✓	4	3
Cr J Woodman	✓	✓	✓	✓	4	4

LOA - Leave of Absence

Council

Audit and Risk Committee

This Committee is formed under section 126 of the Local Government Act 1999. The Committee meets on a quarterly basis. The Committee operates in accordance with the provisions under the Local Government Act, the Local Government (Procedures at Meetings) Regulations 2013 and its Terms of Reference. The Audit and Risk Committee held 5 meetings between 1 July 2021 and 30 June 2022. For further information on all members attendance, refer to page 44.

Composition:

Cr G Reynolds (Chairman)
Cr K Grenfell (Deputy Chairman)
Mr Neil Ediriweera (Independent Member)

Mr Craig Johnson (Independent Member)
Ms Paula Davies (Independent Member)

Attendance:

CEO Review Committee	13 Jul	12 Oct	9 Nov	16 Feb	12 Apr	Meetings held	Total Attended
Cr G Reynolds (Chair)	✓	✓	✓	✓	✓	5	5
Cr K Grenfell (Deputy Chair)	✓	✓	✓	✓	✓	5	5

LOA - Leave of Absence

Council Assessment Panel

Appointed as a relevant authority in accordance with the Planning Development and Infrastructure Act 2016 by Council resolution. The Committee meets on the fourth Tuesday of each month. The Committee operates in accordance with the Planning, Development and Infrastructure Act 2016, Planning, Development and Infrastructure General Regulations 2017 and its Terms of Reference. The Council Assessment Panel held 10 meetings between 1 July 2021 and 30 June 2022.

Composition:

Mr Terry Mosel (Presiding Member)
Mr Ross Bateup (Independent Member)
Ms Cherie Gill (Independent Member)

Mr Matt Atkinson (Independent Member)
Cr B Brug

Attendance:

Council Assessment Plan Committee	27 Jul	24 Aug	29 Sept	23 Nov	21 Dec	23 Feb	29 Mar	27 Apr	24 May	28 Jun	Meetings held	Total Attended
Cr B Brug	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	10	9

LOA - Leave of Absence

Council

Sub Committees

The City of Salisbury has 6 Sub-Committees each formed under Section 41 of the Local Government Act 1999. The Sub-Committees operate in accordance with the provisions under the Local Government Act, the Local Government (Procedures at Meetings) Regulations 2013 and the individual Committee Terms of Reference.

Asset Management Sub Committee

The membership of the Asset Management Sub Committee is determined by Council. The Committee meets on the second Monday of the month. The Asset Management Sub Committee held 6 Meetings between 1 July 2021 and 30 June 2022.

Composition:

Cr B Brug (Chairman)
Cr L Braun
Deputy Mayor, Cr C Buchanan
Cr D Hood (Deputy Chairman)

Cr S Ouk
Cr S Reardon

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

Attendance:

Asset Management Sub Committee	20 Jul	17 Aug	21 Sept	19 Oct	16 Nov	14 Dec	Meetings held	Total Attended
Mayor G Aldridge (ex officio)	✓	✓	-	✓	✓	✓	6	5
Cr L Braun	✓	✓	✓	✓	✓	✓	6	6
Cr B Brug (Chair)	✓	✓	-	✓	✓	✓	6	5
Cr C Buchanan	✓	✓	✓	-	-	-	6	3
Cr D Hood (Deputy Chair)	✓	✓	✓	✓	✓	-	6	5
Cr S Ouk	✓	✓	-	✓	✓	-	6	4
Cr S Reardon	✓	✓	✓	✓	✓	✓	6	6

LOA - Leave of Absence

Council

Tree Management Appeals Sub Committee (TMASC)

The membership of the TMASC comprises of four Elected Members as nominated by Council. The TMASC is established under section 41 of the Local Government Act 1999 as a subcommittee reporting to the Urban Services Committee for the purposes of making decisions under delegated authority and providing advice to Council. The TMASC meets as required to assess tree management appeals. The TMASC held 9 Meetings between 1 July 2021 and 30 June 2022

Composition:

Cr S Reardon (Chair)
Cr P Jensen (Deputy Chair)

Cr C Buchanan
Cr S Ouk

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

Attendance:

TMASC	12 Jul	9 Aug	13 Sept	11 Oct	8 Nov	14 Feb	15 Mar	11 Apr	14 Jun	Meetings held	Total Attended
Cr B Brug	✓	✓	✓	✓	-	✓	✓	✓	✓	9	8
Cr C Buchanan	✓	✓	✓	✓	✓	✓	-	-	✓	9	7
Cr P Jensen (Deputy Chair)	✓	✓	✓	✓	✓	✓	-	✓	✓	9	8
Cr S Ouk	✓	✓	✓	✓	-	✓	✓	✓	✓	9	8
Cr S Reardon (Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	9	9

LOA - Leave of Absence

Council

Youth Council Sub Committee

The Youth Council Sub Committee is established under section 41 of the Local Government Act 1999 as a subcommittee and an advisory committee to the Policy and Planning Committee and providing advice to Council. The Youth Council Sub Committee is structured to ensure maximum participation and inclusion of young people. The Youth Council meets six times per annum (February, April, June, August, October and December) Meetings are held on the second week of the month. The Youth Council Sub Committee held 6 Meetings between 1 July 2021 and 30 June 2022.

Composition:

The membership of the Youth Council comprises:

18 young people (aged 14-25 years), 6 mentors, up to 3 Elected Members (Cr M Blackmore, Cr P Jensen, Cr G Reynolds and the Mayor (ex-officio)).

Attendance:

Youth Council Sub Committee	10 Aug	12 Oct	7 Dec	15 Feb	12 Apr	15 Jun	Meetings held	Total Attended
Mayor G Aldridge (ex officio)	-	-	-	-	-	-	6	0
Cr M Blackmore	-	✓	✓	✓	✓	✓	6	5
Cr P Jensen	✓	-	✓	-	-	-	6	2
Cr G Reynolds	✓	✓	✓	✓	✓	✓	6	6

LOA - Leave of Absence

Council

Strategic Property Development Sub Committee

The Strategic Property Development Sub Committee is established under section 41 of the Local Government Act 1999 as a subcommittee and an advisory committee to the Innovation and Business Development Committee, providing advice to Council. The Strategic Property Development Sub Committee meets every three months or as required on the second Monday of the month. The Strategic Property Development Sub Committee held 6 Meetings between 1 July 2021 and 30 June 2022.

Composition:

Cr P Jensen (Chair)
Cr K Grenfell (Deputy Chair)
Cr D Proleta
Cr G Reynolds
Cr J Woodman

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

Attendance:

Strategic Property Development Sub Committee	20 Jul	17 Aug	21 Sept	19 Oct	16 Nov	14 Dec	Meetings held	Total Attended
Mayor G Aldridge (ex officio)	✓	✓	-	✓	✓	✓	6	5
Cr C Buchanan	✓	✓	✓	✓	✓	-	6	5
Cr K Grenfell (Deputy Chair)	✓	✓	✓	✓	✓	✓	6	6
Cr P Jensen (Chair)	✓	✓	✓	✓	✓	-	6	5
Cr D Proleta	✓	✓	-	✓	✓	LOA	6	4
Cr G Reynolds	✓	✓	✓	-	✓	✓	6	5
Cr J Woodman	✓	✓	✓	✓	✓	✓	6	6

LOA - Leave of Absence

Council

Intercultural Strategy and Partnerships Sub Committee

The Intercultural Strategy and Partnerships Sub Committee is established under section 41 of the Local Government Act 1999 as an advisory committee to the Policy and Planning Committee for the purpose of providing advice to Council. The Intercultural Strategy and Partnerships Sub Committee holds meetings as required. The Intercultural Strategy and Partnerships Sub Committee held one meeting between 1 July 2021 and 30 June 2022.

Composition:

Cr M Blackmore (Chair)
Cr S Ouk (Deputy Chair)
Cr N Henningsen

Cr D Proleta
Cr J Woodman
**The Mayor is, ex-officio, a member of this Committee

Attendance:

Intercultural Strategy & Partnerships Sub Committee	9 Aug	Meetings held	Total Attended
Mayor G Aldridge (ex officio)	✓	1	1
Cr M Blackmore (Chair)	✓	1	1
Cr N Henningsen	-	1	0
Cr S Ouk (Deputy Chair)	✓	1	1
Cr D Proleta	✓	1	1
Cr J Woodman	-	1	0

LOA - Leave of Absence

Council

Para Hills Community Hub Precinct Sub Committee

The Para Hills Community Hub Precinct Sub Committee is established under section 41 of the Local Government Act 1999 as a subcommittee and an advisory committee to the Community Wellbeing and Sport Committee, providing advice to Council. The Para Hills Community Hub Precinct Sub Committee meets quarterly on the second Monday or Tuesday of the month. The Para Hills Community Hub Precinct Sub Committee was scheduled to have 2 Meetings between 1 July 2021 and 30 June 2022 however the meetings were cancelled due to lack of Quorum.

Composition:

Cr S Reardon (Chair)
Cr P Jensen (Deputy Chair)
Mr R Taylor (Independent Member)

Ms K Winter (Independent Member)
**The Mayor is, ex-officio, a member of this Committee

Attendance:

CEO Review Committee	10 May	12 July	Meetings held	Total Attended
Mayor G Aldridge (ex officio)	Meeting cancelled - lack of Quorum	Meeting cancelled - lack of Quorum	0	0
Cr P Jensen (Deputy Chair)			0	0
Cr S Reardon (Chair)			0	0

LOA - Leave of Absence

Burton Community Hub Precinct Sub Committee

The Burton Community Hub Precinct Sub Committee is established under section 41 of the Local Government Act 1999 as a subcommittee and an advisory committee to the Community Wellbeing and Sport Committee, providing advice to Council. The Burton Community Hub Precinct Sub Committee meets quarterly on the second Monday or Tuesday of the month. The Burton Community Hub Precinct Sub Committee held one meeting between 1 July 2021 and 30 June 2022.

Composition:

Cr C Buchanan (Chair)
Cr D Proleta (Deputy Chair)
Ms K Blandford (Independent Member)

Ms J Cook (Independent Member)
Mr T Dalwood (Independent Member)

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

Attendance:

CEO Review Committee	10 May	12 July	Meetings held	Total Attended
Mayor G Aldridge (ex officio)	✓	Meeting cancelled - lack of Quorum	1	1
Cr C Buchanan (Chair)	✓		1	1
Cr D Proleta (Deputy Chair)	-		1	0

LOA - Leave of Absence

Council

Open and transparent decision-making

Council continues to ensure its commitment to open and transparent decision making through minimising the number of decisions it takes in confidence. Occasionally, exceptional circumstances make it necessary for the Council or a Committee to discuss a matter in confidence. Matters that may be discussed in confidence are limited to those listed in section 90 (3) of the Local Government Act 1999 and for example include matters that concern personal affairs, legal issues or have commercial implications.

During 2021/22 a total of 606 items were considered by Council and Committees. Of these, 48 items were considered in confidence.

	No. of items considered in confidence	Confidential items as a % of total no. of items considered
2017/18	33	6.21%
2018/19	31	5.64%
2019/20	43	7.06%
2020/21	63	8.7%
2021/22	48	7.92%

Of the 48 items where members of the public were excluded, all or part of the documents presented remained confidential after discussion in confidence had taken place.

The following table is a summary of the number of occasions that the provisions listed in Section 90 (excluding the public during debate) or Section 91 (documents to be kept confidential for a period of time) of the Local Government Act 1999 were used during the 2021-2022 financial year.

Council

The following table is a summary of the number of occasions that the provisions listed in Section 90 (excluding the public during debate) OR Section 91 (documents to be kept confidential for a period of time) of the Local Government Act (1999) were used during the 2020-2021 financial year.

Date	Item	Subject matter	Section 90(3) subsection reference	Number of occasions moved into confidence Section 90(2)	Number of occasions with retention order on reports, minutes and/or appendices Section 91(7)
July 2021	9.1.2	CEO Personal Evaluation System FY2020/2021	(a)	1	1
July 2021	13.5	Contract Action	(h) + (i)	1	1
July 2021	13.6	Request for Extension of Confidential Orders	(b)(i) + (ii)	2	1
Jul-21	SPDSC4	Strategic Development Projects - Project Status Report	(b)(i) + (ii)	3	1
Jul-21	SPDSC5	Walkleys Road Corridor - Community Engagement (Stage 2) Outcome and Feasibility Analysis	(b)(i) + (ii)	3	1
Jul-21	SPDSC6	Salisbury Oval Development Site Update	(b)(i) + (ii)	3	1
Jul-21	3.4.1	Appointment of Independent Members on the Council Assessment Panel	(a)	2	1
Aug-21	13.1	Request for Extension of Confidentiality Orders	(a)	1	1
Sep-21	SPDSC2	Community Engagement Strategy - Strategic Property Development Sites	(b)(i) + (ii)	3	1
Sep-21	SPDSC3	Strategic Land Review - Bi-Annual Update Report (September 2021)	(b)(i)+(b)(ii)	3	1
Sep-21	1.4.1	Structure Plan West Port Wakefield Road	(b)(i)+(b)(ii)	2	1

Council

Date	Item	Subject matter	Section 90(3) subsection reference	Number of occasions moved into confidence Section 90(2)	Number of occasions with retention order on reports, minutes and/or appendices.
Sep-21	1.4.2	St Kilda Future Development Opportunities	(b)(i)+(b)(ii)	2	1
Sep-21	4.4.1	Burton Community Hub - Status Report	(d)(i)+(d)(ii)	2	1
Sep-21	5.4.1	Salisbury Aquatic Centre	(b)(i)+(b)(ii)	2	1
Oct-21	4.4.1	Future Urban Water Directions	(d)(i)+(d)(ii)	2	1
Oct-21	C1	Request for Extension of Confidential Order	(a)	1	1
Nov-21	1.4.1	Salisbury Community Hub - Project Close Out Report	(b)(i)+(b)(ii)	2	1
Nov-21	SPDSC2	Strategic Development Projects - Project Status Report	(b)(i)+(b)(ii)	3	1
Nov-21	C1	NAWMA - Appointment of Independent Chairperson	(a)	1	1
Dec-21	SPDSC3	Ryans Road, Greenfields (Former Road Reserve) - Land Disposal	(b)(i)+(b)(ii)	3	1
Dec-21	4.4.1	Tenancy Matter	(d)(i)+(d)(ii)	2	1
Dec-21	5.4.1	Salisbury Aquatic Centre Redevelopment - Prudential Report	(d)(i)+(d)(ii)	2	1
Feb-22	2.4.1	Update on Action on Rates Assessment Outstanding under Section 184 of the Local Government Act 1999	(a)	2	1
Feb-22	2.4.2	Rent Abatement Request	(d)(i)+(d)(ii)	2	1
Feb-22	6.4.1 -SPDSC2	Strategic Development Projects - Project Status Report	(b)(i)+(b)(ii)	3	1

Council

Date	Item	Subject matter	Section 90(3) subsection reference	Number of occasions moved into confidence Section 90(2)	Number of occasions with retention order on reports, minutes and/or appendices.
Feb-22	6.4.1-SPDSC3	Lake Windemere - Expression of Interest Status Update	(b)(i)+(b)(ii)	3	1
Feb-22	6.4.1-SPDSC4	Salisbury Oval Development Site Update	(b)(i)+(b)(ii)	3	1
Feb-22	C1	Para Hills Community Hub Precinct Sub Committee - Amendment to Nominee Appointment and Terms of Reference	(a)	1	1
Mar-22	4.4.1	Future Use of Carisbrooke House	(b)(i)+(b)(ii)	2	1
Mar-22	C1	Request for Extension of Confidentiality Order	(b)(i)+(b)(ii)	1	1
Apr-22	1.4.1	St Kilda Future Development Opportunities	(b)(i)+(b)(ii)	2	1
Apr-22	1.4.2	Thematic Heritage Study - Stage 2 Item Identification	(b)(i)+(b)(ii)	2	1
Apr-22	4.4.1	Kimba Road Reseal - Technical Report		2	1
Apr-22	4.4.2	Acquisition of Surplus SA Water Land at Bolivar		2	1
Apr-22	4.4.3	Reg Groth Reserve, Parafield Gardens - Building Renewal - Request for Additional Funding	(d)(i)+(d)(ii)	2	1
Apr-22	C1	ESCOSA Rate Oversight Scheme Considerations	(j)(i)+(j)(ii)	1	1
May-22	6.4.1 -SPDSC2	Len Beadell - Land Disposal Update	(b)(i)+(b)(ii)	3	1

Council

Date	Item	Subject matter	Section 90(3) subsection reference	Number of occasions moved into confidence Section 90(2)	Number of occasions with retention order on reports, minutes and/or appendices.
May-22	6.4.1-SPDSC3	Strategic Development Projects - Status Report	(b)(i)+(b)(ii)	3	1
May-22	6.4.1-SPDSC4	Ryans Road Land Disposal Update	(b)(i)+(b)(ii)	3	1
May-22	6.4.2	Exceptional Community Experience Project Update	(b)(i)+(ii)	2	1
May-22	C1	Request for Extension of Confidentiality Orders	(b)(i)+(b)(ii)	1	1
Jun-22	C1 (Special Council Meeting)	Land Acquisition - Bolivar	(b)(i)+(b)(ii)	1	1
Jun-22	1.4.1	Potential Land Ownership Transfer	(b)(ii)+(b)(ii)	2	1
Jun-22	2.4.1	Belgravia Leisure Fees & Charges 2022-23	(b)(i)+(b)(ii)	2	1
Jun-22	3.4.1	Audit and Risk Committee Membership - Appointment of Independent Members	(a)	2	1
Jun-22	5.4.1	Minor Capital Works Grant Program - Ingle Farm Sporting Club Incorporated	(d)	2	1
Jun-22	C1	Request for Extension of Confidentiality Orders	(b)(i)+(b)(ii)	1	1

22 confidentiality orders were revoked or expired in full during 2021/22, with 3 orders being partially released. Remaining orders will be reviewed internally twice per year and if deemed appropriate, the Chief Executive Officer has the delegation to revoke orders.

177 orders remained operative at the end of 2021/22.

DRAFT

This page is intentionally left blank.

Council

Freedom of Information

During the 2020/2021 financial year, the City of Salisbury made determinations on 16 applications under the provision of the **Freedom of Information Act 1991**.

Of these 16, 5 applications were granted full release:

- One was in relation to access to all building plans and specifications in relation to a residential property in Ingle Farm
- One was in relation to a request for a list of high risk manufactured water systems (HRMWS) in the City of Salisbury
- One was in relation to all documents including application for development approval and any executed Development Act Statement of Compliance in relation to building on a residential property at Brahma Lodge
- One was in relation to a list of all addresses on the City of Salisbury ratepayer roll for which Housing SA is listed as the ratepayer as well as any other public/community housing providers such as Anglicare, Housing Australia, Junction Australia, United Wesley
- One was in relation to a request for documents related to construction and/or renovations of a residential property at Para Vista.

Of these 16, 9 applications were granted partial release;

- One was in relation to copies of all communication and enquiries between past property owners of a residential property at Ingle Farm and Council regarding applications for property improvements, including the additional building in the backyard and carport and verandah. Also a copy of the Section 7 search

- One was in relation to all documents and other evidence including video relied on by the City of Salisbury in issuing a Nuisance Abatement Notice in respect of a property located at Parafield Gardens
- One was in relation to a request for copy of noise diaries submitted to Council by neighbours
- One was in relation to a request for a copy of documents relating to the stormwater over-flow systems, stormwater collection system, all photos and diagrams relating to trenching and pipelines and drawings of pipelines relating to a residential property at Gulfview Heights
- One was in relation to a request for all planning approvals and stamped drawings associated with existing petrol stations at Burton
- One was in relation to a request for all witness statements, any correspondence including emails and letters, logs of phone calls and associated notes made by the investigating officer and copies of any expiation notices issued for a dog attack
- One was in relation to a request for copies of correspondence between Council and nominated persons
- One was in relation to a request for any correspondence between Council and the property owner of residential property at Globe Derby Park in relation to septic system or related
- One was in relation to a request for a copy of the original complaint and subsequent diaries for a property at Paralowie.

Council

Of these 16, 2 applications were denied on the grounds that no such documents exist:

- One was in relation to a request for a copy of all Council logs and maintenance records associated with tree removal in Alfred Street, Pooraka for three years prior to 1 September 2020
- One was in relation to a request for a copy of a report from Manager of Governance to the Mayor for the rejection of request for deputation to speak at the Council meeting on 28 September 2020.

Management and Governance

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

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

Registers

- Elected Member Register of Interests
- Elected Member Allowances and Benefits Register
- Register of Salaries
- Register of Interests (Officers)
- Register of Public Roads
- Register of By-laws
- Elected Member Gifts and Benefits Register

- Employee Gifts and Benefits Register
- Fees and Charges Register
- Register of Community Land
- Register of Buildings Upgrade Agreements
- Delegations Register
- Dog Registrations

Codes

- Code of Conduct for Council Members
- Code of Practice - Access to Meetings and Associated Documents
- Code of Practice for Meeting Procedures
- Code of Conduct for Council Employees

The City of Salisbury has the following By-laws:

- By-law 1 Permits Penalties
- By-law 2 Movable Signs
- By-law 3 Roads
- By-law 4 Local Government Land
- By-law 5 Dogs
- By-law 6 Waste Management

Policies

- City of Salisbury Council Policies are publicly accessible on our website. Policies are reviewed under our Policy Management Framework.

A comprehensive list of codes, documents, policies, registers and guidelines are available for public inspection either at the Council offices, 34 Church Street, Salisbury or at www.salisbury.sa.gov.au

Council

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

Number of Requests for a Review of Council Decisions

During the 2021/22 financial year, the City of Salisbury received one (1) request for review of a Council decision, as follows:

- Review of a Council administration decision not to refund \$918 'Lease Preparation Fee' to an Association") where preparation of the lease had already been completed and executed. The final determination was that the process undertaken in relation to the decision not to refund the lease preparation fee was correct. However, given the submission made by the Association in relation to its financial circumstances and the services it provides to the community, the reviewer determined that 50% of the lease preparation fee be waived in accordance with its delegated authority under section 188 of the Local Government Act 1999.

Local Nuisance and Litter Control

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

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

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

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

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

- (a) the number of complaints of local nuisance or littering received by Council; and
- (b) the number and nature of —
 - (i) offences under the Act that were expiated; and
 - (ii) offences under the Act that were prosecuted; and
 - (iii) nuisance abatement notices or litter abatement notices issued; and
 - (iv) civil penalties negotiated under section 34 of the Act; and
 - (v) applications by Council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications; and
- (c) any other functions performed by Council under the Act.

Council

5 — Annual reports by councils

For the purposes of section 8 of the Act, a council's annual report should include details of—

The number of complaints of local nuisance or littering received by the council	2021/22
General Litter - Development Pollution	42
General Litter - Discharge Liquid Waste	61
Litter Bill Posting	1
Litter Class A - Asbestos	1
Litter Class B - Glass/Syringe/lit cigarettes	1
Litter General - Litter dumped/thrown/deposited	517
Nuisance Animal - Offensive Odour	14
Nuisance Animal Mosquitoes Residential	15
Nuisance Animals (other)	169
Nuisance Animals Vermin/Rats/Mice	107
Nuisance Dust	31
Nuisance Insanitary Condition Offensive Material/Odour	20
Nuisance Insanitary Condition Rodents/Other Pests	13
Nuisance Noise	95
Nuisance Noise Environmental Health S17(1)(a) LNLC	8
Nuisance Odours/Fumes/Aerosols	56
Nuisance Projection Image onto Property	1
Nuisance Smoke	31
Nuisance Smoke Combustion Heaters	18
Nuisance Unsightly Condition Excessive Vegetation	10
Nuisance Unsightly Condition Graffiti	6
Nuisance Unsightly Disused/Derelict Items/Material	30
Nuisance Unsightly Excessive Vegetation/Vacant Land	13
Nuisance Unsightly Rub/Waste Excessive/Unconstrained	118
Nuisance Vibration	0
Totals	1378

Council

The number and nature of offences that were expiated	2021/22
Causing a local nuisance	0
Disposing of 50L or more of litter	2
Disposing of up to 50L of General Litter	2
Failing to comply with abatement notice	4
Totals	8

The number and nature of offences that were prosecuted	2021/22
	0
Totals	0

The number and nature of nuisance abatement notices or litter abatement notices issued	2021/22
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) - Insanitary Condition	3
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) -Nuisance Animals	10
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) -Unsightly condition	0
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) - Noise Construction	1
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) -Noise, odour, smoke, fumes, aerosols or dust;	0
Totals	14

The number and nature of nuisance abatement notices or litter abatement notices issued	2021/22
LNLCAct 2016 Litter Abatement Notice S30(1)(b) - littering / depositing materials	3
Totals	3

The number and nature of civil penalties negotiated under section 34 of the Local Nuisance and Litter Control Act; and Applications by the council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications	2021/22
	0
Totals	0

Any other functions performed by the council under the Local Nuisance and Litter Control Act	2021/22
SACAT Appeal on Abatement Notice for Insanitary condition	0
Totals	0

Council

Audit and Risk Committee of Council

The Audit and Risk Committee reports to Council and is a critical component of the Council's governance framework. The Audit and Risk Committee is established in accordance with Section 126 of the Local Government Act 1999. Its functions as per the Act are as follows:

The Audit Committee will:

- reviewing annual financial statements to ensure that they present fairly the state of affairs of the council;
- proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan;
- proposing, and reviewing, the exercise of powers under section 130A;

- liaising with the council's auditor; and
- reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.

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

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

Audit Committee Membership July 2021 – June 2022

Name	Elected Member or Independent Member
Cr Graham Reynolds	Elected Member (Chairman)
Cr Kylie Grenfell	Elected Member (Deputy Chairman)
Mr Craig Johnson	Independent Member
Mr Neil Ediriweera	Independent Member
Ms Paula Davies	Independent Member

All members of the Audit and Risk Committee were present for all of the five committee meetings held during the year 2021/2022.

Council

Financial Internal Controls Framework

The City of Salisbury follows the Local Government Better Practice Model – Financial Internal Control for South Australian Councils. In order to demonstrate compliance with this model the City operates an extensive financial internal controls framework. The framework is designed to ensure financial processes, procedures, policies and systems are applied efficiently and effectively in order to mitigate the financial risks identified in the Model. Oversight of the financial internal control framework is provided by The Audit and Risk Committee of Council, through the Governance Division. The financial internal controls framework of the Council is audited by the City of Salisbury's external auditor.

Internal Controls

The City of Salisbury utilises a risk and control management application called ControlTrack, to monitor and review its internal financial controls. There are approximately 260 controls within ControlTrack across 7 classes: Assets, Expenses, External Services, Liabilities, Revenue, Strategic Financial Planning and Financial Governance.

We use a five point rating scale when self-assessing the effectiveness of our internal financial controls (1 = ineffective, 2 = requires significant improvement, 3 = partially effective, 4 = majority effective and 5 = effective).

Of the 260 controls assessed and reviewed in 2021/22, four controls (1.5%) were assessed as being partially effective, and the other controls assessed are rated as either effective or majority effective. Treatment plans have been established to improve the rating for the four controls that are assessed as partially effective.

High risk outcomes/findings from internal audits

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

The following audits were completed and reported to the Audit and Risk Committee in the 2021/2022 period:

- Event Incident Management Framework;
- Volunteer Management Audit; and
- Capital Works Projects Audit.

An audit on the Event Incident Management Framework was performed to provide assurance that the controls in place to prevent and manage contamination incidents / sites are robust.

An audit on the Volunteer Management process was performed to provide assurance regarding the effectiveness of the processes that are in place regarding the volunteer management process.

An audit on Capital Works Projects was performed to provide assurance regarding the effectiveness of the processes that are in place to manage, monitor and deliver capital works projects undertaken through City Infrastructure, in accordance with the Project Management Manual and/or Capital Delivery Framework.

Actions were identified to address the total 12 risk findings from these three internal audits, for implementation by the Council as per agreed deadlines.

Council

There was a total of two high risk-rated findings from internal audits identified and reported to the Audit and Risk Committee in the 2021/2022 financial year, and these two findings were resolved and closed in 2021/2022.

Risk Management

In November 2021 the Audit Committee was renamed as Audit and Risk Committee in readiness of anticipated legislative reform. During the year, the Audit and Risk Committee reviewed Council's Enterprise Risk Management Policy, Enterprise Risk Management Framework, and Fraud and Corruption Prevention and Management Policy. A Risk Management and Internal Controls Activities report is reviewed by the Audit and Risk Committee which captures the review of strategic risk register and other risk management and internal control activities on a quarterly basis.

Financial Internal Controls Framework

The City of Salisbury follows the Local Government Better Practice Model – Financial Internal Control for South Australian Councils. In order to demonstrate compliance with this model the City operates an extensive financial internal controls framework. The framework is designed to ensure financial processes, procedures, policies and systems are applied efficiently and effectively in order to mitigate the financial risks identified in the Model. Oversight of the financial internal control framework is provided by The Audit and Risk Committee of Council, through the Governance Division. The financial internal controls framework of the Council is audited by the City of Salisbury's external auditor.

Freedom of Information

During the 2021/2022 financial year, the City of Salisbury determined 8 applications under the provision of the Freedom of Information Act 1991.

Of these 8, one application was granted full release:

- One application related to access to video or photos of a vehicle and boat trailer that hit a car at St Kilda Boat Ramp 31/12/2021 between 0830-1500 hours.

Of these 8, seven applications were granted partial release:

- One application related to a request for a copy of a demolition application and Council property demolition approval.
- One application related to a copy of all documentation, including all letters, emails and file notes in relation to a dog complaint or any other type of neighbourhood complaint from 02-02-2019 to 20-07-2021.
- One application related to a request for copies of any documents, emails, photos, providing information on the state of a food business, such as building inspections.
- One application related to a request for a copy of development plans and approval documents.
- One application related to a request for copies of correspondence from Salisbury Council to the property manager or property owner certifying a retaining wall is constructed in accordance with the development approval.
- One application related to a request for documents relating to dog attack including the name, contact details of owners, name of person who assessed the dog's behaviour and records of previous attacks.
- One application related to a request for all documents, emails, correspondence, notes or other records relating to complaints made against or about a person relating to their dogs, or noise complaints regarding their dogs.

Council

Overseas Travel by Elected Members and Staff for 2021/2022

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

During the period 01/07/2020 through to 30/06/2021 there were no overseas trips that involved Elected Members or Staff.

Executive Allowances

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

- A negotiated annual salary;
- Statutory superannuation;
- Provision of a fully maintained Council vehicle or equivalent (with the exception of the CEO); and
- Provision for professional development fees - \$750 per annum.

Executive membership on External Boards and Committees:

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

Chief Executive Officer, John Harry

- Local Government Chief Officers Group
- Northern Adelaide Local Health Network Steering Group

General Manager City Development, Michelle English

- Nil

General Manager Business Excellence, Charles Mansueto

- Northern Adelaide Waste Management Authority (Board Member)
- Northern Adelaide Waste Management Authority Audit Committee

General Manager Community and Organisational Development, Amy Pokoney Cramey

- Siblings Australia (Board Member)

General Manager City Infrastructure, John Devine

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

Council

Elected Member Training and Development

Below is a table showing training and development activities attended by Elected Members during the 2021/22 financial year.

Gillian Aldridge OAM	Local Government Association Annual General Meeting Local Government Association Ordinary General Meeting (Acting Voting Delegate)
Maria Blackmore	Caretaker Policy Training
Lisa Braun	Caretaker Policy Training
Beau Brug JP	Local Government Association Ordinary General Meeting (via livestream) Caretaker Policy Training (via livestream)
Chad Buchanan JP	Local Government Association Annual General Meeting (Voting Delegate) Caretaker Policy Training
Adam Duncan	Caretaker Policy Training
Kylie Grenfell	Meeting Procedures Training (Audit Committee) Caretaker Policy Training
Natasha Henningsen	Stakeholder Engagement in the Public Sector (online forum) Understanding Caretaker Model Policy Caretaker Policy Training (via livestream)
David Hood JP	Caretaker Policy Training
Peter Jensen JP	
Sarah Ouk JP	Caretaker Policy Training
Donna Proleta	Caretaker Policy Training
Shiralee Reardon JP	Caretaker Policy Training (via livestream)
Graham Reynolds	Meeting Procedures Training (Audit Committee) Caretaker Policy Training
Julie Woodman JP	Local Government Association Showcase and Annual General Meeting Caretaker Policy Training

Council

Elected Members Representation on External and Community Organisations

Gillian Aldridge OAM	Local Government Association of SA (Deputy Voting Representative) Local Government Association Board of Directors Greater Adelaide Regional Organisation of Councils (Voting Member)
Maria Blackmore	Australian Local Government Women's Association SA Branch (Committee Member)
Lisa Braun	Local Government Finance Authority (Deputy Voting Delegate) Metropolitan Seaside Councils Committee St Kilda and Surrounds Development and Tourism Association Pooraka Neighbourhood Watch - Area Coordinator Mawson Lakes Neighbourhood Watch - Treasurer
Beau Brug JP	Metropolitan Seaside Councils Committee (Deputy Elected Member Representative) St Kilda and Surrounds Development and Tourism Association
Chad Buchanan JP	Local Government Association of SA (Voting Representative) Paralowie R-12 School Governing Council
Adam Duncan	Salisbury East High School Governing Council (Chair) Salisbury Heights Primary School Governing Council Salisbury Park Primary School Governing Council Salisbury East Neighbourhood Centre Parafield Airport Consultative Committee
Kylie Grenfell	Northern Adelaide Waste Management Authority Board (Deputy Member) The Pines Primary School Governing Council Parafield Gardens High School Governing Council Australian Local Government Women's Association SA Branch (Metro Vice President)
Natasha Henningsen	Local Government Finance Authority of SA (Voting Representative)
David Hood JP	Lake Windemere B-7 School Governing Council Salisbury City Centre Business Association (Deputy Member)
Peter Jensen JP	Parafield Airport Consultative Committee Parafield Gardens High School Governing Council
Sarah Ouk JP	Morella Community Centre
Donna Proleta	

Council

Elected Members Representation on External and Community Organisations Cont'd

Shiralee Reardon JP	Northern Adelaide Waste Management Authority Board (Deputy Member) Para Hills High School Governing Council Salisbury and Districts Historical Society State Bushfire Coordination Committee Dog and Cat Management Board Social Participation and Diversity Advisory Committee (Chair) The Paddocks Centre
Graham Reynolds	Salisbury City Centre Business Association Northern Adelaide Waste Management Authority Board (Member) Salisbury High School Governing Council Bagster Road Community Centre
Julie Woodman JP	Australian Local Government Women's Association (National State Delegate) Australian Local Government Women's Association SA Branch (President) Northern Adelaide Waste Management Authority Board (Member) Salisbury Suicide Prevention Network (Every Life Matters) Valley View Secondary High School Governing Council

Community Champions



We reward our Community Champions at The Australia Day Citizen of the Year Awards, which are proudly presented by the Australia Day Council of South Australia and the City of Salisbury.

The Awards reward and recognise individuals and organisations that have made a noteworthy contribution during the current year, and/or given an outstanding service over a number of years, to a local community over and above normal employment duties.

Outstanding contribution and community service includes areas such as education, health, fundraising, charitable and voluntary services, business, sport, arts, the environment, or any other area that contributes to the advancement and well being of a community.

Community Champions Categories



Citizen of the Year Award

To be eligible, the person must be an Australian Citizen and live, work or play within the City of Salisbury.

Young Citizen of the Year Award

To be eligible, the person must be an Australian Citizen under 30 years of age on 26 January 2021 and live, work or play within the City of Salisbury.

Senior Citizen of the Year Award

To be eligible, the person must be an Australian Citizen 60 years or over on 26 January 2021 and live, work or play within the City of Salisbury.

Community Event of the Year Award

This is presented to the person/group who has staged the most outstanding community event during the past year. The person/group must live or the event must take place within the City of Salisbury.

Award for Active Citizenship

(open to all including non-Australian citizens)

This new Award would be for a person or group delivering outstanding work or for an event or cause staged in the community during the past year.

Salisbury Community Achievement Award

(open to all Salisbury residents and ratepayers regardless of citizenship)

This new Award would be for a person or group delivering outstanding work or for an event or cause staged in the community during the past year.

Community Champions 2022 Recipients

Citizen of the Year: Eunice Ammerlaan

Eunice is an amazing individual” – these are the first words in her nomination. A dedicated volunteer, she has spent more than six years in the ‘Gaining Your L’s Road Safety Program’ at the Bagster Road Community Centre.

Her great repour with the community and ability to connect with people of all ages and backgrounds has helped more than 350 people gain their L’s in 2021. Always eager to see her students succeed, she regularly offers additional tutoring sessions to students, some are non-English speakers or have other barriers such as mental health or learning difficulties.

Eunice has proved to be a natural leader during the height of the COVID-19 pandemic, when despite a significant drop in volunteer numbers, she stepped up and volunteered almost five days a week.

Giving back to the community, whether it’s through her donation of time or expertise, it’s never too much to ask for Eunice, who has even given up space in her home to store 99 plastic storage tubs full of goods for community hampers. She works with a local charity to sort and collate these goods into hampers to bring Christmas joy to families and the disadvantaged.

And as always, Eunice does all of this with a smile.



Community Champions 2022 Recipients

Young Citizen of the Year: Sofina Le

Sofina Le, 22, was proudly born and raised in the City of Salisbury and is an active citizen who enhances community life through her countless hours of volunteering.

After volunteering at the Jack Young Centre as a Café Assistant in 2017 she progressed to administration assistant, a position she held until 2020. It was during this time that she became passionate about working in aged care. A passion that led her to volunteer with the ACH Group Help at Home, where she regularly visits a senior resident for social companionship. A role she continues to this day. In fact, she has made a number of great friendships through this program and doesn't see it as volunteering anymore.

Her hard work and ability to lead by example has been recognised by her fellow peers who have elected her to Chairperson of the Salisbury Youth Council. While working full-time, Sofina has devoted time and energy to the City of Salisbury by volunteering at events, working parties and more.

Through the Salisbury Youth Council, she has been involved in a long list of activities, including the 2020 Multicultural Project Team, which at the height of the COVID pandemic, developed a survey to understand how connected and safe young people felt in the community. Aboriginal and Torres Strait Islander and first-generation young people were also targeted for the survey and it was presented to the Australia Refugee Association.

It goes without saying that Sofina gives 100 percent in everything she does, she is community-minded to the core and always says "yes" whenever a helping hand is needed. This unique characteristic for someone her age



has seen her complete the Bronze Duke of Edinburgh Award and receive highly regarded feedback from multiple organisations like Headspace and Every Life Matters, where Sofina is a youth reference group member advocating for youth mental health.

Community Champions 2022 Recipients

Senior Citizen of the Year: Pieter (Pedro) Dawson

Pedro served as a National Serviceman during the Vietnam War, where almost 60,000 Australians served in the eight-year conflict. Settling in the City of Salisbury in 1972, he has lived at his current residence in Braham Lodge since 1982.

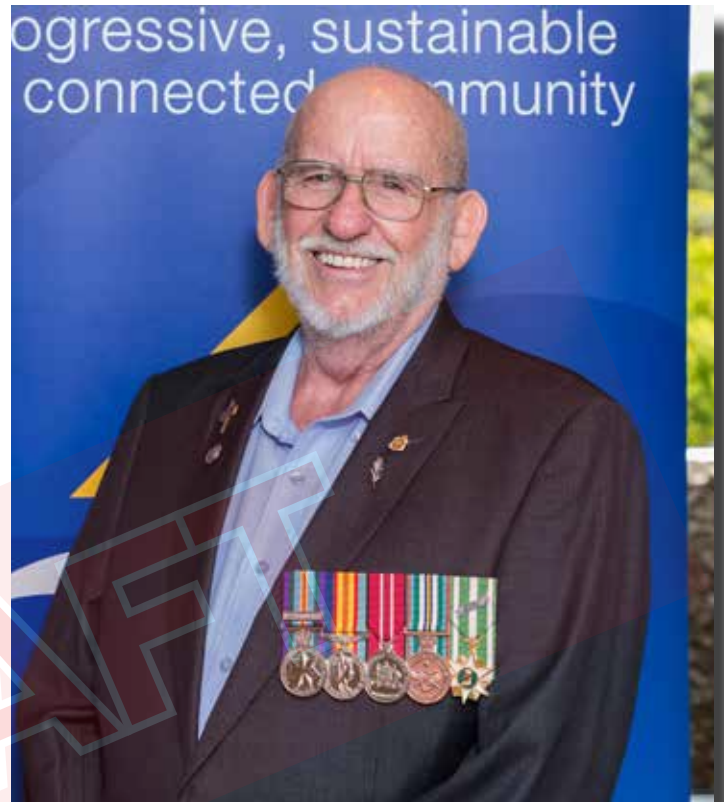
For almost a decade, Pedro has provided an outstanding service as part of the Vietnam Veterans Association Northern Suburbs Sub-branch Inc.

He has served as Treasurer for two years and then became President in 2010, a role he continues to perform today. The 120 Veterans, family members and friends have seen Pedro progressively transform the branch into a high-performing Incorporated Body and Registered Charity.

Pedro has worked tirelessly on a purely voluntary basis, attending the clubrooms 5 days a week for hours each day, to provide an environment where Veterans can talk and share their experiences.

The clubrooms operate mostly as a drop-in service for people to visit to pay respects in the Memorial Garden or simply socialise with fellow Veterans. An advocacy service is available on Tuesdays and regular lunches on Wednesday for approximately 35 attendees. These regular services and activities can only happen because Pedro opens the clubrooms each day and diligently looks after the cleaning and maintenance.

Pedro is very respected by members and has become a role model and mentor to many, actively helping Veterans find purpose and friendship in life.



Each year, the Veterans take a vote for President and the fact that he has been voted in unanimously each time just goes to show how loved and respected he is.

Community Champions 2022 Recipients

Active Citizenship: Adelaide Dragon Football Club

All from the Bhutanese refugee background, the boys from the Adelaide Dragon Football Club work tirelessly to engage the Bhutanese South Australian youth in sporting activities for better outcomes in their mental wellbeing, physical health, connectedness and belonging.

Despite working full-time and having their own academic and family commitments, the older boys in the leadership team are active and positive role models to the younger ones, mentoring them and building a close-knit support network, with the intention of deterring young members from anti-social behaviour like drugs and crime.

Fundraising tournaments have become a fun way for the Club to give back, with funds raised for bushfire victims in Australia, earthquake victims in Nepal and other donations going towards refugee camps and funeral costs for grieving families.

A very relevant cause the Club has led with a passion is connecting the Bhutanese community with accurate information about the COVID-19 vaccination and going as far as hosting a special forum in partnership with Settlement Council of Australia, HOST International and Refugee Health Service. This forum was organised to inform and educate community members, for whom English is their second language, on the COVID-19 vaccination in a comfortable and familiar setting.

Linking with Host International once again, the Club provided funding and much needed food vouchers to the not-for-profit organisation to be given to Afghan evacuees recently arrived in Australia. With most of the members coming from a refugee background, they sympathise with the struggles of new Australians attempting to make a



home in Australia and adjust to the different weather, language and food.

Periodic blood donations through Red Cross is another commitment for the Club, as is their support for important cultural and traditional celebrations and events throughout the border community.

Parents, families and the community at large recognise the contribution made by the Club – as does a long list of local charities and organisations. The Club leaders are good role models and inspire other young people to follow in their footsteps, pay it forward and respect others.

Community Champions 2022 Recipients

Community Event of the Year: Celebrating 80 years of the Edinburgh defence precinct

Over 1,000 people attended the Edinburgh Military Vehicle Museum Defence Day to celebrate 80 years of the Edinburgh Defence Precinct with activities and fun for the whole family.

Held in a group of historic WW2 era buildings within the Defence precinct of Edinburgh Parks, the vehicles on display are not just restored to look at, they are rebuilt to authentic running condition and the collection ranges from the First World War to current times.

All these buildings and vehicles are heritage listed and 82 vehicles were on display on the day – 46 are owned by the museum trust and a further 36 were brought in for the day.

Live music created a friendly atmosphere and walking around the event there were constant surprises with action packed military vehicle rides, interesting displays and amazing exhibitions by talented artist Barry Spicer.

More than 450 people supported the event from various community organisations, acknowledging the many connections the Edinburgh base has with the border community and its enrichment. Volunteers were present from Barkuma, Centrelink, SES, CFS, St Johns, Defence Bank, Veterans SA, Cadet units (Army/Airforce/Navy), local schools and the Salvation Army.

The interactive day was well planned and had entertainment for the whole family. It was great to have the opportunity to take the family out for a great day out and show them a heavy slice of the City of Salisbury's history at a minimal cost.



Community Champions 2022 Recipients

Salisbury Community Achievement: Radwa Alobaid

Radwa is credited with developing relationships between refugees and the community. Coming to Australia as a refugee herself upon fleeing war torn Syria, she understands the challenges of integrating into the Australian lifestyle and adapting to the culture.

One of her most prominent roles in the Australian-Syrian community is her role in supporting women and encouraging them to develop their English language skills. This has led her to organise relaxed educational sessions for non-English speakers about how to access health and pharmacy services and where to find the products they'd used (or ones similar to) those found back in the middle east region.

Radwa has also worked with the Australian Refugee Association in presenting road safety and fire safety advice videos after a house fire burnt down her new Australian home. Understanding that the migrant population are less aware of these risks, due to their new environment and how different it is from their home country, she has passionately educated many new arrivals about the dangers.



Community Champions 2022 Recipients

Mayor's Commendation: Sharif Habibi

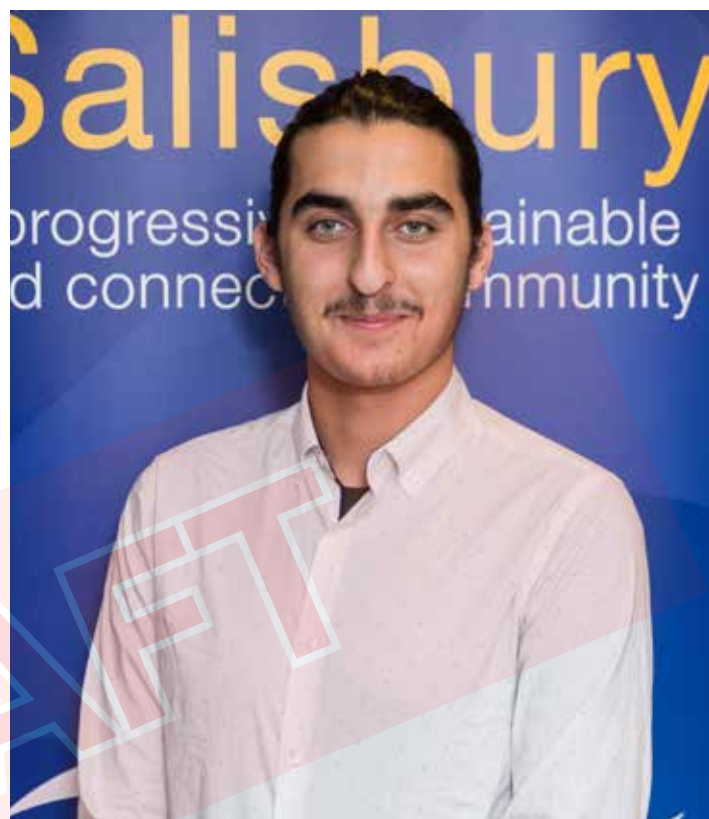
Sharif has volunteered at pretty much every event the City of Salisbury has hosted since 2019.

He is always the first one to put up his hand and help out at events and is a valued member of the events team who enjoys creating memorable experiences for the community.

In his other role as ambassador of the Salisbury Youth Council, he supports and guides his fellow colleagues and other volunteers. With a strong passion for sustainability, you'll often catch him making sure things like cable ties and bottles and cans are recycled correctly after an event.

Sharif demonstrates professionalism, courtesy, friendliness and compassion when dealing with all of our community. He is also the first to try new things and is eager to learn Australian slang and sayings (and have a laugh about how strange they sound).

Most of all, he loves meeting new people and now boasts a new confidence when introducing himself; a skill learnt during his many hours of volunteering and work within the youth council.



A welcoming and liveable City



A welcoming and liveable City

A welcoming and liveable City encompasses issues such as the health and wellbeing of our people, including safety, social connections, the look and feel of neighbourhoods and the facilities and programs available to support our community's aspirations.

There are a number of foundations which will be used to measure Salisbury as welcoming and liveable, including promoting a City that is attractive and well maintained with the health and wellbeing of our community a priority. Community members are valued and should feel safe, included and connected, while our community is resilient and adaptive to change. As a welcoming and liveable City, should also be proud of our strengths, achievements and cultural diversity.

Strategic Projects

Council has worked on several strategic projects aimed at enhancing Salisbury's appeal and reputation as a progressive, friendly, people-centred community. These include:

- the completion of the Burton Community Hub, which opened on 31 July 2022 to provide library services and community programs and activities for diverse user groups
- continued implementation of the Ability Inclusion Strategic Plan, including staging disability inclusion training workshops for 250 employees and introducing more playground equipment for people with disabilities
- the completion of budgeted works at St Kilda, including a new boat ramp and accessible hoists
- completion of the next stage in the Paddocks Master plan including a district playspace, boardwalk, viewing platform and pathways as well as the design for new shared use clubrooms and netball courts in preparation for the next stage of the master plan.
- the opening for public and school use of the Bridgestone Athletics Centre. Since October 2021, the centre has become home to three athletics clubs. Membership of the three clubs increased by 35 per cent in 2021-22, compared with the 19 per cent increase in 2020/21.
- development of a draft regional public health plan and wellbeing plan to maximise and plan to expand the city's capacity to improve residents' and visitors' health and wellbeing outcomes
- planning and design for the \$28.4 million Salisbury Aquatic Centre, construction of which is scheduled to begin in late 2023.

A welcoming and liveable City Cont'd

- Stage 1 of the Fairbanks reserve redevelopment was completed and has seen the installation of a rage cage and toilet facilities. The Design phases for stage 2 (playground upgrade, irrigated open space and new pathways) has commenced and is due for completion in the next financial year.

Council also continued to maintain and enhance existing public spaces with landscape and irrigation programs, increased lighting, and tree planting at popular sites such as along Mawson Lakes Boulevard and in Dunkley Green, Carlyle, Amsterdam Crescent and Canterbury Drive reserves.

Operational Focus

The provision of safe and clean areas in which to live, work and play was a major focus of the Council's operations in 2021-22.

In the midst of the COVID-19 pandemic, during which safety and hygiene in public spaces were of paramount concern, the Council paid close attention to clearing rubbish, including illegally dumped rubbish, from public spaces, and expanded its use of CCTV to monitor undesirable behaviour and outcomes – such as dumping, graffiti and dangerous driving – in public places and during public events.

Council is committed to improve accessibility for people with disabilities. A universal design guideline has been developed and is used during the design phase for all upgrades of facilities as well as ongoing maintenance of footpaths, pram ramps, bus stops and shelters, sports facilities and playspaces. Council also consults with the Disability Access and Inclusion Network (DAIN) on relevant projects.

Community participation in health and recreation programs was boosted through the provision of a range of programs designed to attract attendees and enhance their health, fitness and connectedness. More than 97,000 attendees joined programs at the city's libraries, senior centres and other centres, while the senior centres served nearly 16,000 healthy meals to 699 customers and staged more than 70,000 hours of wellbeing and active ageing programs.

Harmony Week and Refugee Week events and other activities supported by the Welcoming and Intercultural Cities Networks and other organisations contributed to Council's Intercultural Strategic Plan objectives to build connections and increase collaboration and understanding within the region's multicultural community.

Council also promoted participation in local sports clubs and other not-for-profit organisations by awarding 54 community grants for equipment, uniforms and other essential items.

A welcoming and liveable City Cont'd

Future Planning

Completion of the Place Activation Strategy is enabling Council to design community facility requirements and upgrades, with the mapping of the population density across the city a component of planning, including for the West of Port Wakefield Road Strategic Growth infrastructure.

Council will also review feedback on the physical activity and social isolation aspects of the City Pride Strategy before relaunching the strategy in 2022-23.

Advocacy Priorities

Council is committed to addressing the housing and income inequality issues experienced by some city residents. In 2022 it worked with Good Shepherd and other organisations to support the Northern Adelaide Financial Inclusion Action Plan through actions designed to build awareness and responses to financial vulnerability, hardship and inclusion, and minimise their impacts on residents' security, health and wellbeing.

Council sought support from partners such as SAPOL, the Australian Drug and Alcohol Foundation, suicide prevention networks, schools and transport departments to help city residents and visitors access the health and safety services they need. Regular meetings with SAPOL and business and community leaders engendered a shared approach to minimising crime and anti-social behaviour.

A six-month community bus trial demonstrated support for improved public transport across the city. Council is continuing to provide the bus until December 2022, while discussing the city's need for better public transport services – particularly in the western region – with the State Government.

Council's internal design review process continues to be offered to developers – including those proposing infill development – at no charge. The design review process seeks to encourage good design principles so that new development improves the general amenity of the location in which it is built.

A sustainable City



A sustainable City

A sustainable City includes protecting and conserving our diverse natural environment to support biodiversity, reducing Council's environmental footprint, ensuring we make the most of our resources and enabling our community, environment and infrastructure to be resilient to a changing climate.

The foundations used to measure Salisbury as a sustainable City include the existence of a balance of green spaces and natural environments that support biodiversity, making the most of our resources including water, waste and energy and a community, environment and infrastructure that are adaptive to a changing climate.

Strategic projects

Council's commitment to reducing its carbon footprint and protecting and conserving the natural environment continued, with work including:

- The installation of 8,000 LED street lights to reduce carbon emission and energy costs
- A review of community buildings that highlighted possible improvements to boost environmental performance
- The planting of 10,000 trees along the Little Para River, with the help of school students and community members, to enhance the city's biodiversity corridors
- Educating students and other community members about biodiversity, with a focus on propagation and native plantings along Little Para River and Dry Creek
- Installing sensors to monitor water flows, quality and use in the region's creek lines
- Exploring potential markets for recyclable materials

Operational Focus

A Council continues to seek and introduce practices to conserve natural resources and reduce carbon emissions.

For example, Council's road, buildings and other infrastructure is designed to accommodate climate change, including catering for more frequent heat and storm events. Road pavement design includes materials and treatment types that reduce heat near roads, building design considers energy efficiency technology such as including solar panels and batteries, and Council planting more trees, their types selected according to their capacity to withstand higher temperatures or need less water.

A sustainable City Cont'd

In addition, Council includes in its own construction tenders the requirement to re-use concrete, bitumen, glass and other material, and includes recycled products in its road resealing projects.

Council continues to educate and inform residents about how to improve their environmental performance. A three-bin service is provided to the 75,000 residential properties in the city, and a new program was launched to increase the use of kitchen caddies and the amount of food waste going into the 'green organic' bins, aims to reduce the volume of waste going to landfill.

Future Planning

Work on a new Sustainability Strategy commenced with five themes covering biodiversity, climate change adaptation, emissions reduction, resource recovery and water management. Next year it is planned to consult with the community on the draft Sustainability Strategy and its implementation.

The Dry Creek Stormwater Management Plan is due for completion in 2022-23. It will outline measures to protect high-risk areas of the city from flooding, a key component of the city's plans to avoid the impacts of weather events related to climate change.

Council will develop education and information materials to explain how good design supports and enhances the environmental, social and economic performance and appeal of buildings and neighbourhoods.

Advocacy Priorities

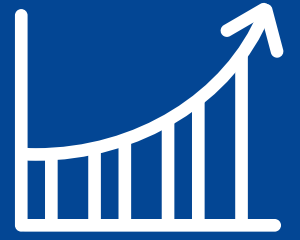
Council continues to invest in and promote to residents and business owners a range of tools and practices to increase the environmental performance of physical infrastructure and reduce waste to landfill.

The management of stormwater is a key component of the overall planning and maintenance of urban water infrastructure, both for Council and for private developers.

DRAFT

This page is intentionally left blank.

A growing City that creates new opportunities



A growing City that creates new opportunities

Council's commitment to be a growing City that creates new opportunities is focused on how we support the success and growth of local businesses, job opportunities for our residents, attracting investment, quality urban planning and providing infrastructure that supports economic activity.

We are consistently working on supporting businesses to be successful and establishing the region as a place of choice for business while supporting investment and business activity and well-planned urban growth.

Strategic Projects

The City of Salisbury welcomes and promotes businesses and other ventures that contribute to a bright, vibrant and prosperous community now and that support its plans for growth.

It is committed to providing the safe and appealing commercial, residential and recreational areas that will attract business and new residents, including with urban design, technology and other features supporting innovation and growth.

In 2021-22, this included starting important upgrades to the Salisbury City Centre. Work began on upgrading Church and John streets, with improvements to footpaths, landscaping, furniture and signage to help navigation and use of the streets.

This laid the foundation for efforts by Council's Economic Development team to attract business to the City. In 2021-22, the team worked with 29 companies to help them expand or relocate to the region, including:

- Pelligra – with 450 construction jobs and 55 ongoing roles
- DCI Data Centers – building a \$100 million facility with 20 direct ongoing jobs and 100 indirect supply-chain roles
- Apex Steel, which is moving to a new \$38.25 million warehouse in Direk
- Noumed Pharmaceuticals, which is building an \$85 million manufacturing plant, creating 250 jobs during construction and 180 ongoing roles when operational.
- The Church and John Streets Revitalisation Project commenced with civil works well underway. This exciting project is the catalyst for the revitalisation of the Salisbury City Centre.

A growing City that creates new opportunities Cont'd

Despite pandemic-related challenges, there were a number of business successes achieved throughout the 2021/22 financial year. The following successes are from the many business services that Council provide at the Polaris Business and Innovation Centre:

- More than 20 new businesses were launched during the 2021/22 financial year
- Free webinar and information sessions were provided to the business community during the COVID-19 pandemic
- More than 50 businesses participated in programs offered by the Polaris Business and Innovation Centre
- Partnered with the Department of Innovation and Skills to launch the Marketing for Success program
- Unique business engagements surpassed 500 during the 2021/22 financial year
- More than 10 businesses were provided support to secure funding; this total funding amount surpassed \$2 million
- More than 40 informative networking events, workshops and seminars were offered to businesses

The importance of Technology Park in the state's defence and other future-focused sectors was reinforced by Council's Economic Development department maintaining and expanding links with innovation precincts throughout the year. For example, team members participated in the Australia-Japan Forum's Innovation-hub Ecosystem Forum in November 2021, outlining the challenges facing innovation precincts to an audience including academics, economists and public sector representatives. A project to enable two way traffic flow from the Technology Drive precinct was completed and has improved access to and from Main North Road.

Council delivered award-winning residential development projects under the Salisbury Living Brand, including at Salisbury North (The Reserve), Paralowie (Greentree Walk and Boardwalk at Greentree), Parafield Gardens (Emerald Green) and Irving Place at Para Hills. Work continues on new projects at Lake Windemere, in Salisbury North and Walkleys Road Corridor at Ingle Farm, with community engagement a key component of each project.

We are working with the State Government on improving the design and safety of the Salisbury Interchange.

Operational Focus

Council's development and infrastructure teams led activity within the organisation to ensure progress in its objectives to support growth and create opportunities, and to assist those looking to capitalise on the region's business-friendly environment.

The recognition of the significance of parking to businesses and residents was demonstrated in Council's attention to parking in the Salisbury City Centre and in its announcement that a study of parking in Mawson Lakes will be conducted

A growing City that creates new opportunities Cont'd

in 2022-23.

Council continued to improve the streetscape of commercial and industrial precincts, introducing or upgrading suitable verges, tree plantings, footpaths and roads and directional signage.

Council delivered services to support the many small businesses in the region, working with the Small Business Friendly Council charter championed by the Small Business Commissioner. Procurement processes and internal services were reviewed to ensure they suit and can offer maximum assistance to local small businesses.

Future Planning

Council will undertake a number of projects to ensure it is best-placed capitalise on existing work and to identify other opportunities for business attraction regional growth.

Reviews of Council's economic growth strategy and Growth Action Plan will inform a new economic development strategy and other updated plans for presentation in 2022-23.

Council has finalised a structure plan for the land west of Port Wakefield Road in preparation for building a new region for city growth. The Strategic Growth Framework - Waterloo Corner and Bolivar Corridor was also finalised following community and stakeholder engagement and is a blueprint for State Government and Council planning for development in the area.

A consultancy funded by Council, Defence SA and other partners is examining the potential for an 'innovation district' at Technology Park. Council is also working with Defence SA to identify development barriers to development and land access at Edinburgh Parks.

Advocacy Priorities

Transport, road design and maintenance and parking are critical to Council's and local businesses' plans for growth.

Council continues to work with the State Government on road network planning and improvements across the city, and is studying traffic patterns and parking requirements at the Salisbury and Mawson Lakes interchanges, including east west connectivity and Main North Road improvements.

It is also working with the State Government to appropriately develop the Dry Creek Salt Fields and to identify and capitalise on development opportunities at Edinburgh Parks.

Innovation and Business Development



Innovation and Business Development

Innovation and Business Development outlines how Council will work to provide exceptional experiences, deliver quality outcomes and be recognised as a great place to work. The foundations of this include delivering quality outcomes, members of our community receiving an exceptional experience when interacting with Council, recognition of Council as a great place to work, effective planning and meaningful engagement to ensure the community is aware of Council initiatives.

Strategic Projects

A range of initiatives were implemented to ensure Council continues to deliver its services to its community during the pandemic. A number of these initiatives have continued to deliver enhanced outcomes.

Its COVID-19 Resident and Business Support Response Plan provided initiatives and grants to help community groups and members most impacted by pandemic-related lockdowns and workforce and supply issues.

Upgrading the operations centre at Cross Keys Road and increasing staff involvement in multi-team programs were among projects to increase the efficiency and effectiveness of Council services.

Council commenced a review of its technology platforms to ensure future upgrades align to the transforming Council's operation to deliver exceptional community experience.

Operational Focus

The establishment of the 'business transformation' team demonstrated the increased focus in ensuring Council operations and services meet not only current community needs but build the platform to enable future needs to be met.

Council is increasingly using Power BI (business intelligence) dashboards to analyse data and support decision-making. A key outcome from this initiative is to make the data Council holds available to the community. Examples of this will be information related to Council infrastructure so members of the community can access information on what services are provided on Council reserves.

A 10.73 per cent increase in views between the launch of Council's new website on 29 August 2021 and 30 June 2022 demonstrated its value to community members seeking advice and support online.

Council continues to seek community input and feedback on a range of issues and actions through platforms including social media. The 'Discover Salisbury' campaigns were particularly popular, with an increase in unique viewers of more than 30 per cent.

New Salisbury Spirit Awards have been created and will be announced at a special event each year to recognise and celebrate the hard work and dedication of Council staff members and volunteers.

Innovation and Business Development Cont'd

Future Planning

A new digital strategy and reviews of the community engagement strategy and Strategic Asset Management plan will improve Council's capacity to respond efficiently to the needs of and challenges facing local business.

The new website and increased attention to social media activity will boost engagement with and understanding of local business and community groups and their issues and concerns.

Advocacy Priorities

Council continues to establish and build strong relationships with State Government departments and agencies to support its capacity to offer a vibrant, user-friendly environment for business and the community.

DRAFT

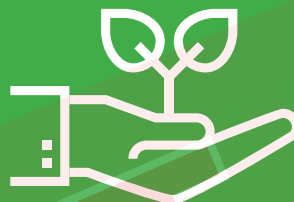
DRAFT

This page is intentionally left blank.

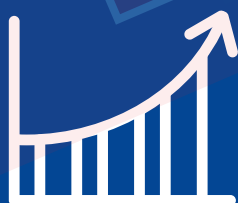
City Dashboard and Corporate Indicators



A welcoming
and liveable
City



A sustainable
City



A growing City
that creates new
opportunities



Innovation
and Business
Development

A welcoming and liveable City

City Dashboard



Population	144,872 people +
Community perception of quality of life	6.8/10 +
Proportion of people born overseas	30% -
Reported crime per 10,000 people	718.3 incidents -
Housing Affordability	22.4% ●
SEIFA Index of Advantage and Disadvantage	908 ○
Proportion of Salisbury's working population with Certificate 3 and above qualifications	55.1% +

Foundations

- ✓ Our City is attractive and well maintained
- ✓ The health and wellbeing of our community is a priority
- ✓ People are valued and they feel safe, included and connected
- ✓ We are proud of our strengths, achievements and cultural diversity
- ✓ Our community is resilient and adaptive to change



DASHBOARD LEGEND

- + Increase on previous year
- Consistent with previous year
- Decrease on previous year
- Previously not reported

Corporate Indicators

City Plan Foundation: Our City is attractive and well maintained

Proportion of households within 500 metres of irrigated open space	79% of residential areas
Timeframe for resolving customer requests to remove dumped rubbish	3.25 Days
How much open space is irrigated with harvested stormwater	120 ha

City Plan Foundation: The health and wellbeing of our community is a priority

Participation in community programs, usage and membership at sporting clubs, libraries and community centres/hubs	<p>One in three residents attend organised sport, church or community groups (32%), visit the Council libraries (29%) and attend local sports and recreation centres (18%) at least once a month.</p> <p>A total of 127,027 participants attended 5,221 sessions across libraries and community centres/hubs.</p> <p>Community programs attendance - Libraries 11,408 (672 sessions); Community Centres/Hub 75,786 (3,268 sessions); Youth Services/Twelve25 18,295 (783 sessions) and JP Services 21 538 (498 sessions). The Library service has 27,843 members and almost 510,000 people visited libraries and community hubs this year.</p>
Satisfaction with recreational areas	<p>Parks and reserves were identified in the top 3 perceived strengths for the City (48%, increasing from 8% in 2016).</p>
Social support group attendance	<p>Salisbury Home and Community Services provides 55 social support groups that incorporate a range of leisure, recreational, supportive, healthy ageing, lifelong learning, wellness and online activities.</p> <p>A total of 1,140 individuals participated in 75,000 hours of group social support this year.</p> <p>Social support and participation is enhanced with the provision of meals in seniors' centres and individual social support and home assist services in the community. Transport services provide access to social groups at our centres and social participation in the community.</p>

City Plan Foundation: People are valued and they feel safe, included and connected

Community perception of safety	Residents feel safer in the council area in 2020 with three in five residents stating they feel safe (60%) compared to 55% in 2018. A mobile CCTV trial was completed this year and will progress in the future.
Level of public transport usage	2016 Census data: Bus 4% & Train 3.3%* *Noting that 2020-2021 the Trains weren't running due the Gawler Line Electrification project
Number of playgrounds with inclusive equipment	61
Number of people participating in Council organised activities in our centres	Number participated in planting events for the 10,000 Native Trees Project - 129 Community Seniors Social Participation Programs had 1,140 participants with 556 of them being from CALD background. 30,786 people participated at Community Centre/Hubs in the following programs: partnered with City of Salisbury 13,920; ACE accredited and non accredited 4,374; DCSI funded 1,761; State/ Federal Government funded 630; NDIS funded 492; Partnered with Other organisations 9,609 (data provided excludes private hirers/user pays)

City Plan Foundation: We are proud of our strengths, achievements and cultural diversity

Number of programs delivered that support intercultural partnerships and participation in same	Salisbury Intercultural Strategic Alliance includes members from five different organisations/agencies plus Elected Members and the Mayor. Salisbury Intercultural Community Alliance has approximately 13 members and strong connections to sector organisations. Events organised: NAIDOC Week programs (3), Refugee Week Programs (4), Harmony Week Program (week long), Aboriginal group and CALD group regular social participation programs. Programs (7) that support intercultural partnerships: Aboriginal and Torres Strait Islander - 10 participants / 74 hours Bhutanese - 160 participants / 10,236 hours Bosnian - 33 participants / 2,464 hours Filipino - 32 participants / 840 hours Italian - 53 participants / 2,258 hours Intercultural - 45 participants / 4,885 hours Vietnamese - 30 participants / 1403 hours
Council of Europe Intercultural Cities Index	City of Salisbury achieved a score of 77%. The Salisbury Intercultural Community Alliance and Salisbury Intercultural Strategic Alliance were consulted to identify sector and community priorities of the CoE Feedback Report. Action plan to implement and align Feedback Report with Intercultural Strategic Plan provided to Council.
Welcoming Cities indicator (tbd)	City of Salisbury has been actively participating in the Welcoming Cities network meetings and will progress with completing the Welcoming Cities Indicator.

City Plan Foundation: Our Community is resilient and adaptive to change

Proportion of affordable dwellings provided through Council's strategic property development program	Through our Strategic Property Development projects, Council is active in delivering affordable housing, including partnering with not-for-profit										
Co-investment in projects supported through Council grants	<table> <tr> <td>Community Grants</td><td>\$59,569</td></tr> <tr> <td>Minor Capital Works Grants</td><td>\$265,844</td></tr> <tr> <td>Youth Sponsorship</td><td>\$3,148</td></tr> <tr> <td>COVID-19</td><td>\$185,446</td></tr> <tr> <td>TOTAL (projects supported through Council grants)</td><td>\$514,007</td></tr> </table>	Community Grants	\$59,569	Minor Capital Works Grants	\$265,844	Youth Sponsorship	\$3,148	COVID-19	\$185,446	TOTAL (projects supported through Council grants)	\$514,007
Community Grants	\$59,569										
Minor Capital Works Grants	\$265,844										
Youth Sponsorship	\$3,148										
COVID-19	\$185,446										
TOTAL (projects supported through Council grants)	\$514,007										

DRAFT

This page is intentionally left blank.

**INFORMATION STILL
TO COME**

City Dashboard



Tree Canopy Coverage	18% 🟡
Number of severe heat days in previous year	11 days 🔴
Average daily Water use per household in SA	190.49 litres 🟢
Domestic waste generated	56,693 tonnes 🟢
Proportion of dwellings with solar panels	42.4% 🟢
Area covered by mangroves and samphire	13.16km ² 🔴

Foundations

- ✓ Salisbury has a balance of green spaces and natural environments that support biodiversity
- ✓ We make the most of our resources including water, waste and energy
- ✓ Our community, environment and infrastructure are adaptive to a changing climate



DASHBOARD LEGEND

- 🟢 Increase on previous year
- 🟡 Consistent with previous year
- 🔴 Decrease on previous year
- 🟢 Previously not reported

Corporate Indicators

City Plan Foundation:
Salisbury has a balance of green spaces for our residents and natural environments that support biodiversity

Indicator for creek health (to be developed)	Turbidity is the indicator and monitoring data will be available from 2022
Length of creek bank stabilised	500 metres
Community perceptions of open space	Satisfaction with services, parks and reserves maintenance 3.6/5

City Plan Foundation: We make the most of our resources including water, waste and energy

Reduction in CO2 emissions from Council-owned street lights	20 tonne (LED Replacement Program commences in November for SA Power Network Lights)
Percentage of total spend on recycled materials used in Council's capital projects	35%
Proportion of waste diverted from landfill	41% (23,120 tonnes)
Volume of stormwater collected	2,291 Million Litres

City Plan Foundation:
Our community, environment and infrastructure are adaptive to a changing climate

Proportion of houses in residential areas exhibiting heat island effects	TBA
Energy consumption by Council facilities	1,472,152 kWh (Salisbury Water 2,704,188 kWh, Lighting 5,544,521 kWh)

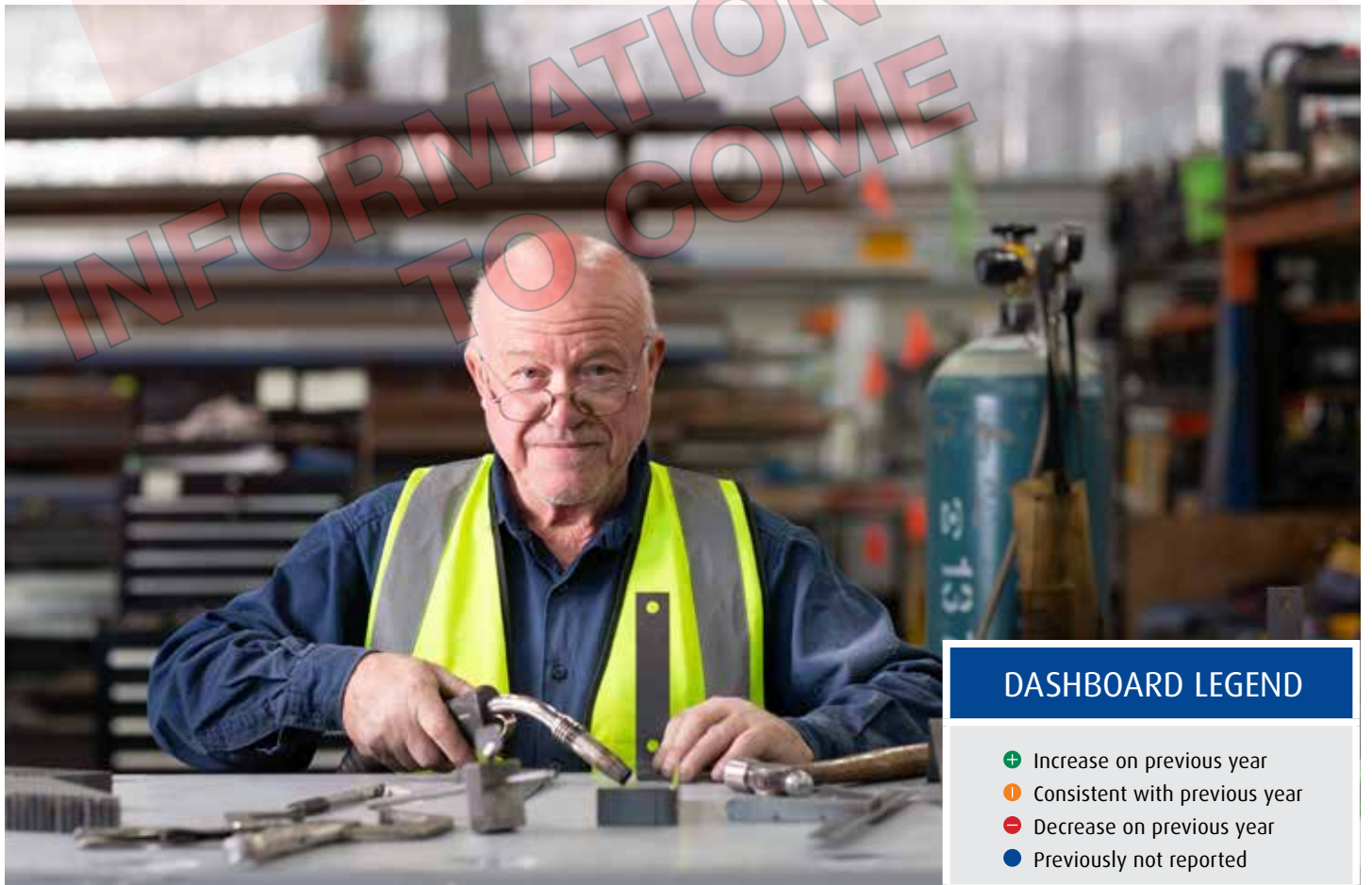
City Dashboard



Gross Regional Product	\$6.59 billion +
Local jobs	69,399 +
Actively trading businesses	7,676 +
Value of development approvals	\$305 million +
Unemployment rate	9.6% +

Foundations

- ✓ Salisbury's businesses are successful and part of our community
- ✓ Salisbury is a place of choice for businesses to start, invest and grow
- ✓ Our infrastructure supports investment and business activity
- ✓ Our urban growth is well planned and our centres are active



DASHBOARD LEGEND

- + Increase on previous year
- Consistent with previous year
- Decrease on previous year
- Previously not reported

Corporate Indicators

City Plan Foundation: Salisbury's businesses are successful and part of our community

Number of individual businesses receiving advice and information through the Polaris Centre	716
---	-----

City Plan Foundation: Salisbury is the place of choice for businesses to start, grow and invest

Value of non-Council investment in the Salisbury City Centre	\$477,348
Business satisfaction of interactions with Council	97%
Value of major projects	\$720 million
Development assessment timeframes	8 days or less (median)

City Plan Foundation: Infrastructure supports investment and business activity

Average travel time on arterial east-west roads	TBD
Vacancy rates in key industrial and commercial precincts	2.20%
Value of development activity in Edinburgh Parks and Technology Park	Edinburgh Parks - \$36.88 million Technology Park - \$113.92 million

City Plan Foundation: Our urban growth is well planned and our centres are active

Value of development on surplus land parcels released by Council	\$2,449,626 in the last financial year, relating to the Irving Place and Boardwalk developments
--	---

Corporate Dashboard



Financial sustainability

Operating Surplus Ratio – 7.76%	–
Net Financial Liabilities Ratio – 11.3%	+
Asset Sustainability Ratio – 76%	–

Safety (lost time injury frequency rate)

1.4 days –

Values – staff perception survey

TBD ●

Community experience

Customer requests responded to within 10 days - 93%	–
Customer satisfaction - 71%	+

Foundations

The delivery of these foundations will be underpinned by Council's values of respect, accountability, collaboration and helpfulness.

- ✓ Members of our community receive an exceptional experience when interacting with Council
- ✓ We deliver quality outcomes that meet the needs of our community
- ✓ The City of Salisbury is recognised as a great place to work
- ✓ We plan effectively to address community needs and identify new opportunities
- ✓ We engage meaningfully and our community is aware of Council initiatives



DASHBOARD LEGEND

- ➕ Increase on previous year
- Consistent with previous year
- Decrease on previous year
- Previously not reported

Corporate Indicators

City Plan Foundation: Members of our community receive an exceptional experience when interacting with Council

Net Promoter Score	- 2
CRMs responded to within 10 days	93%
Customer satisfaction with services delivered by Council	71%

City Plan Foundation: We deliver quality outcomes that meet the needs of our community

Proportion of procurement made locally	49.4%
Proportion of commitments in Annual Plan completed each financial year	TBD

City Plan Foundation: The City of Salisbury is recognised as a great place to work

Staff turnover rate	11.74%
Staff satisfaction (TBD)	TBD
Proportion of jobs filled in first approach to market	93.25%

City Plan Foundation: We plan effectively to address community needs and proactively identify new opportunities

Number of priority advocacy projects receiving support from other spheres of government to progress	7 @ \$889,700
Proportion of Council income received from non-rates revenue	20.9%
Financial ratios in City Scorecard	Operating Surplus Ratio - 7.76% Net Financial Liabilities - 11.3% Asset Renewal Funding - 76%

City Plan Foundation: We engage meaningfully and our community is aware of Council initiatives

Social media Followers	City of Salisbury & Discover Salisbury Facebook Pages Combined followers 20,814 (increase of 12.6%)
Visits to Council website	1,117,474 per annum visits to City of Salisbury Website (increase of 27.6%)
Number of people participating in engagement activities	14,668 (increase of 6,917 persons factoring in COVID shutdowns the year before)

City of Salisbury Financial Statements

DRAFT

City of Salisbury

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022

A progressive, sustainable and connected community



Contents	Page
Council Certificate	2
Understanding Council's Financial Statements	3
Principal Financial Statements	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to and forming part of the Financial Statements	8
Independent Auditor's Report – Financial Statements	54
Independent Auditor's Report – Internal Controls	55
Certificates of Audit Independence	
Council Certificate of Audit Independence	56
Audit Certificate of Audit Independence	57

General Purpose Financial Statements

for the year ended 30 June 2022

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 2022 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

John Harry
Chief Executive Officer

12 October 2022

Gillian Aldridge
Mayor

12 October 2022

General Purpose Financial Statements

for the year ended 30 June 2022

Understanding Council's Financial Statements

Introduction

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

About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as 'presenting a true and fair view' of the Council's financial results for the year and ensuring both responsibility for and ownership of the Financial Statements across Council.

What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2022.

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

- 1. Statement of Comprehensive Income**
A summary of Council's financial performance for the year, listing all income and expenses.
- 2. Statement of Financial Position**
A 30 June snapshot of Council's financial position including its assets and liabilities.
- 3. Statement of Changes in Equity**
The overall change for the year (in dollars) of Council's "net wealth".
- 4. Statement of Cash Flows**
Indicates where Council's cash came from and where it was spent.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the four Primary Financial Statements.

About the Auditor's Reports

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

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

About the Independence Certificates

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

Who uses the Financial Statements?

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

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

Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Income			
Rates	2a	106,593	102,121
Statutory Charges	2b	3,656	3,805
User Charges	2c	5,193	4,930
Grants, Subsidies and Contributions	2g	18,650	15,116
Investment Income	2d	111	120
Reimbursements	2e	421	492
Other income	2f	1,034	1,488
Net Gain - Equity Accounted Council Businesses	19(a)	1,219	970
Total Income		136,877	129,042
Expenses			
Employee costs	3a	38,303	37,116
Materials, Contracts and Other Expenses	3b	54,952	52,409
Depreciation, Amortisation and Impairment	3c	29,746	28,862
Finance Costs	3d	491	642
Total Expenses		123,492	119,029
Operating Surplus / (Deficit)		13,385	10,013
Physical Resources Received Free of Charge	2i	2,865	3,795
Asset Disposal and Fair Value Adjustments	4	(5,388)	(1,599)
Amounts Received Specifically for New or Upgraded Assets	2g	2,895	5,776
Net Surplus / (Deficit)		13,757	17,985
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I, PP&E	9a	166,371	28,681
Total Amounts which will not be reclassified subsequently to operating result		166,371	28,681
Total Other Comprehensive Income		166,371	28,681
Total Comprehensive Income		180,128	46,666

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
ASSETS			
Current assets			
Cash and Cash Equivalent Assets	5a	9,485	9,801
Trade and Other Receivables	5b	6,955	8,242
Inventories	5c	1,577	1,608
Subtotal		18,017	19,651
Total current assets		18,017	19,651
Non-current assets			
Financial Assets	6a	1,008	1,040
Equity Accounted Investments in Council Businesses	6b	6,043	4,824
Other Non-Current Assets	6c	31,443	22,336
Infrastructure, Property, Plant and Equipment	7a(i)	1,725,408	1,550,676
Total non-current assets		1,763,902	1,578,876
TOTAL ASSETS		1,781,919	1,598,527
LIABILITIES			
Current Liabilities			
Trade and Other Payables	8a	20,044	14,798
Borrowings	8b	1,727	2,150
Provisions	8c	7,904	7,873
Subtotal		29,675	24,821
Total Current Liabilities		29,675	24,821
Non-Current Liabilities			
Borrowings	8b	5,349	7,013
Provisions	8c	1,907	1,833
Total Non-Current Liabilities		7,256	8,846
TOTAL LIABILITIES		36,931	33,667
Net Assets		1,744,988	1,564,860
EQUITY			
Accumulated surplus		385,031	380,558
Asset revaluation reserves	9a	1,313,105	1,146,734
Other reserves	9b	46,852	37,568
Total Council Equity		1,744,988	1,564,860
Total Equity		1,744,988	1,564,860

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2022					
Balance at the end of previous reporting period		380,558	1,146,734	37,568	1,564,860
Net Surplus / (Deficit) for Year		13,757	—	—	13,757
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	166,371	—	166,371
Other comprehensive income		—	166,371	—	166,371
Total comprehensive income		13,757	166,371	—	180,128
Transfers between Reserves		(9,284)	—	9,284	—
Balance at the end of period		385,031	1,313,105	46,852	1,744,988
2021					
Balance at the end of previous reporting period		373,183	1,118,053	26,958	1,518,194
Net Surplus / (Deficit) for Year		17,985	—	—	17,985
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	28,681	—	28,681
Other comprehensive income		—	28,681	—	28,681
Total comprehensive income		17,985	28,681	—	46,666
Transfers between Reserves		(10,610)	—	10,610	—
Balance at the end of period		380,558	1,146,734	37,568	1,564,860

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Cash flows from operating activities			
<u>Receipts</u>			
Rates		105,223	102,430
Statutory Charges		3,783	3,942
User Charges		5,710	5,506
Grants, Subsidies and Contributions (operating purpose)		18,915	15,415
Investment Receipts		111	120
Reimbursements		421	541
Other Receipts		15,609	9,346
<u>Payments</u>			
Payments to Employees		(38,233)	(36,959)
Payments for Materials, Contracts and Other Expenses		(58,946)	(59,222)
Finance Payments		(491)	(642)
Net cash provided by (or used in) Operating Activities	11b	52,102	40,477
Cash flows from investing activities			
<u>Receipts</u>			
Net Disposal of Investment Securities		—	75
Sale of Real Estate Developments		79	2,489
Amounts Received Specifically for New/Upgraded Assets		2,895	5,776
Sale of Replaced Assets		547	581
Sale of Surplus Assets		243	363
Repayments of Loans by Community Groups		32	30
Distributions Received from Equity Accounted Council Businesses		(79)	—
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(20,400)	(14,171)
Expenditure on New/Upgraded Assets		(33,646)	(24,765)
Development of Real Estate for Sale		58	(579)
Capital contributed to Equity Accounted Council Businesses		79	—
Net cash provided (or used in) investing activities		(50,192)	(30,201)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		315	—
<u>Payments</u>			
Repayments of Borrowings		(1,735)	(1,773)
Repayment of Lease Liabilities		(806)	(478)
Net Cash provided by (or used in) Financing Activities		(2,226)	(2,251)
Net Increase (Decrease) in Cash Held		(316)	8,025
plus: Cash and Cash Equivalents at beginning of period		9,801	1,776
Cash and cash equivalents held at end of period	11a	9,485	9,801
Additional Information:			
plus: Investments on hand – end of year	6b	615	615
Total Cash, Cash Equivalents and Investments		10,100	10,416

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	9
2	Income	15
3	Expenses	19
4	Asset Disposal and Fair Value Adjustments	20
5	Current Assets	21
6	Non-Current Assets	21
7	Infrastructure, Property, Plant and Equipment	23
8	Liabilities	30
9	Reserves	31
10	Assets Subject to Restrictions	33
11	Reconciliation to Statement of Cash Flows	34
12(a)	Functions	35
12(b)	Components of Functions	36
13	Financial Instruments	37
14	Capital Expenditure and Investment Property Commitments	40
15	Financial Indicators	41
16	Uniform Presentation of Finances	44
17	Leases	45
18	Superannuation	48
19	Interests in Other Entities	49
20	Contingencies and Assets/Liabilities Not Recognised in the Balance Sheet	52
21	Events after the Statement of Financial Position Date	52
22	Related Party Transactions	53

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies

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

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

(1) Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 12 October 2022.

1.2 Historical Cost Convention

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

1.2 Critical Accounting Estimates

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

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

1.3 Rounding

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

(2) The Local Government Reporting Entity

City of Salisbury is incorporated under the *South Australian Local Government Act 1999* and has its principal place of business at 34 Church Street, Salisbury. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions.

Other entities in which Council has an interest but does not *control* are reported in Note 19.

(3) Income Recognition

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

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

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

In recent years the payment of untied grants (financial assistance grants/local roads/supplementary grants) has varied from the annual allocation as shown in the table below:

Financial Year	Payment Received In Advance \$'000	Comments
2019/20	4,329	Relates to 2020/21
2020/21	4,737	Relates to 2021/22
2021/22	6,706	Relates to 2022/23

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

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

(4) Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

(5) Inventories

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

5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with *AASB 102 Inventories* and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

5.2 Other Real Estate Held for Resale

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

(6) Infrastructure, Property, Plant and Equipment

6.1 Initial Recognition

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

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

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

6.2 Materiality

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

Examples of capitalisation thresholds applied during the year are disclosed in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually; these reviews are conducted either internally or externally through the completion of asset audits and valuations.

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

6.5 Intangible Assets

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

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

6.6 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is higher of the present value of future cash inflows or value in use).

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

(7) Payables

7.1 Goods and Services

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

7.2 Payments Received in Advance and Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be. In accordance with AASB 1058 Income for Not-For-Profit Entities, grant revenue received to construct assets has been recognised as payments received in advance in 2022 financial year. During the 2022 end of financial year it was determined that some grants of this nature were not recorded as Income in Advance in 2021 financial year, totalling \$2.4M, however, as this does not result in a material misstatement this prior year error has not been corrected.

(8) Borrowings

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

(9) Employee Benefits

9.1 Salaries, Wages and Compensated Absences

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

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

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

9.2 Superannuation

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

(10) Leases

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

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

10.1 Council as a lessee

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

i) Right of Use Assets

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

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

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

ii) Lease Liabilities

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

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

The Council applies the short term lease recognition exemption to its short term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(11) Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements are accounted for in accordance with *AASB 128 Investments in Associates and Joint Ventures* and set out in detail in Note 19.

(12) GST Implications

In accordance with Interpretation Abstract 1031 '*Accounting for the Goods and Services Tax*'

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

(13) New accounting standards and UIG interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(14) Comparative Figures

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

(15) Disclaimer

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

DRAFT

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 2. Income

\$ '000	2022	2021
(a) Rates		
General Rates		
General Rates	106,199	101,670
Less: Mandatory Rebates	(1,267)	(1,217)
Less: Discretionary Rebates, Remissions and Write Offs	(869)	(776)
Total General Rates	104,063	99,677
Other Rates (Including Service Charges)		
Green Adelaide Board Regional Landscape Levy	2,110	2,016
Salisbury Business Association Separate Rate	127	118
Globe Derby Community Club Separate Rate	7	7
Total Other Rates (Including Service Charges)	2,244	2,141
Other Charges		
Penalties for Late Payment	286	303
Total Other Charges	286	303
Total Rates	106,593	102,121
(b) Statutory Charges		
Development Act Fees	1,232	1,536
Town Planning Fees	892	832
Animal Registration Fees and Fines	879	821
Parking Fines / Expiation Fees	224	157
Other Licences, Fees and Fines	429	459
Total Statutory Charges	3,656	3,805
(c) User Charges		
Water Supply	2,257	2,505
Property Lease	926	831
Cemetery Fees	648	541
Aged and Disability Services	619	388
Waste Disposal Fees	78	52
Sundry	665	613
Total User Charges	5,193	4,930
(d) Investment Income		
Interest on Investments		
- Local Government Finance Authority	25	46
- Banks and Other	70	61
- Loans to Community Groups	16	13
Total Investment Income	111	120

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income (continued)

\$ '000	2022	2021
---------	------	------

(e) Reimbursements

Other	293	270
Contract Maintenance	128	222
Total Reimbursements	421	492

(f) Other income

Rebates Received	726	749
Sundry	308	739
Total Other income	1,034	1,488

(g) Grants, Subsidies, Contributions

Amounts Received Specifically for New or Upgraded Assets	2,895	5,776
Total Amounts Received Specifically for New or Upgraded Assets	2,895	5,776

Other Grants, Subsidies and Contributions	7,116	6,232
Untied Financial Assistance Grant	4,828	4,147
Individually Significant Item - Additional Financial Assistance Grant (refer below)	6,706	4,737
Total Other Grants, Subsidies and Contributions	18,650	15,116

Total Grants, Subsidies, Contributions	21,545	20,892
---	---------------	---------------

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

(i) Sources of grants

Commonwealth Government	2,946	5,360
State Government	16,677	14,719
Other	1,922	813
Total	21,545	20,892

(ii) Individually Significant Items

Advanced Financial Assistance Grant Recognised as Income	6,706	4,737
--	-------	-------

On 13 April 2022, Council received advance payment of the 75% of the 2022/2023 Financial Assistance Grant, totalling \$6,706k (comprising \$5,073k in general purpose funding and \$1,633k in untied local road funding) compared to the 50% received in advance in the prior year. This has materially increased Council's operating results in the current year, as these amounts are recognised as income upon receipt, as detailed in Note 1. Potential material effects will be experienced when the timing of these grant payments are once again restored to a normal schedule.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income (continued)

\$ '000	2022	2021
---------	------	------

(h) Conditions over Grants and Contributions

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

Unexpended at the close of the previous reporting period	4,602	1,043
Less:		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Technology Drive Mawson Lakes - Dual Traffic	(479)	—
Verge Development	(341)	—
Newlyn Terrace Parafield Gardens - Tree Screen Renew	(284)	—
Burton Community Hub - Shed and Community Garden	(250)	—
Whites Rd Emu Crossing - School Zone and Pedestrian Crossing	(250)	—
Strowan Park Picnic and Open Space	(174)	—
Tea Tree Gully Business Advisory Services	(164)	(50)
Morella Community Centre Outdoor Kitchen	(144)	—
Twelve25 Entry Upgrade and Landscaping	(143)	—
Salisbury Oval Indoor Community Cricket and Recreation Facility	(111)	—
Mawson Lakes School - Kiss and Drop	(100)	—
Twelve 25 Special Projects	(80)	—
Waterwatch	(71)	(38)
OH&S - Special Distribution Fund	(30)	(52)
Risk and Governance - Special Distribution Fund	(6)	(58)
Mindset for Life Program	(3)	(38)
Dry Creek Park Way - City Wide Trails	—	(200)
NDIS Participants	—	(75)
Preventative WHS Programs - Special Distribution Fund	—	(39)
ACE Project (Accredited)	—	(21)
Perspex Screens for Public PC's - Special Distribution Fund	—	(15)
ACE Project (Non-accredited)	—	(13)
Drug and Alcohol Framework	—	(8)
Pooraka Farm Family Fun Day	—	(5)
Other	(205)	—
Subtotal	(2,835)	(612)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income (continued)

\$ '000	2022	2021
Plus:		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Salisbury Recreation Precinct Entry Carpark	934	–
Church and John Improvements	750	–
Technology Drive Mawson Lakes - Dual Traffic	450	929
Little Para River Capital Works	317	317
Fairbanks Drive Toilets and Sports Facility	305	323
Domestic Hardwaste	273	–
Salisbury Oval Indoor Community Cricket Facility	200	311
Waterwatch General	152	71
Redhill Road Ingle Farm - Traffic Improvements	64	115
Mawson Lakes School - Kiss and Drop	54	100
Verge Development	–	341
Newlyn Terrace Parafield Gardens - Tree Screen Renewal	–	284
Burton Community Hub - Shed and Community Garden	–	250
Mawson Lakes Irrigation System Upgrade	–	250
Strowan Park Picnic and Open Space	–	174
Tea Tree Gully Business Advisory Services	–	164
Morella Community Centre Outdoor Kitchen	–	144
Twelve25 Entry Upgrade and Landscaping	–	143
Belfree and Elder Smith Road - Major Traffic	–	80
OH&S - Special Distribution Fund	–	30
Risk and Governance - Special Distribution Fund	–	6
Mindset for Life Program	–	3
Other	211	136
Subtotal	3,710	4,171
Unexpended at the close of this reporting period	5,477	4,602
Net increase (decrease) in assets subject to conditions in the current reporting period	875	3,559

(i) Physical Resources Received Free of Charge

Land and Improvements	–	86
Roads, Bridges and Footpaths	725	1,551
Stormwater Drainage	2,140	2,158
Total Physical Resources Received Free of Charge	2,865	3,795

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 3. Expenses

\$ '000	Notes	2022	2021
(a) Employee costs			
Salaries and Wages		32,198	31,083
Employee Leave Expense		5,233	5,344
Superannuation - Defined Contribution Plan Contributions	18	587	658
Superannuation - Defined Benefit Plan Contributions	18	3,075	2,765
Workers' Compensation Insurance		1,667	1,749
Less: Capitalised and Distributed Costs		(4,457)	(4,483)
Total Operating Employee Costs		38,303	37,116
Total Number of Employees (full time equivalent at end of reporting period)		418	405
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		11	35
Bad and Doubtful Debts		2	2
Elected Members' Expenses		489	482
Election Expenses		44	36
Lease Expense - Low Value Assets / Short Term Leases		123	143
Subtotal - Prescribed Expenses		669	698
(ii) Other Materials, Contracts and Expenses			
Contractors		37,271	34,779
Sundry		4,806	4,630
Energy		4,375	5,186
Parts, Accessories and Consumables		3,223	2,599
Levies Paid to Government - Regional Landscape Levy		2,112	2,046
Insurance		1,161	1,102
Water Rates		849	800
Levies - Other		275	360
Legal Expenses		211	209
Subtotal - Other Material, Contracts and Expenses		54,283	51,711
Total Materials, Contracts and Other Expenses		54,952	52,409

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 3. Expenses (continued)

\$ '000	2022	2021
(c) Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Infrastructure	15,677	15,175
Land Improvements	6,093	5,754
Buildings and Other Structures	4,337	4,175
Plant and Equipment	3,070	3,128
Right-of-use Assets	420	449
Library Books	149	181
Subtotal	29,746	28,862
Total Depreciation, Amortisation and Impairment	29,746	28,862

(d) Finance Costs

Interest on Loans	413	532
Interest on Leases	78	98
Interest on Cash Advance Debentures	–	12
Total Finance Costs	491	642

Note 4. Asset Disposal and Fair Value Adjustments

\$ '000	2022	2021
Infrastructure, Property, Plant and Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	547	581
Less: Carrying Amount of Assets Sold	(5,684)	(3,621)
Gain (Loss) on Disposal	(5,137)	(3,040)
(ii) Assets Surplus to Requirements		
Proceeds from Disposal	243	363
Less: Carrying Amount of Assets Sold	(573)	(305)
Gain (Loss) on Disposal	(330)	58
Real Estate Development Assets		
Proceeds from Disposal	179	2,489
Less: Carrying Amount of Assets Sold	(100)	(1,106)
Gain (Loss) on Disposal	79	1,383
Net Gain (Loss) on Disposal or Revaluation of Assets	(5,388)	(1,599)

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 5. Current Assets

\$ '000	Notes	2022	2021
(a) Cash and Cash Equivalent Assets			
Cash on Hand at Bank		1,312	1,021
Short Term Deposits		8,173	8,780
Total Cash and Cash Equivalent Assets		9,485	9,801
(b) Trade and Other Receivables			
Rates - General and Other		3,463	3,926
Debtors - General		1,741	2,766
GST Recoupment		1,317	983
Prepayments		401	535
Loans to Community Organisations		33	32
Subtotal		6,955	8,242
Total Trade and Other Receivables		6,955	8,242
(c) Inventories			
Stores and Materials		244	247
Real Estate Developments	6	1,289	1,339
Cemetery Plinths, Vaults and Inurnments		44	22
Total Inventories		1,577	1,608

Note 6. Non-Current Assets

\$ '000	2022	2021
(a) Financial Assets		
Receivables		
Council Rates Postponement Scheme	59	58
Loans to Community Organisations	334	367
Subtotal	393	425
Total Receivables	393	425
Other Financial Assets (Investments)		
Mortgages over Property - Affordable Housing Scheme	615	615
Total Other Financial Assets (Investments)	615	615
Total Financial Assets	1,008	1,040

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 6. Non-Current Assets (continued)

\$ '000	Notes	2022	2021
---------	-------	------	------

(b) Equity Accounted Investments in Council Businesses

Northern Adelaide Waste Management Authority	19	6,043	4,824
Total Equity Accounted Investments in Council Businesses		6,043	4,824

Council Solutions was wound up as at 15 October 2019 and the net equity was distributed to the Constituent Councils in line with the respective interests.

(c) Other Non-Current Assets

Inventories

Real Estate Developments	1,387	1,395
Total Inventories	1,387	1,395

Other

Capital Works-in-Progress	29,846	20,731
Intangible Assets - Water Licenses	210	210
Total Other	30,056	20,941

Total Other Non-Current Assets	31,443	22,336
---------------------------------------	---------------	---------------

Other disclosures

Real Estate Developments - Current and Non-Current

(Valued at the lower of cost and net realisable value)

Residential	2,676	2,734
Total Real Estate for Resale	2,676	2,734

Represented by:

Acquisition Costs	1,367	1,396
Development Costs	1,309	1,338
Subtotal	2,676	2,734

Apportionment of Real Estate Developments

Current Assets	1,289	1,339
Non-Current Assets	1,387	1,395

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant and Equipment

(a(i)) Infrastructure, Property, Plant and Equipment

\$ '000	Fair Value Level	as at 30/06/21				Asset movements during the reporting period					as at 30/06/22		
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation
Land - Other	2	487,726	—	—	487,726	—	—	(24)	—	66,963	554,666	—	—
Land Improvements	3	206,252	—	(81,368)	124,884	10,297	3,104	(769)	(6,093)	4,490	223,418	—	(87,506)
Buildings and Other Structures	3	151,019	—	(47,977)	103,042	3,489	1,768	(2,662)	(4,337)	3,621	156,547	—	(51,626)
Infrastructure	3	1,282,339	—	(463,120)	819,219	7,584	10,801	(1,575)	(15,677)	91,297	1,414,755	—	(500,240)
Right-of-Use Assets		—	3,148	(893)	2,255	53	—	—	(420)	—	—	3,201	(1,313)
Plant and Equipment		—	32,470	(20,148)	12,322	3,431	—	—	(3,070)	—	—	34,598	(22,194)
Library Books		—	2,416	(1,188)	1,228	127	—	—	(149)	—	—	2,154	(1,052)
Total Infrastructure, Property, Plant & Equipment		2,127,336	38,034	(614,694)	1,550,676	24,981	15,673	(5,030)	(29,746)	166,371	2,349,386	39,953	(663,931)
Comparatives		2,044,492	37,541	(566,062)	1,515,971	22,408	16,404	(3,927)	(28,862)	28,681	2,127,336	38,034	(614,694)
													1,550,676

Note 7. Infrastructure, Property, Plant and Equipment (continued)

(b) Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

Valuation of Assets

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

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

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

a) Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset.

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

b) Valuation Techniques

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

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

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

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

c) Capitalisation Thresholds

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant and Equipment (continued)

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

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

d) Estimated Useful Lives

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

Plant, Furniture and Equipment

Office Equipment	3 to 10 years
Office Furniture	3 to 10 years
Vehicles and Road-making Equipment	2 to 20 years
Other Plant and Equipment	3 to 20 years

Building and Other Structures

Building Components	10 to 120 years
Playground Equipment	10 to 25 years
Benches, Seats, etc	10 to 15 years

Infrastructure

Roads - Seal	20 to 35 years
Roads - Base	60 to 105 years
Roads - Sub-Base	180 to 315 years
Unsealed Roads	5 to 10 years
Bridge Components	20 to 100 years
Footpaths	8 to 80 years
Kerb, Gutter and Medians	50 to 300 years
Drainage Pipes	80 to 100 years
Culverts, Headwalls and Junction Boxes	80 to 100 years
Dams and Reservoirs	200 to 400 years
Bores	75 years
Reticulation Pipes - PVC	50 to 80 years
Pumps and Telemetry	10 to 50 years

Other Assets

Library Books	3 to 7 years
Artworks/Local History	Indefinite
Street Trees	50 years
Right of Use Assets	3 to 5 years

e) Table of Fair Values 2021/22

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant and Equipment (continued)

	Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	Total \$'000s
Land	-	554,666	-	554,666
Land Improvements	-	-	135,912	135,912
Buildings and Other Structures	-	4,315	100,606	104,921
Infrastructure	-	-	914,514	914,514
Total	-	558,981	1,151,032	1,710,013

f) Disclosed Fair Value Measurements

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$'000s
Land	2	Market Value	554,666

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

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$'000s
Land Improvements	3	Cost Approach	135,912

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

a. Independent valuations are provided by Tonkin Consulting using a methodology that utilises observable Council specific contract rates or industry construction guides to derive a unit rate used to calculate a current replacement cost for each asset. Assets valued via this method include Footpaths, Kerbing and Carpark Pavement/Seals all situated on Council Reserves. In 2021/22 a 3 year average of these unit rates have been utilised.

b. Revalued using a 3 year average of the Local Government Pricing Index (LGPI) from 2019/20 to 2021/22. Assets valued via this method include Fencing, Irrigation Equipment, Playgrounds, Sports Courts/Facilities, Reserve Furniture, Landscaping and Other Structures all situated on Council Reserves.

c. Independent valuations provided by Tonkin Consulting in 2019/20 using a methodology that utilises observable Council cost information as well as their knowledge of the water industry and references to various construction guides (such as Rawlinsons Australian Construction Handbook) to derive an index for each asset component associated with Councils Recycled Stormwater Business Unit, which includes assets such as Pipework, Pumps, Bores, Valves, Electrical and Computer Equipment. In 2020/21, an independent valuation of the current replacement cost for these assets was undertaken using an ASR Asset Price Index provided by Tonkin Consulting, derived from references to various construction guides (such as Rawlinsons Australian Construction Handbook). In 2021/22, an independent valuation of the current replacement cost for these assets was undertaken using a 3 year average from 2019/20 to 2021/22 of an ASR Asset Price Index provided by Tonkin Consulting, derived from references to various construction guides (such as Rawlinsons Australian Construction Handbook).

d. Independent valuations initially provided by JLL in 2017/18 using a methodology that utilises observable rates and cost information from their research across the Playground and Fitness Equipment industries. Assets valued via this method included Playgrounds and Fitness Equipment. These assets have been revalued from 2018/19 to 2020/21 utilising the Local Government Pricing Index (LGPI) and in 2021/22 utilising a 3 year average of the Local Government Pricing Index (LGPI) from 2019/20 to 2021/22.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant and Equipment (continued)

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$'000s
Building and Other Structures	2	Market Value	4,315
Building and Other Structures	3	Cost Approach	100,606
Total			104,921

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

a. Independent market valuations were provided by Public Private Property for the 2020/21 and 2021/22 Financial Year using a methodology that utilises observable, comparable market sales data in the Salisbury Council area.

b. Independent valuations of the current replacement cost for buildings at a component level was undertaken by Sproutt - Professional Engineering Services and Public Private Property as at 1 July 2020 using a methodology that utilises observable rates and cost information from their extensive knowledge across Building Infrastructure. As at 30 June 2021 for the 2020/21 Financial Year, an independent valuation of the current replacement cost for these assets was undertaken using Building Component Indexes provided by Tonkin Consulting, derived from references to the Rawlinsons Australian Construction Handbook. For the 2021/22 Financial Year, an independent valuation of the current replacement cost for these assets was undertaken using a 3 year average from 2019/20 to 2021/22 of Building Component Indexes provided by Tonkin Consulting, derived from references to the Rawlinsons Australian Construction Handbook.

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$'000s
Infrastructure	3	Cost Approach	914,514

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

a. Independent valuations are provided by Tonkin Consulting using a methodology that utilises observable Council specific contract rates or industry construction guides to derive a unit rate used to calculate a current replacement cost for each asset. Assets valued via this method include Footpaths, Kerbing, Carpark Pavements/Seals and Drainage Pipes/Pits all situated on or under Council Roads. In 2021/22 a 3 year average of these unit rates have been utilised.

b. Independent valuations initially provided by SMEC in 2016/17 using a methodology that utilises observable rates and cost information from their extensive knowledge of water retention related infrastructure. Assets valued via this method include Major Drainage Dams. In the financial years from 2017/18 to 2020/21 these assets were revalued using the Local Government Pricing Index (LGPI). In 2021/22 a 3 year average of the LGPI from 2019/20 to 2021/22 has been utilised.

c. Independent valuations provided by Infrastructure Management Group and Counterpart Solutions as at 30 June 2022 utilising a methodology that utilises their extensive knowledge across Road Infrastructure as well as a 3 year average of unit rates derived from references to the Rawlinsons Australian Construction Handbook. Assets valued under this method include Road Seals/Pavements.

d. Revalued using a 3 year average from 2019/20 to 2021/22 of the Local Government Pricing Index (LGPI). Assets valued via this method include Bridges, Irrigation Equipment on Roads, Road Furniture, Landscaping on Roads, Open Drainage Systems and Minor Drainage Dams.

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant and Equipment (continued)

Highest and best use

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

Land Under Roads

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

Land

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

Infrastructure, Buildings and Land Improvements

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

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

Observable Inputs:

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

Unobservable Inputs/Estimates:

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

Intangible Assets

Intangible Assets have been accounted for in accordance with the requirements of *AASB 138 Intangible Assets*. Council has purchased from the market in arm's length transactions, Water Licences that enable the harvesting and sale of stormwater, and is of the opinion that these Water Licences meet the definition and recognition requirements of Intangible Assets, specifically Intangible Assets with an indefinite useful life. Initial recognition of these Water Licences is at cost, and after initial recognition they are carried at cost less any accumulated impairment losses.

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant and Equipment (continued)

Street Trees

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

Plant, Furniture and Fittings

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

Library Books

Library books are accounted for under the replacement method. Library stock at 30 June 2022 is valued using nominal values recommended by the Public Library Service (PLS). All new purchases are treated as replacement items and the expense is classified as depreciation. This expense is then adjusted by the movement in the calculated value of the library stock.

Right of Use Assets

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

City of Salisbury

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 8. Liabilities

\$ '000	Notes	2022 Current	2022 Non Current	2021 Current	2021 Non Current
(a) Trade and Other Payables					
Goods and Services		13,375	—	11,502	—
Payments Received in Advance ^{8a}		5,822	—	2,560	—
Accrued Expenses - Employee Entitlements		506	—	356	—
Accrued Expenses - Other		26	—	32	—
Deposits, Retentions and Bonds		315	—	348	—
Total Trade and Other Payables		20,044	—	14,798	—

(8a) Income in Advance

(b) Borrowings

Loans		1,321	3,769	1,735	5,090
Lease Liabilities	17b	406	1,580	415	1,923
Total Borrowings		1,727	5,349	2,150	7,013

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

(c) Provisions

Salisbury Memorial Park Maintenance Provision		—	110	—	100
Mortgage Loss Provision		—	16	—	16
Employee Entitlements (including oncosts)		7,904	1,781	7,873	1,717
Total Provisions		7,904	1,907	7,873	1,833

Movements in Provisions

2021 (current and non-current) \$ '000	Salisbury Memorial Park Maintenance Provision 2022	Mortgage Loss Provision 2022
Opening Balance	100	16
Additional Amounts Recognised	10	—
Closing Balance	110	16

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 9. Reserves

	as at 30/06/21		as at 30/06/22
\$ '000	Opening Balance	Increments (Decrements)	Closing Balance
(a) Asset Revaluation Reserve			
Land - Other	386,793	66,963	453,756
Land Improvements	28,861	4,490	33,351
Buildings and Other Structures	16,707	3,621	20,328
Infrastructure	712,035	91,297	803,332
Library Books	2,338	–	2,338
Total Asset Revaluation Reserve	1,146,734	166,371	1,313,105
Comparatives	1,118,053	28,681	1,146,734

	as at 30/06/21			as at 30/06/22
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Closing Balance
(b) Other Reserves				
Development and Public Infrastructure Reserve	1,756	683	(424)	2,015
Open Space Reserve	1,481	38	–	1,519
Car Parking Reserve	951	4	–	955
Property Disposal Reserve	2,437	198	–	2,635
Mausoleum Perpetual Care Reserve	875	56	–	931
Salisbury Memorial Park Reserve	915	3	–	918
Carried Forward Funds Reserve	26,089	32,075	(26,089)	32,075
Salisbury Water Business Unit Reserve	3,064	470	–	3,534
Northern Futures Fund Reserve	–	265	–	265
Business Transformation Future Fund Reserve	–	2,005	–	2,005
Total Other Reserves	37,568	35,797	(26,513)	46,852
Comparatives	26,958	29,513	(18,903)	37,568

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 9. Reserves (continued)

Purposes of Reserves

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Development and Public Infrastructure Reserve

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

Open Space Reserve

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

Carpark Reserve

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

Property Disposal Reserve

To retain the proceeds of any property sales, including surplus land and redevelopments, under the provision of Section 194 of the *Local Government Act 1999* and subject to compliance with all legal requirements thereof, and the cash proceeds received from Council's real estate developments. These proceeds are to be utilised to repay current debt or reduce future borrowing requirements.

Mausoleum Perpetual Care Fund Reserve

To provide maintenance for the Mausoleum situated at Salisbury Memorial Park.

Salisbury Memorial Park Reserve

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

Carried Forward Funds Reserve

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

Salisbury Water Business Unit Reserve

Generated by the allocation of surpluses, and offset by deficits resulting from the operations of the Salisbury Water Business Unit. Allocations from the Reserve can only be made following a resolution of Council and can only be utilised to fund either business development, asset renewal, offset losses or to distribute dividends to Council.

Northern Futures Fund Reserve

Funds held to be utilised to support local communities, particularly those in priority groups, to engage in lifelong learning leading to employment and provide accessible, quality services and resources relating to schools to work transition, workforce development, employment programs, career transitioning and capacity building. A reference group including three industry representatives, two education representatives and a representative from both the SA Government and City of Salisbury have oversight of the fund and how monies will be disbursed.

Business Transformation Reserve

Generated by the allocation of identified expenditure savings and income gains as stated within the Business Transformation Future Fund Policy and to be utilised to fund future costs associated with projects that align with the City of Salisbury's three success factors being Exceptional Community Experience, Quality Outcomes and Great Place to Work, without unnecessarily burdening the community with the costs of these initiatives in the year of expenditure.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 10. Assets Subject to Restrictions

\$ '000	2022	2021
---------	------	------

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

Cash and Financial Assets

Open Space Contributions	1,519	1,481
Developer Contributions	2,970	2,706
Unexpended Grants and Subsidy Funds	–	4,602
Total Cash and Financial Assets	4,489	8,789

Total Assets Subject to Externally Imposed Restrictions	4,489	8,789
--	--------------	--------------

Open Space Contributions are received primarily to fund reserves/playspaces and other recreational areas within new subdivisions. Developer Contributions are received primarily to fund infrastructure works in new subdivisions. These funds are held in Reserves (as disclosed in Note 9) until required and as such are regarded as restricted. Grant and Subsidy Funds received but not yet expended are regarded as restricted, and are disclosed in Note 2g.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2022	2021
---------	-------	------	------

(a) Reconciliation of Cash

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

Total Cash and Equivalent Assets	5	9,485	9,801
Balances per Statement of Cash Flows		9,485	9,801

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

Net Surplus/(Deficit)		13,757	17,985
Non-Cash Items in Income Statements			
Depreciation, Amortisation and Impairment		29,746	28,862
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(1,219)	(970)
Non-Cash Asset Acquisitions		(2,865)	(3,795)
Grants for capital acquisitions treated as Investing Activity		(2,895)	(5,776)
Net (Gain) Loss on Disposals		5,388	1,599
		41,912	37,905
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		1,688	(203)
Net (Increase)/Decrease in Inventories		(19)	51
Net Increase/(Decrease) in Trade & Other Payables		8,416	2,507
Net Increase/(Decrease) in Unpaid Employee Benefits		95	214
Net Increase/(Decrease) in Other Provisions		10	3
Net Cash provided by (or used in) operations		52,102	40,477

(c) Financing Arrangements

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

Bank Overdrafts	—	500
Corporate Credit Cards	—	500
LGFA Cash Advance Debenture Facility	—	50,317

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
\$ '000	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)
	2022	2021	2022	2021	2022	2021	2022	2021	
Functions/Activities									
Public Order and Safety	3,856	3,889	4,110	3,960	(254)	(71)	13	—	484
Health	159	210	271	1,586	(112)	(1,376)	37	5	6,018
Social Security and Welfare	3,544	3,517	9,017	8,586	(5,473)	(5,069)	2,813	3,048	16,331
Housing and Community Services	3,845	3,653	35,870	37,252	(32,025)	(33,599)	668	248	522,921
Recreation and Culture	1,188	1,123	41,842	35,266	(40,654)	(34,143)	729	574	550,602
Transport and Communication	5,162	3,350	17,249	18,643	(12,087)	(15,293)	5,157	3,324	594,300
Economic Affairs	106	135	8,566	7,621	(8,460)	(7,486)	10	32	99
Other, Not Attributed and Admin	117,798	112,195	6,567	6,115	111,231	106,080	9,223	7,885	91,164
Total Functions/Activities	135,658	128,072	123,492	119,029	12,166	9,043	18,650	15,116	1,781,919
									1,598,527

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 12(b). Components of Functions

The activities relating to Council functions are as follows:

Public Order and Safety

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

Health

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

Social Security and Welfare

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

Housing and Community Services

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

Recreation and Culture

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

Transport and Communication

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

Economic Affairs

Building Act administration, economic initiatives, tourism.

Other, Not Attributed and Administration

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

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms and Conditions:

Deposits are returning fixed interest rates between 1.05% and 2.05% (2021: 0.30% and 0.45%). Short term deposits have an average maturity of 30 days and an average interest rate of 1.92% (2021: 30 days and 0.375%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates and Associated Charges

Accounting Policy:

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

Terms and Conditions:

Secured over the subject land, arrears attract interest of 2% (2021: 2.0%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Fees and Other Charges

Accounting Policy:

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

Terms and Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms and Conditions:

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

Carrying Amount:

Approximates fair value.

Note 13. Financial Instruments (continued)

Liabilities - Creditors and Accruals

Accounting Policy:

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

Terms and Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities - Interest Bearing Borrowings

Accounting Policy:

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

Terms and Conditions:

Secured over future revenues, borrowings are repayable biannually; interest is charged at fixed rates between 4.0% and 6.80% (2021: 4.0% and 7.01%).

Carrying Amount:

Approximates fair value.

Liabilities - Leases

Accounting Policy:

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets and Liabilities					
2022					
Financial Assets					
Cash and Cash Equivalents	9,485	—	—	9,485	9,485
Receivables	5,237	393	—	5,630	5,630
Other Financial Assets	—	—	615	615	615
Total Financial Assets	14,722	393	615	15,730	15,730
Financial Liabilities					
Payables	14,211	—	—	14,211	14,222
Current Borrowings	1,321	—	—	1,321	1,321
Non-Current Borrowings	—	3,624	145	3,769	3,769
Leases	406	1,580	—	1,986	1,986
Total Financial Liabilities	15,938	5,204	145	21,287	21,298
2021					
Financial Assets					
Cash and Cash Equivalents	9,801	—	—	9,801	9,801
Receivables	6,724	425	—	7,149	7,149
Other Financial Assets	—	—	615	615	615
Total Financial Assets	16,525	425	615	17,565	17,565
Financial Liabilities					
Payables	12,238	—	—	12,238	12,238
Current Borrowings	2,154	—	—	2,154	1,735
Non-Current Borrowings	—	5,612	201	5,813	5,090
Leases	415	1,923	—	2,338	2,338
Total Financial Liabilities	14,807	7,535	201	22,543	21,401

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

\$ '000	2022		2021	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	8.22%	—	6.47%	—
Fixed Interest Rates	6.08%	5,090	5.82%	6,825
		5,090		6,825

Net Fair Value

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

Risk Exposures

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

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

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

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

Set out below is the movement in the allowance for expected credit losses:

Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	2022	2021
---------	------	------

(a) Capital Commitments

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

Buildings	9,769	1,679
Infrastructure	18,728	16,049
Plant and Equipment	1,343	931
	<u>29,840</u>	<u>18,659</u>

These expenditures are payable:

Not later than one year	29,840	18,659
	<u>29,840</u>	<u>18,659</u>

(b) Other Expenditure Commitments

Other non-capital expenditure commitments in relation to investment properties at the reporting date but not recognised in the financial statements as liabilities:

Audit Services	33	33
	<u>33</u>	<u>33</u>

These expenditures are payable:

Not later than one year	33	33
	<u>33</u>	<u>33</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 15. Financial Indicators

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021	Indicators 2020
---------	-----------------	-------------------	--------------------	--------------------

Financial Indicators overview

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

1. Operating Surplus Ratio

Operating Surplus	13,385	9.8%	7.8%	7.5%
Total Operating Income	136,877			

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	19,483	14.2%	11.3%	17.2%
Total Operating Income	136,877			

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

Adjusted Operating Surplus Ratio

Operating Surplus	11,416	8.5%	7.5%	7.6%
Total Operating Income	134,908			

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30 June from future year allocations of financial assistance and supplementary local roads grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

3. Asset Renewal Funding Ratio

Asset Renewals	19,853	99.0%	76.0%	103.5%
Infrastructure & Asset Management Plan required expenditure	20,044			

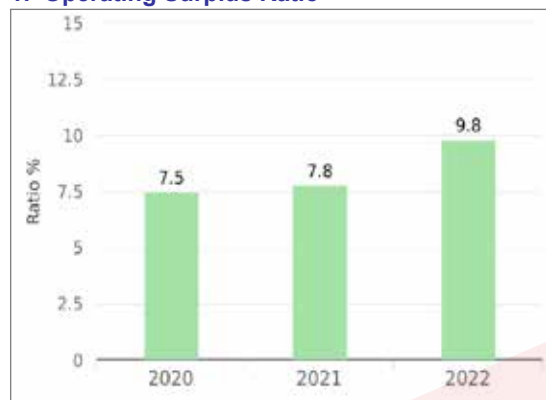
Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.

Financial Indicators - Graphs

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 15. Financial Indicators (continued)

1. Operating Surplus Ratio



Purpose of operating surplus ratio

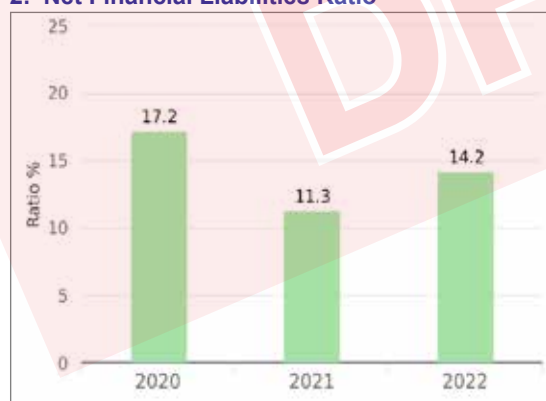
This indicator is to determine the percentage the operating revenue varies from operating expenditure

Commentary on 2021/22 result

2021/22 ratio 9.8%

The target for the operating surplus ratio is 0.5% to 5% with the actual results sitting above the upper limit, primarily due to the delivery of the capital program with delays resulting in lower interest costs as borrowing levels remain low and lower depreciation due to the delay in completion of assets for take up.

2. Net Financial Liabilities Ratio



Purpose of net financial liabilities ratio

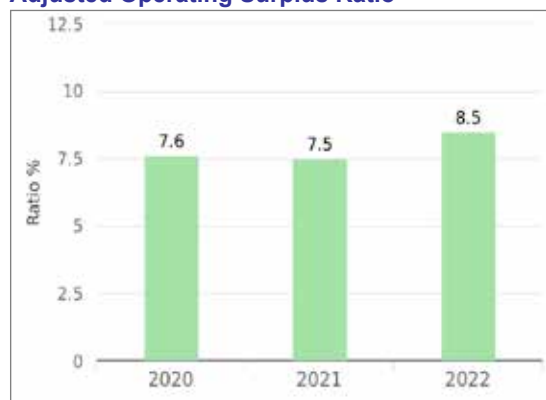
This indicator shows the significance of the net amount owed to others, compared to operating revenue

Commentary on 2021/22 result

2021/22 ratio 14.2%

Net financial liabilities ratio remains low with low levels of debt and advanced payment of the Financial Assistance Grant and Untied Local Roads Grant bolstering the cash position at the end of the financial year. Further contributing is the timing of the delivery of the capital program with significant carry forward into the 2022/23 financial year.

Adjusted Operating Surplus Ratio



Purpose of adjusted operating surplus ratio

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

Commentary on 2021/22 result

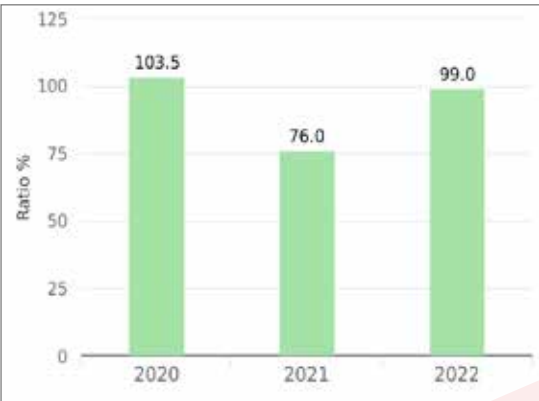
2021/22 ratio 8.5%

The target for the operating surplus ratio is 0.5% to 5% with the actual results sitting above the upper limit, primarily due to the delivery of the capital program with delays resulting in lower interest costs as borrowing levels remain low and lower depreciation due to the delay in completion of assets for take up.

3. Asset Renewal Funding Ratio

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 15. Financial Indicators (continued)

 <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2020</td><td>103.5</td></tr><tr><td>2021</td><td>76.0</td></tr><tr><td>2022</td><td>99.0</td></tr></table>	Year	Ratio %	2020	103.5	2021	76.0	2022	99.0	Purpose of asset renewal funding ratio		Commentary on 2021/22 result	
	Year	Ratio %										
	2020	103.5										
2021	76.0											
2022	99.0											
This indicator aims to determine if assets are being renewed and replaced in an optimal way		2021/22 ratio	99.0%	The 2021/22 result of 99% is within the target range of 90% to 110%. There are significant renewal capital carry forwards from 2021/22 into 2022/23, and once delivered will offset the unfavourable 2020/21 ratio.								

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 16. Uniform Presentation of Finances

\$ '000	2022	2021
---------	------	------

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

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

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

Income	136,877	129,042
less Expenses	(123,492)	(119,029)
Operating Surplus / (Deficit)	13,385	10,013

Net Outlays on Existing Assets

Capital Expenditure on Renewal and Replacement of Existing Assets	(20,400)	(14,171)
add back Depreciation, Amortisation and Impairment	29,746	28,862
add back Proceeds from Sale of Replaced Assets	547	581
	9,893	15,272

Net Outlays on New and Upgraded Assets

Capital Expenditure on New and Upgraded Assets (including Investment Property and Real Estate Developments)	(33,767)	(27,833)
add back Amounts Received Specifically for New and Upgraded Assets	2,895	5,776
add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale)	322	2,852
	(30,550)	(19,205)

Net Lending / (Borrowing) for Financial Year	(7,272)	6,080
---	----------------	--------------

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 17. Leases

(i) Council as a lessee

Terms and conditions of leases

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

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

(a) Right of use assets

\$ '000	Information Technology Assets	Land	Total
2022			
Opening balance	1,136	1,119	2,255
Additions to right-of-use assets	53	–	53
Adjustments to right-of-use assets due to re-measurement of lease liability	–	–	–
Depreciation charge	(379)	(41)	(420)
Balance at 30 June	810	1,078	1,888
2021			
Opening balance	1,429	1,161	2,590
Additions to right-of-use assets	32	–	32
Adjustments to right-of-use assets due to re-measurement of lease liability	82	(1)	81
Depreciation charge	(407)	(41)	(448)
Balance at 30 June	1,136	1,119	2,255

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 17. Leases (continued)

(b) Lease liabilities

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

\$ '000	2022	2021
Balance at 1 July	2,338	2,702
Additions	53	32
Accretion of interest	78	98
Payments	(484)	(512)
Other	–	18
Balance at 30 June	1,985	2,338

Classified as:

Current	405	415
Non Current	1,580	1,923

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

The Group had total cash outflows for leases of \$543k.
The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	420	449
Interest expense on lease liabilities	78	98
Expense relating to short term leases	123	143
Total amount recognised in profit or loss	621	690

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 17. Leases (continued)

(ii) Council as a lessor

Leases Providing Revenue to the Council

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

Investment Property

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

\$ '000	2022	2021
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	1,011	1,033
Later than one year and not later than 5 years	2,219	2,779
Later than 5 years	2,133	2,599
	5,363	6,411

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 18. Superannuation

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.00% in 2021/22; 9.50% in 2020/21). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2020/21) of "superannuation" salary.

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

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

City of Salisbury

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 19. Interests in Other Entities

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

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2022	2021	2022	2021
Council's Share of Net Income				
Joint Ventures	1,219	970	6,043	4,824
Total Council's Share of Net Income	1,219	970	6,043	4,824

((a)i) Joint Ventures, Associates and Joint Operations

(a) Carrying Amounts

\$ '000	Principal Activity	2022	2021
Northern Adelaide Waste Management Authority	Waste Management	6,043	4,824
Total Carrying Amounts - Joint Ventures and Associates		6,043	4,824

Northern Adelaide Waste Management Authority

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

Whilst the City of Salisbury has a 53.76% share of equity in NAWMA for the 2022 Financial Year, Council is of the opinion that it does not have control over NAWMA's operations. The rationale being that all three Constituent Councils hold equal voting power at 33.33% and NAWMA's Chairperson and CEO are independent from the constituent Councils. Therefore the ability for Council to control NAWMA's operations is limited to Council's voting power at 33.33%, not its share of equity at 53.76%. Accordingly Council has utilised the equity accounting method to recognise its share of equity in NAWMA for the 2022 Financial Year.

(b) Relevant Interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2022	2021	2022	2021	2022	2021
Northern Adelaide Waste Management Authority	54.07%	54.73%	54.07%	54.73%	33.33%	33.33%

Note 19. Interests in Other Entities (continued)

(c) Movement in Investment in Joint Venture or Associate

\$ '000	Northern Adelaide Waste Management Authority		Council Solutions	
	2022	2021	2022	2021
Opening Balance	4,824	3,854	—	—
Share in Operating Result	1,219	970	—	—
Council's Equity Share in the Joint Venture or Associate	6,043	4,824	—	—

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position

Cash and Cash Equivalents	9,802	7,167	—	—
Other Current Assets	5,193	4,194	—	—
Non-Current Assets	20,679	22,914	—	—
Total Assets	35,674	34,275	—	—
Current Trade and Other Payables	7,127	6,667	—	—
Current Financial Liabilities	2,243	2,527	—	—
Current Provisions	327	366	—	—
Non-Current Financial Liabilities	8,310	10,512	—	—
Non-Current Provisions	6,489	5,388	—	—
Total Liabilities	24,496	25,460	—	—
Net Assets	11,178	8,815	—	—

Statement of Comprehensive Income

Other Income	48,155	45,686	—	—
Management Fees	—	—	—	—
Interest Income	262	240	—	—
Total Income	48,417	45,926	—	—
Employee Costs	4,147	3,827	—	—
Materials, Contracts and Other Expenses	38,184	36,523	—	—
Depreciation, Amortisation and Impairment	3,315	3,250	—	—
Finance Costs	467	512	—	—
Total Expenses	46,113	44,112	—	—
Operating Result	2,304	1,814	—	—

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 19. Interests in Other Entities (continued)

(e) Share of Joint Operations Expenditure Commitments

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

\$ '000	2022	2021
(i) Capital Expenditures Payable		
Not later than one year	17,128	16,791
Later that one year and not later than 5 years	19,032	35,506
	<u>36,160</u>	<u>52,297</u>

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

(ii) Lease Payments Commitments Payable

Not later than one year	1,100	1,428
Later that one year and not later than 5 years	3,005	4,064
	<u>4,105</u>	<u>5,492</u>

((a)ii) Individually Immaterial Council Businesses

Council did not have any individually immaterial businesses

((a)iii) Unconsolidated Structured Entities

Council has no Unconsolidated Structured Entities

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

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

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

1. Land under roads

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

2. Potential insurance losses

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

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

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

3. Legal matters

Council is the planning consent authority for its area under the *Development Act 1993* (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of nil appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

4. Cemetery

Council operates a Cemetery Facility - Salisbury Memorial Park. A Contingent Liability exists for the ongoing maintenance of this Cemetery. This liability remains for a period of 100 years after the expiry of the lease on the last burial of the site. In addition, Council is party to a leasing arrangement for the management and operations of the Mausoleum situated at Salisbury Memorial Park. As part of this lease the lessee is required to contribute to the Perpetual Care Fund which was established to fund the long term maintenance of the Mausoleum upon expiry of the lease.

Note 21. Events after the Statement of Financial Position Date

Events that occur after the reporting date of 30 June 2022, up to and including the date when the financial statements are 'authorised for issue' have been taken into account in preparing these statements.

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

Accordingly, the 'authorised for issue' date is 12 October 2022.

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 22. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel (KMP) of the Council include the Mayor, Councillors, CEO, General Managers and certain prescribed officers under section 112 of the *Local Government Act 1999*, as well as other personnel that satisfy the criteria of KMP as contained within *AASB 124 Related Party Transactions*. In some circumstances members of the KMP have left Council during the financial year, however their compensation has still been included. In all, 44 persons were paid the following total compensation:

\$ '000	2022	2021
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	5,537	5,459
Post-Employment Benefits	485	454
Long-Term Benefits	750	717
Total	6,772	6,630

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

Receipts from Key Management Personnel comprise:

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

Transactions with Regional Subsidiaries:

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

	Payments	Outstanding
Northern Adelaide Waste Management Authority	15,437	1,365
Total	15,437	1,365

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

Northern Adelaide Waste Management Authority	14,338
Total	14,338

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

DRAFT

DRAFT

General Purpose Financial Statements

for the year ended 30 June 2022

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Salisbury for the year ended 30 June 2022, the Council's Auditor, Bentleys has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

John Harry

Chief Executive Officer

Graham Reynolds

Presiding Member, Audit Committee

Date: 11 October 2022

General Purpose Financial Statements

for the year ended 30 June 2022

Statement by Auditor

I confirm that, for the audit of the financial statements of City of Salisbury for the year ended 30 June 2021, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Auditor's Name

Audit Firm Name

Date: dd MMMM yyyy

DRAFT

DRAFT

This page is intentionally left blank.



**ANNUAL
REPORT
2021
2022**

Food and Garden Organics

75,000

FOGO BINS

within our
Constituent Councils

35,975

TONNES

of kerbside FOGO material
collected from residents



27,729

TONNES

of kerbside collected material
processed by Peats

8,246

TONNES

collected via our RRCs
and processed by Peats

Contents

NAWMA

Annual Report

2021-2022

- 2** Our Mission & Objectives
- 3** Report from the Independent Chairperson
- 5** Report from the (Acting) Chief Executive Officer
- 7** NAWMA Governance
- 9** Resource Recovery Centres
- 10** Each Year NAWMA...
- 11** Material Recovery Facility (MRF)
- 12** NAWMA Services Map
- 13** Food and Garden Organics
- 14** Did You Know?
- 15** Uleybury Balefill (Landfill) and Renewable Energy Park
- 16** Hard Waste Service
- 17** Education and Community Engagement
- 19** Customer Service
- 21** Audited Financial Report



Our Mission & Objectives

About NAWMA

Northern Adelaide Waste Management Authority (NAWMA) provides local waste management, resource recovery services and infrastructure of global significance. We do this on behalf of our Constituent Councils: City of Salisbury, City of Playford and Town of Gawler.

Mission

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

Objectives

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

Performance indicators:

- All Constituent Council households to have a three-bin system by 2022
- Increase kerbside diversion from 45% to 70% by 2023
- Reduce the contamination rate of the kerbside recyclables bin to less than 10% by 2023

Objective 2: Advocate and facilitate a circular economy

Performance indicators:

- Recycle 100% of yellow-lid bin (household recycling) recovered material in Australia by 2020, (and only access international markets where domestic markets are not available or commercially viable)
- Engage with Constituent Councils to encourage the purchasing back of half (by weight) of their kerbside recovered recyclables in the form of sustainable procurement by 2023

Objective 3: Maintain cost-effectiveness in service delivery

Performance indicators:

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

Report from the Independent Chairperson

In 2021-2022 NAWMA has aimed to deliver a high level of services to our Constituent Councils and residents. While consistent with many other organisations, we have continued to feel the lasting effects of the global pandemic.

Flexible working arrangements have continued across the state with more people working from home, resulting in a substantial increase in the volume of household waste and recyclables collected at the kerbside. NAWMA has successfully adapted to this change by being flexible in its approach to add additional service offerings across hard waste collections, Resource Recovery Centres, and helpful information accessed through our website and customer service centre.

The FY21/22 year saw the NAWMA team working hard to reduce operating costs and work on new recycling initiatives to post an operating surplus for the financial year after the initial budget forecast a small deficit. The surplus will be invested in asset and infrastructure replacement and maintenance and funding capital projects in forward years.

NAWMA has continued to operate a best practice Material Recovery Facility (MRF) and in FY21, proudly ensured that every single tonne of yellow top bin recyclables were marketed into domestic (Australian) and valid global recycling reprocessors.

Despite the challenges of several organisational distractions including the recruitment of a new Chief Executive Officer, the Senior Management Team, in support of the NAWMA Board, has sustained commercial improvement.

This positive operating result allows the NAWMA team to focus on asset renewal, replacement, sustainability targets and strategic capital projects, continuing to improve already high service delivery standards to our Constituent Councils.

The Paper Polishing Plant will continue as a key



Stages 1 and 2 of the landfill have already been completely filled, capped with topsoil and revegetated.

Report from the Independent Chairperson

priority in 2022-2023 to sort out impurities from paper and cardboard recovered from residents' yellow-lid bins). The Plant, once finally designed, constructed, and commissioned, will consolidate NAWMA's leadership position in Australia's emboldening circular economy. From a local perspective, the Plant will help to secure the future of our kerbside yellow-lid bin system, while creating a potential 60 construction jobs and further on-going employment opportunities for the Northern Region.



Minister Susan Close and Rhiannon Pearce MP visit NAWMA.

NAWMA remains as one of Australia's leading waste management and resource recovery organisations and will continue to drive innovation in our field. Testament of this is the continued outstanding work on the 'Alternative to Landfill' project which is identifying world's best technology to divert and treat residual waste from the three Constituent Councils which would normally be destined for landfill.

The Project Advisory Group that are charged with investigating options available for red-lid bin (non-recyclable) waste for when the Uleybury Bafill and Renewable Energy Park is closed (circa 2025-2027) met on many occasions throughout the year and took part in specialised sub-groups and workshops to accelerate the thinking of this initiative.

The Group is comprised of NAWMA Board representatives, Constituent Council Executive, and highly skilled independent parties that specialise

in technical/environmental, procurement, probity, social licensing and community consultation, under the leadership and facilitation of NAWMA's Chief Executive Officer, and through a Terms of Reference administered by myself as Chairperson.

The package of work has progressed considerably in this financial year, with our sights firmly set on the introduction of community discussions within the next twelve (12) months.

In terms of governance, the NAWMA Board and Audit Committee continued to provide leadership and guidance to the organisation at all opportunities, with one joint meeting held throughout the year providing opportunity for collaboration and beneficial discussion.

As always, I take this opportunity to thank a number of important stakeholders – the NAWMA Board for their continued guidance, leadership and astute decision making, our Constituent Councils (Mayors, Elected Members, Chief Executives and Administration) who provide very strong support and trust to our organisation as well as the NAWMA Audit Committee, and NAWMA Project Advisory Group for their valued work in 2021-2022.

On behalf of all the above who are involved in governing and advising NAWMA, I want to thank John Phillips for his guidance and leadership in his time as NAWMA's Acting Chief Executive Officer and wish the new Chief Executive Officer, Toby Terlet, all the success as he takes the reigns into the future.

Finally, I thank our staff for their enormous efforts this year and the application of their expertise to make the success that is NAWMA. We are fortunate to have such a quality team working with us for our Councils and communities.

I look forward to another successful year in 2022-2023 continuing to deliver our Strategic Plan outcomes and I commend to you the 2021-2022 Annual Report.



Brian Cunningham
Independent Chairperson

Report from the (Acting) Chief Executive Officer

NAWMA continues to excel, working in partnership with Constituent Councils and key waste management and recycling sector stakeholders. Working together to achieve Circular Economy outcomes through waste diversion and resource recovery, responding to changing community behaviour during a period of business disruption influenced by Covid.

The objectives of NAWMA seek to ensure our Constituent Council communities and householders are serviced through a range of contemporary recycling and resource recovery initiatives and facilities, embracing the South Australian Waste Strategy 2020-2025 waste diversion targets.

To achieve increased diversion and reduced contamination in domestic waste streams NAWMA works closely with our 120,000 households through community engagement and education, underscoring increased participation in the three-bin

system and encouraging councils to increase green bin (Food and Organics) diversion from landfill.

During the two-year Covid pandemic, NAWMA has observed a change in household waste and recyclables mix, due to more time working from home. This change in consumer habits and more online shopping, saw increased plastics and cardboard, as well as the maxing out of hard waste collections during this 2021-2022 reporting period.

The NAWMA Board, Audit Committee, Management



NAWMA's Education & Community Engagement saw an increase in green bin usage by residents.

Report from the **(Acting)** **Chief Executive Officer**



L In the year 2021-2022 NAWMA facilitated over 30,000 bins delivered to residents (new and repaired).

Leadership Team and Staff have punched well above their weight during the year, responding to Covid related issues including, managing down time on a day-to-day basis, maintaining MRF operating at full throughput, ensuring transport operations availability, responding to hundreds of Customer Service Centre calls a day, and navigating increasing fuel, energy and asset management costs.

NAWMA recycling contractual arrangements support 26+ councils across rural and regional South Australia, and we collaborate closely with such authorities to maximize resource recovery and reduce the impact of the State Solid Waste Levy.

A significant cost to regional councils is borne through transport fees, waste levy, further impacted due to limited resources and scale of economy. NAWMA demonstrates significant value add collaborating with these organizations and contributing support to the overall South Australian transition to Circular Economy.

Key highlights of the 2021-2022 reporting period include:

- Planning for future growth as the Northern Region heads towards an additional 10,000 houses and estimated 130,000 population increase by 2035
- Responding to an average 320 calls per day

via the NAWMA Customer Service centre we implemented the new cloud-based phone system and NAWMA “Online chat” function which has been very positively received

- Over 30,000 bins delivered (new and repaired)
- Recovering over 13,000 tonnes of glass fines improving the quality of paper exports and supporting council and industry procurement and re-manufacturing opportunities
- Providing over 40,000 hard waste services across NAWMA’s three Constituent Councils



John Phillips
(Acting) Chief Executive
Officer

- Recovering 36,000 tonnes of food and organic material (FOGO) processed into quality compost products.

NAWMA

Governance

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

The Board meets five (5) to six (6) times each financial year, and drives organisational performance to deliver efficient, best practice services and facilities to our Constituent Councils.

As defined by the NAWMA Charter, the membership of the Board comprises of ten (10) Directors - three Directors appointed by each of the Constituent Councils, and one independent person appointed by the Board who acts as Chair.

The Board appoints a Chief Executive Officer who is responsible for implementing the decisions made by the Board and the day-to-day operations of the Authority.

The Board held nine (9) formal meetings over the 2021-2022 financial year, in addition to several other matters being resolved by Circular Resolutions out of Session. The table below details Board Member attendance at the nine meetings.



Mr Brian Cunningham
**Independent
Chair**
9 of 9 meetings



Cr Paul Koch
**Town of Gawler
Deputy Chair**
8 of 9 meetings



Mr Sam Green
City of Playford
8 of 9 meetings



Cr Clint Marsh
City of Playford
9 of 9 meetings



Cr David Kerrison
City of Playford
9 of 9 meetings



Mr Charles Mansueto
City of Salisbury
9 of 9 meetings



Cr Julie Woodman
City of Salisbury
5 of 9 meetings



Cr Graham Reynolds
City of Salisbury
9 of 9 meetings



Mr Henry Inat
Town of Gawler
5 of 9 meetings



Cr Paul Little
Town of Gawler
5 of 9 meetings



Deputy Board Directors

		Meetings
Cr Shirley Halls	City of Playford	1 of 1
Ms Janey Mitson	City of Playford	3 of 3
Mr Jack Darzanos	Town of Gawler	1 of 1
Cr David Hughes	Town of Gawler	
Cr Shiralee Reardon	City of Salisbury	
Mr John Devine	City of Salisbury	
Cr Kylie Grenfell	City of Salisbury	

Note: Deputy Board Directors attend meetings only as required.

NAWMA

Governance

Audit

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

The functions of the Committee include:

- monitoring the integrity of NAWMA's financial statements, including its annual report, reviewing significant financial reporting issues and judgements within;
- reviewing the adequacy of NAWMA's accounting, internal auditing, reporting and other financial management systems and practices on a regular basis; and
- reviewing and providing recommendations to NAWMA on the sustainability of its financial performance and proposals with respect to debt levels included in the strategic management plans and, in particular, the long-term financial plan.

Constituent Council Chief Executive Officer Roundtable

NAWMA's Independent Chairman held a number of formal meetings of the Constituent Council CEOs to discuss strategic matters and facilitate collaboration in service delivery during 2021/2022.

The roundtable meetings are assisted by the NAWMA Chief Executive Officer as a subject matter expert.

Project Advisory Group

NAWMA's Project Advisory Group was established to accelerate due diligence into options for the disposal/processing of household non-recyclable waste once Uleybury Landfill is closed.

The Project Advisory Group worked under a Board Endorsed Terms of Reference Chaired by NAWMA's Independent Chairperson and led by NAWMA's Chief Executive Officer.

The Group met formally on two (2) occasions, with many more meetings occurring in sub-group disciplines of technical, environmental, legal, financial and social nature.

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

The Audit Committee held five (5) formal meetings over the 2021-2022 financial year, in addition to several other matters being resolved by Circular Resolutions out of Audit Meeting frequency.

The following table details Audit Committee Member attendance at these meetings:



Mr Mark Labaz
Independent Chair
5 of 5 meetings



Ms Claudia Goldsmith
Deputy Chair
Independent Member
4 of 5 meetings



Mr Craig Johnson
Independent Member
4 of 5 meetings



Mr Charles Mansueto
Board Director
5 of 5 meetings



Cr Graham Reynolds
Board Director
4 of 5 meetings



Mr Brian Cunningham
Ex-Officio Member
5 of 5 meetings

The Audited Financial Statements for the year ended 30 June 2022 are provided from page 21.

Resource Recovery

Resource Recovery Centres

NAWMA operates two (2) Resource Recovery Centres (RRCs) within the northern community, which are open to the public and small commercial contractors seven (7) days a week.

The Edinburgh North Resource Recovery Centre is located on Bellchambers Road, Edinburgh North and houses:

- A drive-through undercover Resource Recovery Centre for materials recovery,
- A Salvage and Save retail outlet operated by MOBO, a not-for-profit disability employment business, and;
- A recycling service for Container Deposit Returns operated by Scouts SA.

The Pooraka Resource Recovery Centre is located on Research Road, Pooraka and operates a drive-through Resource Recovery Centre for materials recovery. The site will see the commencement of a significant upgrade in the 2022/2023 financial year, coordinated by NAWMA in conjunction with site owner City of Salisbury. The upgrade will ensure the site is operating as safely as possible and complies with all regulatory requirements.

Working in conjunction with Green Industries South Australia (GISA), the Edinburgh North Resource Recovery Centre houses a household chemical and paint drop-off area which is open to all South Australian residents.

The free service increases options for disposal of household volumes of materials such as batteries, poisons, pesticides and paint, and operates seven days a week out of this Resource Recovery Centre.

2021-2022 RRC statistics:

- Customers - 114,291
- Pooraka waste tonnes diverted to alternative fuels - 11,184
- Edinburgh North RRC waste tonnes diverted to alternative fuels - 4,531
- Mattress units Pooraka - 4,061
- Mattress units Edinburgh North - 8,244
- Tyre units Pooraka - 2,766
- Tyre units Edinburgh North RRC - 2,105
- Paint tonnes - 63



Each Year **NAWMA...**



Delivers services to
approximately

120,000

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



Generates

10,000

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



Recovers

36,000

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



Processes

56,000

tonnes of waste to
Uleybury balefill



Provides
employment
for nearly

100

people



Sorts

67,000

tonnes of recyclables



Provides more than

40,000

hard-waste services

Resource Recovery Material Recovery Facility (MRF)

South Australia's first Local Government owned and operated Material Recovery Facility (MRF) was commissioned in 2017 to process yellow-lid kerbside bin recyclables from residents in NAWMA's Constituent Council areas.

While the plant continues to process these tonnes, it now also receives material from 26 metropolitan and regional South Australian Councils – more than half of South Australian households geographically!

Our best practice facility sorted more than 67,000 tonnes of kerbside recyclables during the 2021-2022 financial year, producing high quality finished goods such as paper, plastics, glass, aluminium, and steel.

We are extremely proud that our MRF operation provides employment to more than fifty (50) local employees and creates a revenue stream to offset some of the costs associated with collecting and sorting to our Constituent Councils.

A highlight for NAWMA and its Constituent Councils is the ongoing pursuit of excellence in the industry.

Through the obtainment of Federal and State Government funding, we are planning to build an advanced Fibre Polishing Plant at our Edinburgh

facility, which once established will allow NAWMA to maximise the value of recovered paper and cardboard from yellow-lid kerbside recycling bins. The creation of further jobs and the ability to meet new quality benchmarks for recycled paper and cardboard products is something NAWMA is very excited about.

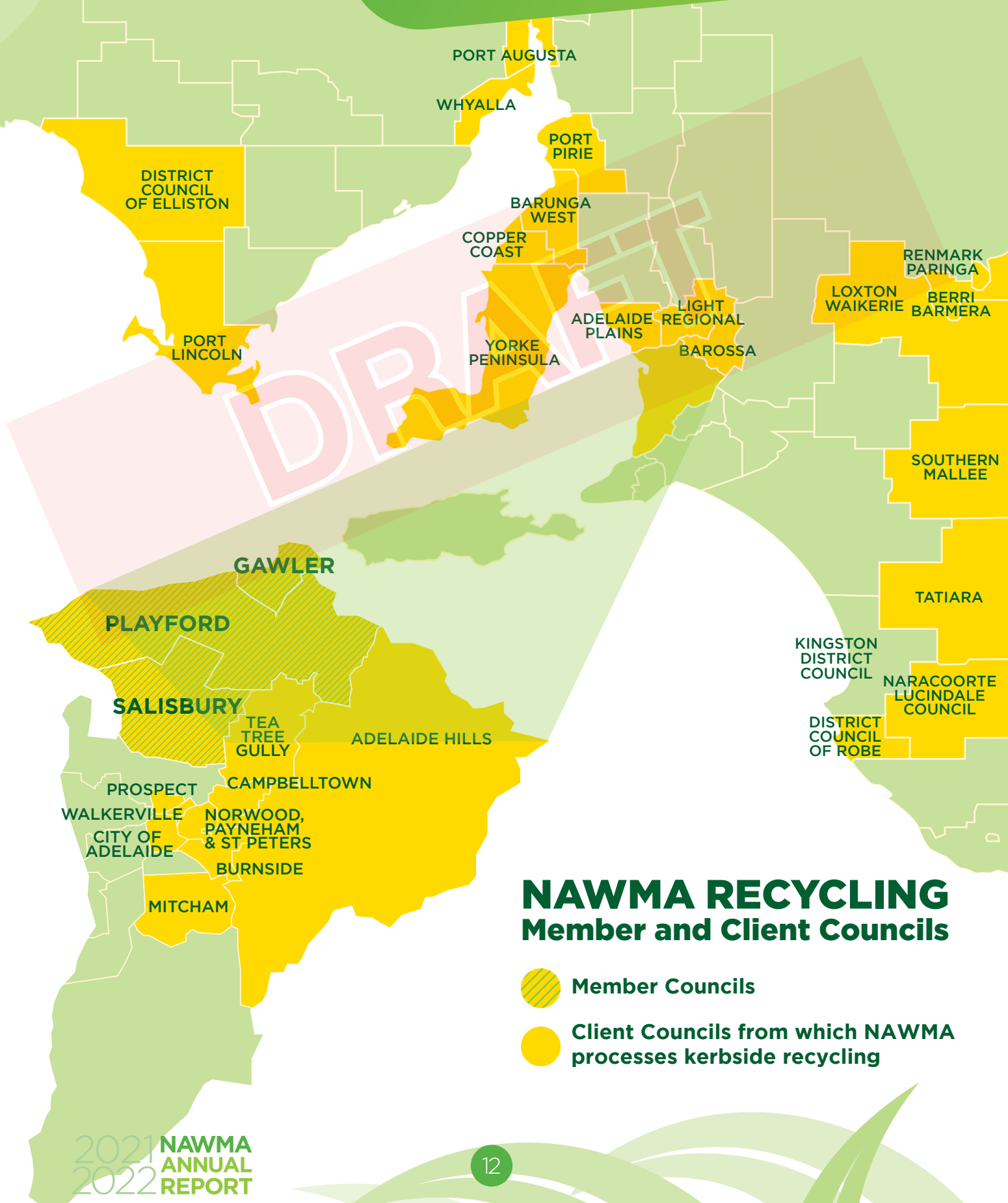
2021-2022 MRF statistics:

- Servicing 26+ Local Government Councils
- 18,000 waste tonnes diverted to alternative fuels
- 13,000 tonnes of glass fines diverted from landfill and used as a sand substitute
- 32,000 tonnes of paper and cardboard recovered and processed back into packaging products.
- 1,500 plus tonnes of steel and aluminium recovered and recycled
- 2,100 plus tonnes of plastic containers and bottles recovered and recycled



NAWMA's MRF operation provides employment to more than fifty (50) local people.

NAWMA Services Map



Resource Recovery

Food and Garden Organics

NAWMA's Food and Garden Organics (FOGO) collection is an opt-in service for the residents of our three Constituent Councils. Kerbside collected organic material is transported to our Edinburgh North facility by Veolia (NAWMA's kerbside collection contractor) using side-loader vehicles that are specifically designed for the kerbside collection of bins.

The material is stored short-term at this location before being bulk hauled by sealed vehicles to one of Peats Soils & Garden Supplies' Facilities.

The material is processed by Peats into mulch and compost products. Many of these products are used in large-scale operations such as vineyards and market gardens.

A highlight for the service was the removal of the price point for kerbside FOGO bins within the City

of Salisbury so that all residents of that council can access the service free of charge. The new service has been launched and will be supported by an ongoing education campaign.

2021-2022 FOGO statistics:

- Peats Processed 27,729 tonnes of kerbside collected material
- 8,246 tonnes were collected via our RRCs and processed by Peats



Peats Composting Windrow Turner turns FOGO items into high performance organic soil conditioner.

Did You Know?



- Free hard waste drop-off or collection services are available for residents of Salisbury, Playford and Gawler councils.
- Free trailer hire is available for residents of Salisbury, Playford and Gawler councils to use in conjunction with a hard waste drop-off service.
- A wide variety of items that can't be recycled via the yellow-lid recycling bin can be recycled at NAWMA's two Resource Recovery Centres, for example: liquid paint, x-rays, rigid polystyrene, used cooking oil and electronic waste.
- NAWMA offers residents, and people working with residents, from its constituent councils, free tours of its operational sites and Circular Economy Education Centre.

- In 2018, NAWMA's Material Recovery Facility (MRF) won a Local Government Professionals Australia award for 'Excellence in Environmental Leadership and Sustainability'.
- A 100kW solar system is installed on the roof of the Material Recovery Facility in Edinburgh.
- After receiving Green Industries SA grant funding, NAWMA introduced a paper and plastics detecting robot and a Glass Fines Recovery Plant into its MRF to increase recovery of recyclables.

- Residents can request a range of services including bin repairs online via NAWMA's website.

- NAWMA's Edinburgh North Resource Recovery Centre hosts a Community Chemical & Paint Drop-off facility where residents can dispose of hazardous household items for free, seven days a week.
- NAWMA's Uleybury Balefill and Renewable Energy Park won the Landfill Excellence category of the 2019 Australian Landfill and Transfer Stations Awards.
- Food waste is accepted in the green-lid Food Organics and Garden Organics bin (FOGO), which is then composted along with garden waste.
- NAWMA's two Resource Recovery Centres are open every day of the year with the exception of New Year's Day, Good Friday, ANZAC Day and Christmas Day.

Uleybury Balefill (Landfill) and Renewable Energy Park

NAWMA's Uleybury Balefill and Renewable Energy Park is the first combined solar – landfill gas farm of its type in Australia and continues to generate power for the local community.

The power is generated using over 11,000 solar panels and gas extracted from 18 vertical wells and a network of horizontal wells in the active cell area. NAWMA, with its South Australian partner Joule Energy, has committed to turning a once untapped waste product into a resource.

During 2021 -2022, 56,649 tonnes of material were deposited at the Uleybury Balefill. Placement of bales in the final cell (Cell 3) started in 2016 with revegetation of the site (Cells 1 and 2) well underway. As part of the closure plan for the Uleybury site, works will commence for a northern rock batter fill and landfill cap as Cell 3 is being completed.

Life for NAWMA's waste stream after the closure of the site is currently being investigated, with several

options being subject to thorough due diligence and discussions with the Board and Constituent Councils.

The Balefill Management Consultative Committee (BMCC), chaired during the year by Cr Paul Little (Town of Gawler), continues to meet as necessary. The committee provides nearby residents, councils, the Environment Protection Authority and NAWMA the opportunity to discuss topics relating to the Uleybury site and its operations, with meeting minutes and supporting documents distributed to nearby residents and City of Playford.

2021-2022 Uleybury Balefill statistics:

- Solar – 1,390,072 Kilowatt hours exported
- Gas – 7,970,304 Kilowatt hours exported
- 9,360,376 kWh accumulated power generation



NAWMA's combined renewable energy facility generates over 9,000 MWh of electricity per year.

Resource Recovery

Hard Waste Service

NAWMA continued to provide and operate a hard waste service for all three Constituent Councils during the 2021-2022 financial year. NAWMA was very proud that it successfully delivered this high-quality service uninterrupted during the global pandemic.

The service proved very popular with it being accessed just over 40,000 times across the three Constituent Councils. This is a slight increase from the previous financial year, sustaining the high pandemic numbers and servicing the growth of housing across NAWMA's three constituent councils.

The at-call collection service provides a reduction in wait time and allows residents to have their hard waste collected at a time convenient to their needs. NAWMA has added a reminder SMS feature for the HW collection service to remind residents of their impending collection, which has significantly reduced the number of times residents fail to present their items for collection.

The service level for collections is complemented by a drop-off system for hard waste presented to either

of NAWMA's Resource Recovery Centres. The drop-off system is a real-time system that allows residents to be sent a unique voucher number while on their mobile to the NAWMA Customer Service Team member. Almost 14,150 vouchers were redeemed in 2021- 2022, gaining momentum as a choice of convenience and an increase of 9% on the previous financial year.

NAWMA also offers a free trailer-hire service for residents of its three constituent councils who have hard waste items to recycle, but no access to their own trailer.

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



Residents of NAWMA's three Constituent Councils can access the free hard waste voucher system any day of the week.

Education and **Community Engagement**



NAWMA's Education team regularly conduct waste reduction and recycling activities across the three Constituent Councils.

NAWMA's community education and engagement activities started to return to normal as the impacts of COVID-19 lessened during the 2021-2022 financial year.

We were able to increase our presence in the community through the engagement of another part-time team member. In addition to group presentations and attending displays in public locations, we were able to partner with a variety of organisations to co-deliver a series of Zero Waste workshops. These included the themes of Zero Waste Christmas and Avoiding Food Waste.

We also had several information stalls at community events across our Constituent Council areas including the Town of Gawler STEMmania and City of Salisbury Fringe.

Building on Phase 1 of the Resident Engagement Strategy, we commenced Phase 2 and introduced

bin tagging to increase our interactions with residents of 450 households in the three target areas. A kerbside bin audit was carried out across the NAWMA region in November 2021.

Around nine hundred bins were audited, and separate data was obtained for houses with and without a FOGO service. Results from the audit will help to inform future services and educational programs.

Formal professional development sessions were held for school teacher groups. The sessions included a contextualised presentation in the Circular Economy themed NAWMA Education Centre, tour of the MRF and guided site visits to NAWMA's Edinburgh

Education and Community Engagement



North Resource Recovery Centre, Green Organics processing area, Waste Processing Facility and Uleybury Landfill.

Staff from different work teams of NAWMA's three Constituent Councils were also welcomed at the Education Centre where they combined a MRF tour with an information session to understand NAWMA's role as a subsidiary of the Constituent Councils and services provided. We were also happy to be able to resume our popular community tours for people who work or reside within the NAWMA region.

We increased usage of marketing opportunities within the community including at bus shelters and the City of Salisbury Gateway Tower digital signage.

Our following on social media continued to grow with the NAWMA Education Centre Facebook page recording a 79% increase in page visits from last financial year. Other digital platforms including the NAWMA website, My Local Services app, direct email mailout (biannual NAWMA News) and LinkedIn, continued to assist with providing messaging to the community.



NAWMA's Customer Service

The NAWMA Customer Service team experienced a busy year during the 2021-2022 financial year. Whilst navigating through the pandemic and its impacts, our team focused on improving technological resources to enhance the service provided to residents and Constituent Councils. A permanent part-time position joined the team, bringing the department to a total 4.5 FTE.

After much planning, comparison and deliberation, a new cloud-based phone platform was introduced in November 2021. The platform not only enhanced call quality but enabled us to drill down into the nature of enquiries from residents. This provides opportunity to strategically focus on the ways in which we can provide a more effective, efficient and fit-for-purpose service to our constituents. The system also assists us in developing call monitoring for training and development, queue call back and an automated after call survey. The survey question will be developed to align with a particular point of interest or issue and will be changed quarterly to allow NAWMA to gain further insight into the behaviours of residents.

The webchat feature trialled in 2021 was made a permanent feature in mid-2022. The service, available through the NAWMA website, provides a further point of contact between the Customer

Service team and NAWMA's residents and has proven popular for those who may be time poor or have a simple request for information. Our Customer Service team are utilising the webchat to guide residents to the information they require efficiently and effectively. To date, we have participated in over 600 individual chats with the community and see this channel of communication continuing to gain momentum as the service is more widely promoted through social media and word of mouth.

The Customer Service teams goal is to be available through as many communication channels as possible to provide residents with best practice service through the channel most suitable to their needs. NAWMA's platforms will continue to develop and be a focus of the 2022-2023 financial year. Concentration on reviewing, and developing these will make certain that our Customer Service remains inclusive and effective.



Total Customer Service Calls 2021-2022



The introduction of the new webchat function has shown a decrease in calls to NAWMA's Customer Service team, demonstrating the effectiveness and usefulness of webchat.

Contents **Audited Financial Report**

Certification of Financial Statements	21
Principal Financial Statements	
Statement of Comprehensive Income	22
Statement of Financial Position	23
Statement of Changes in Equity	24
Statement of Cash Flows	25
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	26
Note 2 - Income	31
Note 3 - Expenses	31
Note 4 - Current Assets	32
Note 5 - Property, Plant & Equipment	33
Note 6 - Liabilities	35
Note 7 - Cash Flow Reconciliation	36
Note 8 - Financial Instruments	37
Note 9 - Commitments for Expenditure	39
Note 10 - Events Occurring After Reporting Date	39
Note 11 - Contingent Liabilities	39
Note 12 - Leases	40
Note 13 - Disclosure of Related Party Transactions	40
Note 14 - Fair Value Measurements	41
Statement of Auditor's Independence	44
Independent Auditor's Report - Financial Report	45
Independent Auditor's Report - Internal Controls	47
Certification of Auditor Independence	49
Constituent Council Certification of Auditor Independence	50



NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

Annual Financial Statements
Financial year ended 30 June 2022

Certification of Financial Statements

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards*.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



Toby Terlet
Chief Executive Officer



Brian Cunningham
Chairperson

Date: 29 September 2022

Northern Adelaide Waste Management Authority

Financial Statements 2021-2022

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
INCOME			
User charges	2	48,140	45,571
Investment income	2	262	240
Other	2	15	115
Total Income		48,417	45,926
EXPENSES			
Employee costs	3	4,147	3,827
Materials, contracts & other expenses	3	38,174	36,523
Finance costs	3	467	512
Depreciation, amortisation & impairment	3	3,315	3,250
Total Expenses		46,103	44,112
Operating Surplus / (Deficit)		2,314	1,814
Asset disposal & fair value adjustments	3	(1)	-
Amounts received specifically for new/upgraded assets		60	77
NET SURPLUS / (DEFICIT)		2,373	1,891
Other Comprehensive Income			
Changes in revaluation surplus - property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income		2,373	1,891

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

Northern Adelaide Waste Management Authority

Financial Statements 2021-2022

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	9,802	7,167
Trade & other receivables	4	5,143	4,167
Stock on Hand		50	27
Total Current Assets		14,995	11,361
Non-current Assets			
Property, Plant & Equipment	5	20,679	22,914
Total Non-current Assets		20,679	22,914
Total Assets		35,674	34,275
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6	7,117	6,667
Provisions	6	327	366
Borrowings	6	2,243	2,527
Total Current Liabilities		9,687	9,560
Non-Current Liabilities			
Borrowings	6	8,310	10,512
Provisions	6	6,489	5,388
Total Non-current Liabilities		14,799	15,900
Total Liabilities		24,486	25,460
Net Assets		11,188	8,815
EQUITY			
Accumulated Surplus		10,528	8,155
Asset Revaluation Reserve		660	660
Total Equity		11,188	8,815

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

Northern Adelaide Waste Management Authority

Financial Statements 2021-2022

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2022

	Accumulated Surplus	Asset Revaluation Reserve	Total Equity
	\$'000	\$'000	\$'000
Balance at start of period - 1 July 2020	6,264	660	6,924
Net Surplus/ (Deficit) for Year	1,891	-	1,891
Balance at end of period - 30 June 2021	8,155	660	8,815
Balance at start of period - 1 July 2021	8,155	660	8,815
Net Surplus/ (Deficit) for Year	2,373	-	2,373
Balance at end of period - 30 June 2022	10,528	660	11,188

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

Northern Adelaide Waste Management Authority

Financial Statements 2021-2022

STATEMENT OF CASH FLOWS

for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts from customers		47,185	45,358
Investment receipts		262	240
Operating payments to suppliers & employees		(41,871)	(39,439)
Finance payments		(408)	(462)
Net Cash provided by (or used in) Operating Activities	7	5,168	5,697
CASH FLOWS FROM INVESTING ACTIVITIES			
Amounts specifically for new or upgraded assets		-	77
Sale of surplus assets	3	15	-
Expenditure on renewal/replacement of assets		-	-
Expenditure on new/upgraded assets		(67)	(27)
Net Cash provided by (or used in) Investing Activities		(52)	50
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		-	-
Repayments of Borrowings		(1,099)	(891)
Repayment of lease liabilities		(1,382)	(1,493)
Net Cash provided by (or used in) Financing Activities		(2,481)	(2,384)
Net Increase (Decrease) in cash held		2,635	3,363
Cash & cash equivalents at beginning of period	7	7,167	3,804
Cash & cash equivalents at end of period	7	9,802	7,167

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

Northern Adelaide Waste Management Authority operates as a regional subsidiary pursuant to Section 43 of the SA *Local Government Act 1999* and Section 25 of the Local Government Implementation Act, and has its principal place of business at 71-75 Woomera Avenue, Edinburgh Park SA 5111.

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

3 Income Recognition

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

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

5 Infrastructure, Property, Plant & Equipment

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

5.1 Initial Recognition

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

The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. No capitalisation threshold is applied to the acquisition of land or interests in land. The capitalisation threshold applied across all asset classes is \$5,000. Any purchases greater than this amount are capitalised and depreciated on the Authority's asset register.

5.3 Subsequent Recognition

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

5.4 Depreciation of Non-Current Assets

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

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

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

5.5 Land Assets

As at 30 June 2018, an independent valuation was undertaken on all Land and Building assets held by the Authority. The independent valuation was undertaken by AssetVal Pty Ltd and valued land and building assets to the current market value. Given the material value of Land and Building assets subsequent to the valuation performed, Land and Building assets are shown as a separate class of asset and disclosed accordingly in Note 5.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

5.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

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

6 Payables

6.1 Goods & Services

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

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

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

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

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

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to Hostplus (formerly Statewide Super). The Scheme has two types of membership, each of which is funded differently.

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (10% in 2021/22; 9.5% in 2020/21). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Contributions to Other Superannuation Schemes

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

8 Rehabilitation

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

Landfill Remediation

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and make adjustments to the liability as required to ensure an accurate projected cost of the liability is showing in the balance sheet. An independent assessment of the Authority's landfill capping and post closure rehabilitation obligations was undertaken by Golder Associates Pty Ltd as at 30 June 2022.

The obligation to recognise a landfill remediation liability commences when the landfill cell is developed. Provisions are stated at the present value of the expected future cash outflows to occur. The Authority has an obligation to cap each cell upon the airspace of the cell being fully consumed as well as an ongoing post-closure monitoring and remediation of the site once it is closed for a period determined by the Environment Protection Authority (EPA) and other government environmental requirements.

Industrial Property Remediation

The Authority leases industrial property which under lease agreement held, requires that the Authority undertakes remediation and rectification works to the site upon exit. The scope of works includes the remediation of damaged and/or worn facilities, the removal of plant and equipment from the site as well as undertake rectification of any site contamination issues.

9 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards. No changes have been made to comparative information in the principal financial statements nor has not been amended for any changes to accounting standards.

10 Critical Accounting Estimates and Judgements

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority.

11 New Accounting Standards

No new accounting standards were applied by the Authority during the financial year. The Authority has not elected to early adopt any new accounting standards, interpretations or amendments which are not yet effective.

12 Stock on Hand

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

13 Related Party Transactions – Services Provided by Member Councils to the Authority

The Authority has entered into a lease agreement with the City of Salisbury to manage and operate the waste transfer station located at Pooraka. The lease with the City of Salisbury is reflected on the Balance Sheet in accordance with AASB 16. Transactions between the Authority and Member Councils where services have been provided by the Authority have been separately disclosed in Note 13.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

14 Leases

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right of use of the underlying assets.

14.1 Right-of- Use Assets

The Authority recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentive received and the estimate of costs incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of assets.

14.2 Lease Liabilities

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

14.3 Short-term leases and leases of low-value assets

The Authority applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Northern Adelaide Waste Management Authority

Financial Statements 2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 2 - INCOME

	Notes	2022 \$'000	2021 \$'000
USER CHARGES			
Waste Management Operations		48,140	45,571
		48,140	45,571
INVESTMENT INCOME			
Interest Income: Local Government Finance Authority		32	23
Rental income		230	217
		262	240
OTHER INCOME			
Lease Provision Adjustment		-	70
Promotional Income		15	45
		15	115

Note 3 - EXPENSES

EMPLOYEE COSTS

Salaries and Wages	3,212	3,219
Employee leave expense	371	112
Superannuation	312	274
Workers' Compensation Insurance	109	62
Other	143	160
	4,147	3,827

MATERIALS, CONTRACTS & OTHER EXPENSES

Auditor's Remuneration		
Auditing the financial reports	21	17
Other Services	-	-
Bad and Doubtful Debts	-	9
Lease costs	26	32
Promotions	29	44
Bank Fees	50	51
Landfill Royalty	183	144
Contractors	28,105	26,482
Electricity	227	286
Environmental Protection Agency Levy	8,239	8,040
Fuels & Oils	268	178
Professional services	297	450
Administration & Other Expenses	729	780
	38,174	36,523

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 3 - EXPENSES (cont)

	Notes	2022 \$'000	2021 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Waste Processing Facility		182	215
Uleybury Landfill Plant & Equipment		18	27
Education Program Plant & Equipment		-	-
Office Furniture & Equipment		22	39
Property & Improvements		13	17
Landfill Cell Stage Three		187	233
Landfill Capping Stage Three		204	99
Post Closure Rehabilitation		188	151
Buildings		158	172
Material Recovery Facility		645	637
Right-of-use-assets		1,422	1,384
Right-of-use-assets Restoration		276	276
		3,315	3,250
FINANCE COSTS			
Interest on Loans and Overdraft		259	315
Interest on Leases		131	167
Unwinding of present value discounts		77	30
		467	512
ASSET DISPOSALS			
Proceeds from disposal		15	-
Less: Carrying amount of assets sold		(16)	-
Gain (Loss) on disposal		(1)	-

Note 4 - CURRENT ASSETS

CASH & CASH EQUIVALENTS

Cash on Hand and at Bank	8,452	3,378
Deposits at Call	1,350	3,789
	9,802	7,167

TRADE & OTHER RECEIVABLES

Debtors - general	4,371	3,933
Accrued Revenues	385	206
Prepaid Expenses	396	37
Provision for Impairment	(9)	(9)
	5,143	4,167

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 5 - PROPERTY, PLANT & EQUIPMENT

	2021 \$'000			2022 \$'000		
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST
Land	1,776	-	-	1,776	1,776	-
Waste Processing Facility	-	3,257	(1,949)	1,308	-	3,240
Uleybury Landfill Plant & Equipment	-	2,125	(2,051)	74	-	2,125
Education Program Plant & Equipment	-	34	(31)	3	-	34
Office Furniture & Equipment	-	199	(139)	60	-	199
Property & Improvements	-	1,605	(1,524)	81	-	1,605
Landfill Cell Stage Three	-	3,084	(1,684)	1,400	-	3,084
Landfill Capping Stage Three	1,590	-	(495)	1,095	2,022	-
Post Closure Rehabilitation	2,167	-	(1,358)	809	2,776	-
Buildings	3,285	1,491	(510)	4,266	3,285	1,491
Material Recovery Facility	-	7,475	(1,980)	5,495	-	7,475
Right-of-use-assets	-	8,049	(2,742)	5,307	-	8,039
Right-of-use-asset Restoration	1,516	-	(276)	1,240	1,515	-
WIP	-	-	-	-	-	67
	10,334	27,319	(14,739)	22,914	11,374	27,359
						20,679
						(18,054)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 5 - PROPERTY, PLANT & EQUIPMENT (Cont)

	2021 \$'000	Movement in Property, Plant & Equipment during the Financial Year						2022 \$'000
	CARRYING VALUE	ADDITIONS		Disposals	Revaluation	Adjustment	Depreciation	CARRYING VALUE
		Renewal/ Replacement	New/ Upgrade					
Land	1,776	-	-	-	-	-	-	1,776
Waste Processing Facility	1,308	-	-	(16)	-	-	(182)	1,110
Uleybury Landfill Plant & Equipment	74	-	-	-	-	-	(18)	56
Education Program Plant & Equipment	3	-	-	-	-	-	-	3
Office Furniture & Equipment	60	-	-	-	-	-	(22)	38
Property & Improvements	81	-	-	-	-	-	(13)	68
Landfill Cell Stage Three	1,400	-	-	-	-	-	(187)	1,213
Landfill Capping Stage Three	1,095	-	-	-	-	432	(204)	1,323
Post Closure Rehabilitation	809	-	-	-	-	608	(188)	1,229
Buildings	4,266	-	-	-	-	-	(158)	4,108
Material Recovery Facility	5,495	-	-	-	-	-	(645)	4,850
Right-of-use-assets	5,307	-	-	-	-	(11)	(1,422)	3,874
Right-of-use-assets Restoration	1,240	-	-	-	-	-	(276)	964
WIP	-	-	67	-	-	-	-	67
	22,914	-	67	(16)	-	1,029	(3,315)	20,679
2021 \$'000	23,828	27	2,753	-	-	(444)	(3,250)	22,914

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 6 - LIABILITIES

		2022		2021	
		\$'000		\$'000	
	Notes	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		4,124	-	3,931	-
Accrued expenses - other		2,176	-	1,931	-
Amounts received in advance		817	-	805	-
		7,117	-	6,667	-
BORROWINGS					
Loans		1,143	5,305	1,099	6,448
Lease Liabilities		1,100	3,005	1,428	4,064
		2,243	8,310	2,527	10,512
PROVISIONS					
Annual Leave		189	-	252	-
Long Service Leave		138	85	114	101
Provision for Capping Stage 3A		-	2,022	-	1,590
Provision for Post Closure Site Rehabilitation		-	2,759	-	2,151
Provision for Property Restoration		-	1,623	-	1,546
		327	6,489	366	5,388
RECONCILIATION OF MOVEMENT IN LANDFILL & RESTORATION PROVISIONS					
		Provision for Capping Stage 3A	Provision for Post Closure Site Rehabilitation	Provision for Property Restoration	Total
Opening Balance		1,590	2,151	1,546	5,287
Additional Amounts Recognised/(Derecognised)		432	608	-	1,040
Payments		-	-	-	-
Unwinding of Present Value Discounts		-	-	77	77
Closing Balance		2,022	2,759	1,623	6,404

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 7 - CASH FLOW RECONCILIATION

(a) Reconciliation of Cash

	Notes	2022 \$'000	2021 \$'000
Total cash & equivalent assets	4	9,802	7,167
Less: Short-term borrowings		-	-
Balances per Statement of Cash Flows		9,802	7,167

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

Net Surplus (Deficit)		2,373	1,891
Non-cash items in Income Statement			
Depreciation, amortisation & impairment	3	3,315	3,250
(Gain) / Loss on Disposal of Assets	3	1	-
Capital Grants		(60)	(77)
Bad Debts Expense	3	-	9
Lease Adjustment - Right-of-Use Asset	5	(11)	-
Unwinding of Present Value Discounts	6	77	30
		5,685	5,103
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(976)	(328)
Net (increase) decrease in inventory		(23)	(2)
Net increase (decrease) in trade & other payables		450	811
Net increase (decrease) in other provisions		22	113
Net Cash provided by (or used in) operations		5,168	5,697

(c) Financing Arrangements

Credit Card Facilities	25	15
LGFA Cash Advance Debenture Facility	2,500	2,500

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 for the year ended 30 June 2022

Note 8 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 0.69% - 1.05% (2021: 0.3%)..</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Gate Fees & Associated Charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Net Fair Value

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

Risk Exposure

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 8 - FINANCIAL INSTRUMENTS (Cont)

Liquidity Analysis

2022

	≤ year	Maturity		Non-interest bearing	Total
		> 1 year	> 5 years		
	\$'000	≤ 5 years		\$'000	\$'000
		\$'000	\$'000		

Financial Assets

Amortised Cost

Cash Assets	9,802	-	-	-	9,802
Receivables	-	-	-	4,747	4,747

Total	9,802	-	-	4,747	14,549
--------------	--------------	----------	----------	--------------	---------------

Financial Liabilities

Payables	-	-	-	6,300	6,300
Borrowings	2,253	6,383	1,917	-	10,553

Total	2,253	6,383	1,917	6,300	16,853
--------------	--------------	--------------	--------------	--------------	---------------

2021

	≤ year	Maturity		Non-interest bearing	Total
		> 1 year	> 5 years		
	\$'000	≤ 5 years		\$'000	\$'000
		\$'000	\$'000		

Financial Assets

Amortised Cost

Cash Assets	7,167	-	-	-	7,167
Receivables	-	-	-	4,130	4,130

Total	7,167	-	-	4,130	11,297
--------------	--------------	----------	----------	--------------	---------------

Financial Liabilities

Payables	-	-	-	5,862	5,862
Borrowings	2,527	7,660	2,852	-	13,039

Total	2,527	7,660	2,852	5,862	18,901
--------------	--------------	--------------	--------------	--------------	---------------

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 9 - COMMITMENTS FOR EXPENDITURE

	Notes	2022 \$'000	2021 \$'000
Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		35	-
Waste Collection, Processing and Mobile Garbage Bin Supply Contracts		36,125	52,297
		36,160	52,297
These expenditures are payable:			
Not later than one year		17,128	16,791
Later than one year and not later than 5 years		19,032	35,506
Later than 5 years		-	-
		36,160	52,297

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

Note 10 - EVENTS OCCURRING AFTER REPORTING DATE

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

Note 11 - CONTINGENT LIABILITIES

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 12 - LEASES

Authority as a lessee

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

	Buildings & Other Structures \$'000	Plant & Motor Vehicles \$'000	Total \$'000
At 1 July 2021	3,844	1,463	5,307
Additions of right-of-use-assets	-	-	-
Depreciation Charge	(759)	(663)	(1,422)
Right-of-Use Adjustments	-	(11)	(11)
At 30 June 2022	3,085	789	3,874

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

At 1 July 2021	5,492
Additions	-
Accretion of interest	(131)
Payments	(1,382)
Lease Liability Adjustment	(5)
At 30 June 2022	4,105
Current	1,100
Non-Current	3,005

Note 13 - DISCLOSURE OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under the *Local Government Act 1999*. In all, 4 persons were remunerated as following:

	2022 \$'000	2021 \$'000
Salaries, allowances & other short term benefits	753	713
TOTAL	753	713

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 13 - DISCLOSURES OF RELATED PARTY TRANSACTIONS (Cont)

Transactions with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Salisbury	16,800	1,363	Provision of waste collection, processing and disposal services
City of Playford	11,568	984	Provision of waste collection, processing and disposal services
Town of Gawler	2,703	405	Provision of waste collection, processing and disposal services

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

Note 14 - FAIR VALUE MEASUREMENTS

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

- Land assets
- Building assets
- Stock on Hand
- Landfill Capping
- Post Closure Rehabilitation Costs
- Right-of-Use Restoration

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

(a) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2022

Note 14 - FAIR VALUE MEASUREMENTS (Cont)

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

If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Authority selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

The valuation techniques selected by the Authority are consistent with one or more of the following valuation approaches:

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Authority gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 14 - FAIR VALUE MEASUREMENTS (Cont)

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

	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2022					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
- Land	5	-	1,776	-	1,776
- Buildings	5	-	3,285	-	3,285
- Stock on Hand		50	-	-	50
- Landfill Capping Asset	5	-	-	2,022	2,022
- Post Closure Rehabilitation	5	-	-	2,776	2,776
- Right-of-Use Restoration	5	-	-	1,515	1,515
Total financial assets recognised at fair value		50	5,061	6,313	11,424

2021

Recurring fair value measurements

Infrastructure, Property, Plant & Equipment

- Land	5	-	1,776	-	1,776
- Buildings	5	-	3,285	-	3,285
- Stock on Hand		27	-	-	27
- Landfill Capping Assets	5	-	-	1,590	1,590
- Post Closure Rehabilitation	5	-	-	2,167	2,167
- Right-of-Use Restoration	5	-	-	1,516	1,516
Total financial assets recognised at fair value		27	5,061	5,273	10,361

(b) Disclosed fair value measurements

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

	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
There has been no change in the techniques used to measure the value of items disclosed in the financial statements.	1	Market	Based on expected sale price of goods based on existing contract prices.
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	2	Market Value	Observable sales of similar properties – both vacant land and land with improvements.
There has been no change in the techniques used to measure the value of items disclosed in the financial statements.	3	Cost Approach	Landfill assets unobservable inputs. The measure of these costs requires significant estimates and assumptions such as: discount rate, inflation rate, assessment of EPA requirements, the timing, extent and costs of the required activities and the estimated remaining airspace of the landfill.

Northern Adelaide Waste Management Authority

Financial Statements 2021-2022

Galpins

Accountants, Auditors
& Business Consultants



CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

Mount Gambier:
233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling
Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1265
E: stirling@galpins.com.au

Norwood
3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
E: norwood@galpins.com.au

W: www.galpins.com.au

Galpins Trading Pty Ltd
ABN: 89 656 702 886

Liability limited by a scheme approved
under Professional Standards Legislation

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Statement by Auditor

I confirm that, for the audit of the financial statements of the Northern Adelaide Waste Management Authority for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

Date: 14 September 2022

Galpins

Accountants, Auditors
& Business Consultants



Mount Gambier:
233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling
Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1265
E: stirling@galpins.com.au

Norwood
3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
E: norwood@galpins.com.au

W: www.galpins.com.au

Galpins Trading Pty Ltd
ABN: 89 656 702 886

Liability limited by a scheme approved
under Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of the Northern Adelaide Waste Management Authority (NAWMA)

Opinion

We have audited the accompanying financial report of NAWMA (the Authority), which comprises the statements of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Executive Officer and the Chairperson.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2022, and its financial performance and its cash flow for the year then ended in accordance with the Australia Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility for the Financial Report

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

In preparing the financial report, the Authority is responsible for assessing the authority'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 the Authority either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibility 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 misstatements, whether due to fraud or error, and to issue and auditor's report that includes our opinion. Reasonable assurance is a high level 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 decision of users taken on the basis of this financial report.

Northern Adelaide Waste Management Authority

Financial Statements 2021-2022

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

- Identify and assess the risk 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, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of the Authority'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 Authority'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 Authority's ability 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 those charged with governance 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.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Partner

Date: 30 September 2022

Galpins

Accountants, Auditors
& Business Consultants



Mount Gambier
233 Commercial Street West
PO Box 244, Mount Gambier SA 5290
P: (08) 8725 3066
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling
Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1265
E: stirling@galpins.com.au

Norwood
3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
E: norwood@galpins.com.au

W: www.galpins.com.au

Galpins Trading Pty Ltd
ABN: 89 856 702 886

Liability limited by a scheme approved
under Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROLS

To the members of the Northern Adelaide Waste Management Authority (NAWMA)

Independent Assurance Report on the Internal Controls of NAWMA

Opinion

We have audited the compliance of NAWMA (the Authority) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2021 to 30 June 2022 have been conducted properly and in accordance with the law.

In our opinion, the Authority has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to internal controls established by the Authority in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Authority have been conducted properly and in accordance with law for the period 1 July 2021 to 30 June 2022.

Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

Responsibility for Internal Controls

The Authority is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law.

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQC 1 *Quality Control for Firms that Performs Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Auditor's responsibility

Our responsibility is to express an opinion on the Authority's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Authority to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures.

Northern Adelaide Waste Management Authority

Financial Statements 2021-2022

Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

We communicate with those charged with governance 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.

Limitations of controls

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

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

Limitation of use

This report has been prepared for the members of the Authority in accordance with Section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Authority, or for any purpose other than that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Partner

Date: 30 September 2022

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2022**

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Northern Adelaide Waste Management Authority for the year ended 30 June 2022, the Authority's Auditor, Galpins, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Toby Terlet
Chief Executive Officer

Date: 29 September 2022



Mark Labaz
Chairman - Audit Committee

Date: 29 September 2022

Northern Adelaide Waste Management Authority

Financial Statements 2021-2022

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2022

CONSTITUENT COUNCIL CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Northern Adelaide Waste Management Authority for the year ended 30 June 2022, the Authority's Auditor, Galpins, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Sam Green
Chief Executive Officer
City of Playford

Date: 15.09.2022

Northern Adelaide Waste Management Authority

Financial Statements 2021-2022

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2022

CONSTITUENT COUNCIL CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Northern Adelaide Waste Management Authority for the year ended 30 June 2022, the Authority's Auditor, Galpins, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



John Harry
Chief Executive Officer
City of Salisbury

Date:

16/9/2022

Northern Adelaide Waste Management Authority

Financial Statements 2021-2022

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2022

CONSTITUENT COUNCIL CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Northern Adelaide Waste Management Authority for the year ended 30 June 2022, the Authority's Auditor, Galpins, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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


Henry Inat
Chief Executive Officer
Town of Gawler

Date:

14/9/2022

Resource Recovery Centres

114,291

CUSTOMERS

utilised the Edinburgh North
and Pooraka RRC's

15,715

TONNES

of material were diverted to
alternative fuels



12,305

MATTRESSES

were processed at the Edinburgh
North and Pooraka RRC's

4,871

TYRES

were processed at the Edinburgh
North and Pooraka RRC's



NAWMA

71-75 Woomera Avenue
Edinburgh SA 5111

Box 10 Mail Delivery Centre
Edinburgh North SA 5113

Phone 08 8259 2100

Email admin@nawma.sa.gov.au

www.nawma.sa.gov.au



Printed in Edinburgh, South Australia on paper made from
100% post-consumer-waste recycled fibre, manufactured
using a carbon neutral process.



DRAFT

This page is intentionally left blank.

DRAFT



City of Salisbury | PO Box 8 Salisbury SA 5108
Phone 8406 8222 | city@salisbury.sa.gov.au

W salisbury.sa.gov.au

f [@cityofsalisbury](https://www.facebook.com/cityofsalisbury)

t [@cityofsalisbury](https://twitter.com/cityofsalisbury)

@ [@cityofsalisbury](https://www.instagram.com/cityofsalisbury)