

City of Marion Annual Report 2016-2017



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WELCOME FROM THE MAYOR

This is my third annual report message since being elected Mayor in November 2014.

Since then we have seen reduced rate rises every year. In 2016/17 we adopted a rate rise of 2.5%. The downward trend continues.

Since 2014 we have also reduced Council debt. In 2016/17 Council's debt reduced from \$10.2 in June 2016 to 9.1m as at June 2017. The downward trend continues.

While reducing rate rises and paying off debt we have put millions of dollars toward popular infrastructure projects. Your Mayor's lobbying has brought in many millions of dollars of funding from State and Federal Governments, for which we are all very grateful. These projects will revive our parks, playgrounds and green spaces plus address critical traffic issues including;

- A phenomenal \$174 million in total for Oaklands Crossing has been secured (\$95m from Federal Government, \$74.3m from the State Government and \$5m in-principle commitment from the City of Marion).
- \$8m redevelopment is committed for Edwardstown Oval Soldiers Memorial Ground (\$4m from Federal Government, \$4m from City of Marion).
- \$3.5m fully funded to build a Union Cycliste Internationale (UCI) standing BMX track in O'Halloran Hill. Marion and Onkaparinga Councils contributing \$750,000 each toward this project and \$2m from State Government.

Major projects aside, Council has continued to evaluate and improve its strategic vision adopting Annual Business Plans (1 and 3 year targets) and 10 Year Strategic Plan, re-evaluated its many facilities and properties – all to ensure we do better and potentially more with what we have.

With the support of Elected Members, our CEO Adrian Skull is improving the culture and efficiency of the organisation, so that we put the resident first in everything we do. He has also driven a series of service reviews to improve delivery of the 130 services we offer to the community. It's not just roads and rubbish!

A highlight toward the end of the financial year included a visit from Governor of SA, Hieu Van Le, AC, on his first official tour of Marion. His Excellency declared the renewed activity at Tonsley the "future of South Australia".

Marion Council continues to seek extraction of maximum benefit from the Local Government Association. Our pressure and short-term departure from the LGA resulted in reduced membership fees and the promise of other benefits. We chose not to participate in the LGA "anti rate cap" campaign, since most Councillors and the Mayor agreed that we must steadfastly remain apolitical and constructive in the political environment. In any event, a Government-imposed cap on our rate rises would have little impact as we are performing so well financially.

As Mayor I have been fortunate to have solid support from most Councillors to achieve the successes described above. I'm equally glad to see we are developing a very strong management team and maintaining an enthusiastic and capable workforce. Thanks too to the residents who respond to our consultation efforts - their voices make our area a better place to live.

Yours faithfully,

Kris Hanna,
Mayor City of Marion



MESSAGE FROM THE CEO

Welcome to our 2016/17 Annual Report. Reflecting on the past year, we have seen many positive changes in our city.

Of note, we continue to collaborate and build upon activating businesses in the city particularly within the *Tonsley Innovation District* with Tonsley's key stakeholders including the State Government and Flinders University. This site now has 112 businesses operating with 6,500 tertiary students studying at Tonsley. We anticipate the number of students will increase to 8,500 by the end of the project.

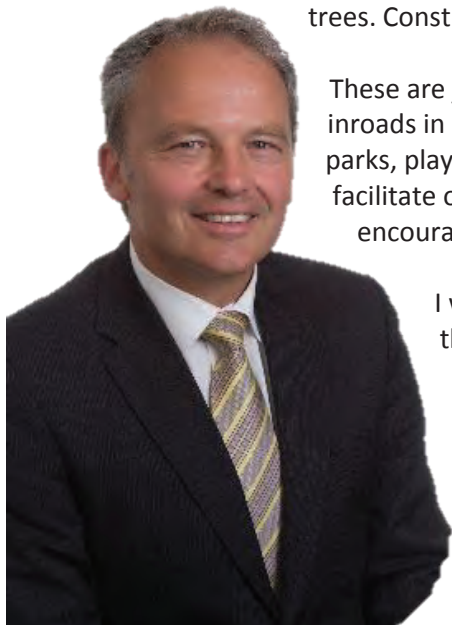
We work closely with both Federal and State government in many areas including helping to activate the Tonsley POD, where we host and participate in interactive workshops and presentations.

We have continued to support the many thought leaders in our community, applauding 33 individual and group recipients of our Unsung Heroes Award.

Our Mayor bestowed Olympic gold medallist Kyle Chalmers with a Key to the City in late 2016. It was inspiring to hear Mr Chalmers' Olympic story and pleasing to hear him acknowledge our outstanding aquatic facilities.

Our major projects and achievements this year included:

- A 50 percent commitment to the \$19.75 million upgrade of our Mitchell Park Sports and Community Centre. We are seeking funding for the remaining 50 percent to enable this key project to proceed. Plans include an indoor recreation facility with multi-purpose sports courts, a two-storey community centre, club gym, function area and café.
- There has been a considerable and ongoing transformation to the Oaklands Estate Reserve and Recreation Plaza. There are two distinct areas which will include Stage 2 of the Recreation Plaza and the development of the Oaklands Reserve area to the south of the site.
- Improvements to the Recreation Plaza will include replacing the old Roundhouse with a new rotunda, line marking for trike and bike riders, skate mounds, new table tennis and picnic tables, benches and a picnic shelter. Construction is due to commence in February 2018 and we anticipate this will be finished by mid-2018.
- The Oaklands Estate Reserve development (south of the site) will include consideration of existing site features including the vineyard, Japanese garden, duck pond, play opportunities, biodiversity corridor and significant trees. Construction is due to commence in mid-2018 and will be finished by the end of 2018.



These are just a few of the numerous projects in development. Marion continues to make inroads in urban activation, business development and providing a growing number of parks, playgrounds and sporting facilities. Central to these plans are providing areas to facilitate ongoing education as well as outdoor activities, supporting local sports and encouraging community wellbeing.

I would like to thank the Mayor, Elected Members, the community, and staff for their contributions over the past year.

Regards,

Adrian Skull,
Chief Executive Officer

OUR PURPOSE, VISION AND VALUES

OUR PURPOSE

(Why we exist)

To improve our residents' quality of life; continuously, smartly and efficiently

OUR COMMUNITY VISION

(What we want to become)

A community that is Liveable, Valuing Nature, Engaged, Prosperous, Innovative and Connected

OUR VALUES

With the community and safety at the forefront of everything we do, we value:

Respect - Treating everyone as we want to be treated, where all contributions are valued

Integrity - Fostering trust and honesty in all of our interactions

Achievement - Enhancing our knowledge and performance to reach our shared goals, while being dedicated to supporting one another

Innovation - Encouraging new ideas, and learning from our experience to do things better

COMMUNITY VISION › TOWARDS 2040

Six themes of our Community Vision

These six themes represent the shared values and aspirations that will guide how our city develops.



LIVEABLE

By 2040 our city will be well planned, safe and welcoming, with high quality and environmentally sensitive housing, and where cultural diversity, arts, heritage and healthy lifestyles are celebrated.

VALUING NATURE

By 2040 our city will be deeply connected with nature to enhance peoples' lives, while minimising the impact on the climate, and protecting the natural environment.

ENGAGED

By 2040 our city will be a community where people are engaged, empowered to make decisions, and work together to build strong neighbourhoods.

INNOVATIVE

By 2040 our city will be a leader in embracing and developing new ideas and technology to create a vibrant community with opportunities for all.

PROSPEROUS

By 2040 our city will be a diverse and clean economy that attracts investment and jobs, and creates exports in sustainable business precincts while providing access to education and skills development.

CONNECTED

By 2040 our city will be linked by a quality road, footpath and public transport network that brings people together socially, and harnesses technology to enable them to access services and facilities.

ABOUT THE CITY OF MARION – FAST FACTS

Location	South-Western suburbs of Adelaide
Land area	5,564 metres squared
Estimated resident population	88,777 ¹
Residents born overseas	20,926 ²
Landmarks	Cove Civic Centre Hallett Cove Coastal Walking Trail 7.5km Hallett Cove Conservation Park Marion Cultural Centre Marion Outdoor Pool Morphettville Racecourse Oaklands Wetlands & Recreation Plaza SA Aquatic and Leisure Centre Tonsley Park Westfield Shopping Centre
Gross Regional Profit	\$3m ³
Leading Employment Sectors	Retail, Health, Community, Manufacturing
Elected Members	13
Wards	6
Operating Expenditure	\$76.5 million
Revenue	\$88.2 million with \$72.6 million from rates
Rateable properties	42,289
Average residential rate	\$1381
Rate increase from 2015/16	2.5% (lowest rate rise in 15 years)
Library items loaned	891,382
Website visit	513,963
Volunteers	367 contributing 41,489 hrs totalling \$1.1m
Street trees planted	1400
Development applications	1789
Value of Development applications	\$180 million
Distance of footpaths	783.21 kms
Distance of roads	459.65 kms
Distance of drains	264.8 kms (2.9km new drains laid 2016/17)

¹ Source: <http://profile.id.com.au/marion/home> quoting Australian Bureau of Statistics Estimated Residential Population 2016.

² Source: <http://profile.id.com.au/marion/overseas-arrivals> - figures utilising Australian Bureau of Statistics 2011 population data.

³ Source: <http://economic-indicators.id.com.au/?Year=2016&StatId=4&submissionGuid=dff566ad-9f36-4bb3-a6bc-cf7bf400c39d>. 2015/16 financial year data quoting: <http://www.nieir.com.au/>

STRATEGIC MANAGEMENT PLANS

The City of Marion has a strategic management framework as a mechanism to ensure strategic decision-making is aligned with the aspirational themes in Council's 30-Year Community Vision – Towards 2040. During 2016/17 Council achieved the following key components of its framework:

10-Year Strategic Plan 2017-2027

This plan was adopted providing an overarching road map that identifies key areas of focus over the next 10 years to meet future key challenges and opportunities under each of the community vision themes.⁴

3-Year Business Plan 2016-2019

The Business Plan was adopted providing action-oriented direction of the strategic priorities that are to be delivered over Council's term to meet the aspirational themes of the community vision.⁵

3-Year Work Area Plans

To support the delivery of projects in the 3-Year Business Plan, 25 Work Area Plans (including over 190 projects in additional to core services) have been developed and are at various stages of implementation. These plans identify objectives, timeframes and required resources of a project which are monitored on a monthly basis. These plans are a key tool used to ensure Council has the capacity to deliver on its strategic directions for our community.



⁴ City of Marion General Council meeting 13 June 2017, Reference: GC130617R08

⁵ City of Marion General Council meeting 27 September 2016, Reference: GC270916R03

BRIEF OVERVIEW OF FINANCIAL PERFORMANCE

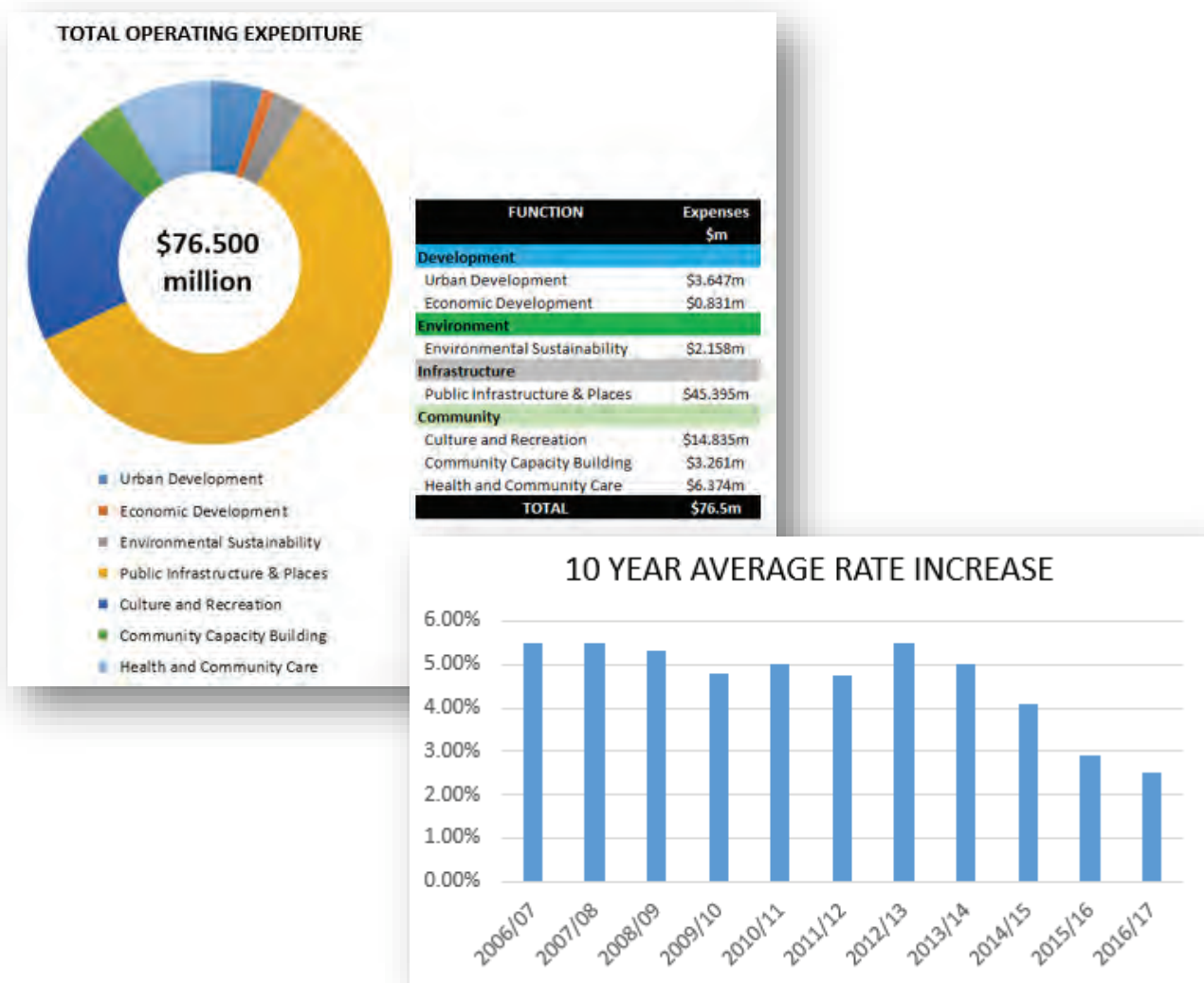
The City of Marion is in a strong financial position, providing a sound basis for Council's long-term objectives identified in the Strategic Plan. Below is a synopsis of Council's financial position.

There has been a strong commitment from Council to reduce the financial rate burden whilst continuing to deliver significant Infrastructure projects. Our rate increase has continued to decline (see diagram below) with 2016/17 achieving a minimal 2.5% increase, whilst achieving an operating surplus of \$11.673m. This figure was above the original budgeted surplus of \$7.653m adopted by Council. The main factors for this increase include:

- Interest revenue increased \$0.664m.
- Grants, subsidies and contributions increased \$2.031m.

Sustaining an operating surplus is critical to renewing and maintaining the \$1.1 billion of community assets under council's control in accordance with our Asset Management Plans and to ensure Council's ability to fund major projects identified in the Long Term Financial Plan. The following information relates to the Financial Statements contained further in the Annual Report.

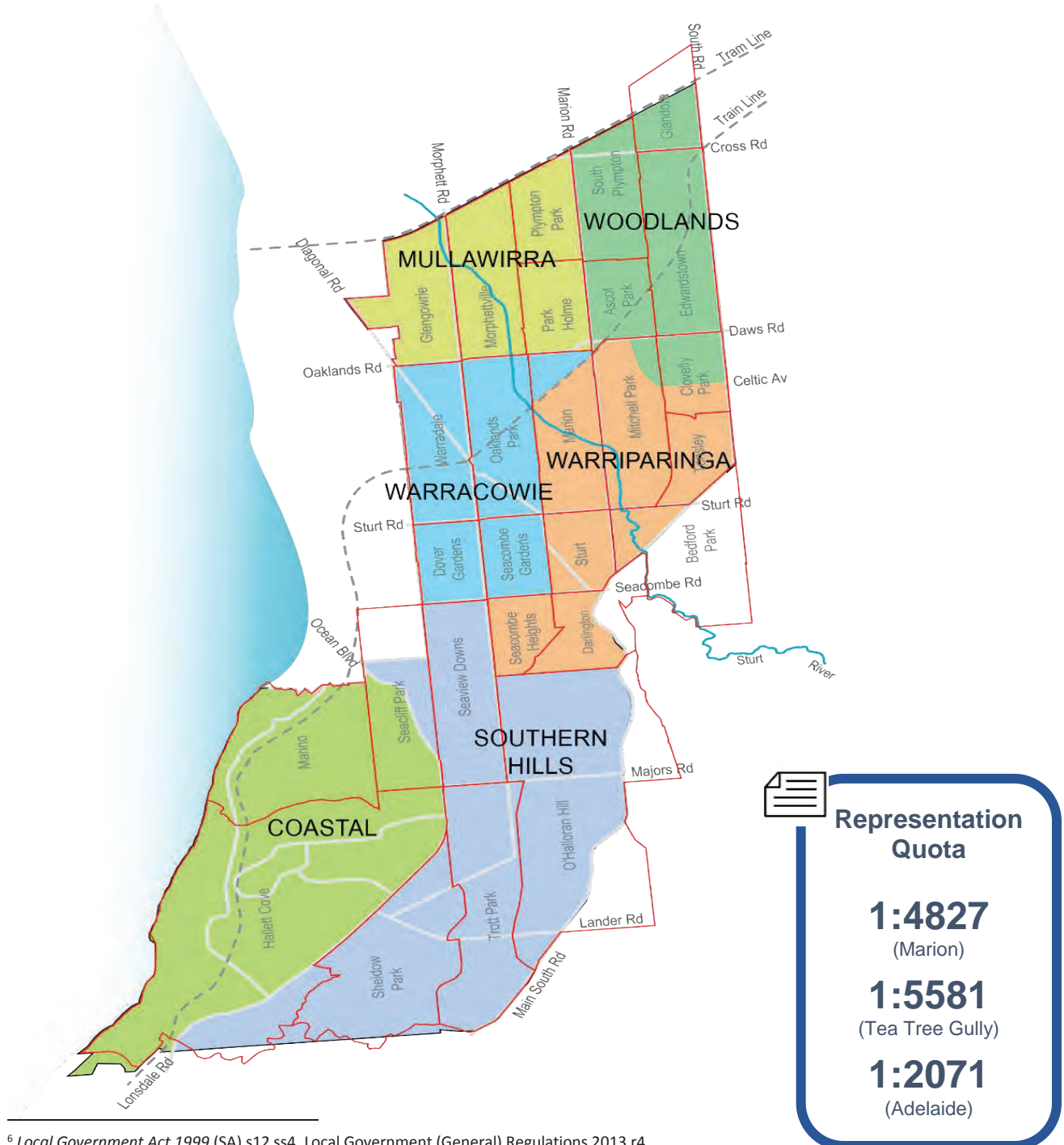
- An operating surplus of \$11.673 million which provides funding for renewal, replacement and upgrade of community assets along with funding for the Community Facilities Partnership Program.
- \$88.173 million revenue with 82 per cent coming from rates.
- \$76.500 million operating expenditure (see diagram below)
- \$1.1 billion net assets, providing community facilities, infrastructure and open space.



COUNCIL AREA AND WARD BOUNDARIES

The Council comprises an elected Mayor and 12 Councillors. The city has six wards, each represented by two Councillors.

In the City of Marion, one Elected Member represents 4827 voters (known as a 'representation quota') compared with the City of Tea Tree Gully with 5581 voters for the same amount of Elected Members. In 2013, the City of Marion reviewed its ward structure and boundaries to ensure Elected Members fairly represent residents and facilities in each ward. Another review is not legislatively required until 2021, where the outcome will be implemented at the 2022 Local Government Election.⁶



⁶ Local Government Act 1999 (SA) s12 ss4, Local Government (General) Regulations 2013 r4.

Elector representation submission processes and how the community can be involved will be made available when endorsed by Council prior to the review commencing. This information will be made available upon Council's website and other forums. Legislation provides guidance regarding an Representation review processes including the requirement for a minimum of two consultation periods and their duration (Local Government Act 1999 (SA) s12(7), (9) including public hearings (Local Government Act 1999 (SA) s12(10)).

ELECTED MEMBERS



MAYOR
Kris Hanna

Committees

July '16 – January '17

People and Culture
Infrastructure
Urban Planning
Strategy

January '17 – June '17

Review & Selection (Presiding Member)
Infrastructure and Strategy
Urban Planning

COASTAL WARD COUNCILLORS

**MARINO, SEACLIFF PARK (PART),
HALLETT COVE (PART)**



**DEPUTY MAYOR
COUNCILLOR**
Ian Crossland



COUNCILLOR
Tim Gard

Deputy Mayor

From November '16 - June '17

Committees

January '17 – June '17
Review & Selection

July '16 – December '16
Development Assessment Panel
Urban Planning

Committees

July '16 – November '16
Finance & Audit

July '16 – December '16
Strategy

January '17 – June '17
Urban Planning

MULLAWIRRA WARD COUNCILLORS

**GLENGOWRIE, PLYMPTON PARK,
PARK HOLME, MORPHETTVILLE**



COUNCILLOR
Jason Veliskou

Deputy Mayor

From July '16 – November '16

Committees

July '16 – December '16
Strategy
(Presiding Member)

January '17 – June '17
Review and Selection



COUNCILLOR
Jerome Appleby

Committees

July '16 – December '16
Urban Planning

January '17 – June '17
Review and Selection

SOUTHERN HILLS WARD COUNCILLORS

SEAVIEW DOWNS, O'HALLORAN HILL (PART),
TROTT PARK, SHEIDOW PARK (PART),
SEACLIFF PARK (PART), HALLETT COVE (PART)



COUNCILLOR
Janet Byram

Committees
July '16 – December '16
Infrastructure
(Presiding Member)

Jan '17 – July '17
Infrastructure and Strategy
(Presiding Member)



COUNCILLOR
Nick Westwood

Committees
July '16 – December '16
Strategy

December '16 – June '17
Development Assessment Panel

January '17 – June '17
Infrastructure and Strategy

WARRACOWIE WARD COUNCILLORS

WARRADALE, OAKLANDS PARK, DOVER GARDENS,
SEACOMBE GARDENS, MARION (PART)



COUNCILLOR
Bruce Hull

Committees
July '16 – December '16
People and Culture

January '17 – June '17
Infrastructure and Strategy



COUNCILLOR
Nathan Prior

Committees
July '16 – December '16
Urban Planning
(Presiding Member)

January '17 – June '17
Urban Planning

WARRIPARINGA WARD COUNCILLORS

MARION (PART), MITCHELL PARK (PART), STURT,
BEDFORD PARK (PART), CLOVELLY PARK (PART),
SEACOMBE HEIGHTS, DARLINGTON (PART)



COUNCILLOR
Raelene Telfer

Committees
July '16 – November '16
November '16 – June '17
Finance & Audit

July '16 – December '16
People and Culture
(Presiding Member)

January '17 – June '17
Urban Planning



COUNCILLOR
Luke Hutchinson

Committees
July '16 – December '16
December '16 – June '17
Development Assessment Panel

July '16 – December '16
People and Culture

January '17 – June '17
Urban Planning
(Presiding Member)

WOODLANDS WARD COUNCILLORS

SOUTH PLYMPTON, GLANDORE (PART), ASCOT PARK,
EDWARDSTOWN, MITCHELL PARK (PART),
CLOVELLY PARK (PART)



COUNCILLOR
Nick Kerry

Committees
July '16 – December '16
December '16 – June '17
Development Assessment Panel

July '16 – December '16
Infrastructure

November '16 – June '17
Finance & Audit

January '17 – June '17
Infrastructure and Strategy



COUNCILLOR
Tim Pfeiffer

Committees
July '16 – December '16
Infrastructure

January '17 – June '17
Infrastructure and Strategy

EXECUTIVE LEADERSHIP TEAM



CHIEF EXECUTIVE OFFICER

Adrian Skull

**HUMAN RESOURCES, OPERATIONS,
CITY DEVELOPMENT, CORPORATE
SERVICES**



**GENERAL MANAGER,
OPERATIONS**

Tony Lines

**ENGINEERING & FIELD
SERVICES, COMMUNITY &
CULTURAL SERVICES**



**GENERAL MANAGER,
CITY DEVELOPMENT**

Abby Dickson

**CITY PROPERTY, INNOVATION &
STRATEGY, BUSINESS GROWTH &
INVESTMENT, DEVELOPMENT &
REGULATORY SERVICES,
STRATEGIC PROJECTS**



**GENERAL MANAGER,
CORPORATE SERVICES**

Vincent Mifsud

**FINANCE, ICT, CONTRACTS &
OPERATIONAL SUPPORT,
CORPORATE GOVERNANCE**

DECISION MAKING AND STRUCTURE OF COUNCIL

Decisions of Council are formalised through various Council and Committee meetings, or by staff through delegated authority. Informed decision-making is critical to ensure decisions are legally made in the best interests of the wider community.¹

From the 1 July 2016 – 1 January 2017, Council's formal decision-making structure comprised of;

- General Council
- Strategy Committee
- Infrastructure Committee
- Urban Planning Committee
- People and Culture Committee
- Finance and Audit Committee
- Development Assessment Panel

Council reviewed its committee structure in November 2016 endorsing a new structure to commence January 2017, which comprised of;²

- General Council
- Infrastructure and Strategy Committee
- Urban Planning Committee
- Review and Selection Committee
- Finance and Audit Committee
- Development Assessment Panel

These meetings are open to the public. Documentation for each meeting (note of meeting, agenda with reports, attachments and minutes) are available through Council's Administration Building, website and libraries. Hard copies are also available at the meeting.

Elected Member attendance at meetings (Membership of Committee's changed in November) ³										
	General Council	Special Council	Strategy	Infrastructure	Urban Planning	People & Culture	Finance & Audit	Development Assessment	Infrastructure & Strategy	Review & Selection
Number of Meetings	(18)	(4)	(1)	(3)	(6)	(5)	(5)	(17)	(4)	(2)
Mayor Kris Hanna	18	4		2	4	5			3	2
Deputy Mayor Cr Ian Crossland	18	4			2			7		2
Cr Tim Gard	13	2	1		3		1			
Cr Jason Veliskou	18	3	1	1						2
Cr Jerome Appleby	16	3			2					2
Cr Janet Byram	16	3		3				4	4	
Cr Nick Westwood	17	4	1	1					4	
Cr Bruce Hull	18	3				5			4	
Cr Nathan Prior	15	4			5					
Cr Raelene Telfer	17	3			4	4	5			
Cr Luke Hutchinson	17	3			2	5		15		
Cr Nick Kerry	13	4		2			2	7	3	
Cr Tim Pfeiffer	16	3		2					3	

¹ Local Government Act 1999 (SA) s 131.

² Special General Council meeting (SGC011116R04) and General Council meeting (GC221116R14).

³ Ibid.

COUNCIL MEETINGS

The *Local Government Act 1999* (SA) provides the legislative framework for legal and transparent Council decision-making expected from the City of Marion and wider South Australian community.

FUNCTION

To make decisions on behalf of their constituents as a collective for the benefit of the community.

OTHER DETAILS

All Elected Members attend. Council meets on the second and/or fourth Tuesday of the Month with special meetings called when required.

RESOLUTIONS OF GENERAL COUNCIL

A 'resolution'⁴ is a legal decision of the collective will of *all* Elected Members that unite to form the decision making body of Council. During the financial year, 610 resolutions were made by Council resulting from 221 corporate reports seeking a decision.

Deputations heard:

- Park Holme Community Hall (June 2016)
- Lapwing Street Reserve (October 2016)
- Maesbury Circuit Reserve Irrigation (December 2016)
- Asset Optimisation of Council Property – Louise Avenue Reserve (January 2017)
- Preservation of Community Facilities on Nannigai Reserve (February 2017)
- McConnell Reserve Courts (February 2017)
- Marion City Band Funding proposal (February 2017)
- Marion Outdoor Pool, Proposed Hughes Court Reserve Development (March 2017)
- Proposed Removal of Playground at Resolute Crescent Hallett Cove (May 2017)
- The repair and upgrade of winches at Cosgrove Hall (June 2017)

Petitions submitted:

- Heavy Vehicle Traffic using Harding Street, Glengowrie (August 2016)
- Removal of Lapwing Street Reserve Playspace (October 2016)
- Irrigation of Parsons Grove (November 2016 – Adjourned to December 2016)
- Irrigation of Parsons Grove Reserve, Maesbury Circuit Reserve Irrigation (December 2016)
- Preservation of the Nannigai Reserve Playspace/Tennis Court (January 2017)
- McConnell Reserve Courts, Resolute Crescent Reserve (February 2017)
- Development Application 100/2016/1785 (March 2017)

Workshops/Presentations: (all occurring June 2017)

- Castle Plaza Activity Centre DPA
By Vicinity Centre's Presentation regarding the re-zoning of the former Hills Industry Site
- Public Submission on the Draft Annual Business Plan 2017/18
By representative of the Marino Residents Association.
- Housing Diversity DPA
By Department of Planning Transport and Infrastructure

ELECTED MEMBERS⁵

The *Local Government Act 1999* (SA) provides the legislative framework and ambit of responsibility for an Elected Member as an individual and as they unite to form the decision making body of Council. Their role is fundamental in delivering upon the expectations of the local and wider community.

⁴ Source:

http://www.lexisnexis.com.access.library.unisa.edu.au/au/legal/results/enhdocview.do?docLinkInd=true&ersKey=23_T26535371726&format=GNBFULL&startDocNo=0&resultsUrlKey=0_T26535374568&backKey=20_T26535374571&csi=267785&docNo=4&scrollToPosition=0

⁵ *Local Government Act 1999* (SA) s 59

ELECTED MEMBER ALLOWANCES⁶

An elected member is entitled to an annual allowance determined every four years by the Remuneration Tribunal of South Australia. The tribunal's determination on 28 July 2014 provides for a CPI increase each financial year as stated below. This adjustment came into effect as of 7 November 2016;

Mayor	\$77,796
Deputy Mayor	\$24,311
Elected Members	\$19,449

TRAINING AND DEVELOPMENT⁷

Elected members have ongoing training based on current council business and their own professional development requirements. Mayor Kris Hanna attended two conferences (Engaging Connecting and Informing Business Conference/Breakfast and a Southern Business Conference/Breakfast). Cllr Raelene Telfer attended the Friends of Hallett Cove Parks Forum and the Southern Business Conference/Breakfast. Other training sessions throughout the year (EM Forum) for Elected Members include;

- Outlook Training session (September 2016)
- Kaurua Cultural Heritage Awareness Training (October 2016)
- Cash Flow – How the budget works (November 2016)
- EM Professional Development – General (February 2017)
- Conflict of Interest Provisions (May 2017)

KEY DECISIONS OF GENERAL COUNCIL⁸

Council made many significant decisions during the financial year. The following list does not encompass *all* decisions, rather *key* decisions made as an elected body. It does however demonstrate the diverse ambit of Council's decision-making power thereby confirming its importance and relevance to its constituents and the wider South Australian Community.

2016	Key decisions	2017	Key decisions
July	<ul style="list-style-type: none"> • Strategic Plan renaming & vision adoption • Council Annual Performance/Effectiveness • Local Government Association Membership 	January	<ul style="list-style-type: none"> • \$2.5m allocated for Southern Region Football facility • Marion Swimming Pool Service Review considered • Playground Policy adopted for consultation
August	<ul style="list-style-type: none"> • BMX funding Deed entered into • Honoring Olympian Kyle Chalmers • Hard Waste fee for service models considered 	February	<ul style="list-style-type: none"> • Hallett Cove Foreshore plan approved • 5 year agreement to fund Marion City Band • City Wide Tennis & Netball works program
September	<ul style="list-style-type: none"> • 2016-2019 Business Plan endorsed • Oakland's Recreation Plaza Stage 2 approved • Gap Year for School leavers program initiated 	March	<ul style="list-style-type: none"> • Development Assessment Panel Membership • Elected Member Liaison roles on 45 external bodies • LGA Membership
October	<ul style="list-style-type: none"> • 30 Year Plan for Greater Adelaide update input • City wide Tennis and Netball facility Review • Audited financial statements and the Annual Report for the previous financial year. 	April	<ul style="list-style-type: none"> • Adopted a 10 Year Strategic Plan for consultation • Council Asset optimisation program initiated • Consideration of potential Water supply to Tonsley
November	<ul style="list-style-type: none"> • \$45,035 of Community Grants realizing a value of \$147,697 to community projects • Transition to LED Lighting for streets plan • Animal Management Plan adopted for consultation 	May	<ul style="list-style-type: none"> • Volunteer Program Annual Report acknowledging 41,489 volunteer hours given to assist with the delivery of Council services • Marion Outdoor Swim Centre Master Plan endorsing further redesign and works
December	<ul style="list-style-type: none"> • Increase Wi-Fi Access to neighbourhood center's • Energy Efficient Solar Buildings Project approved • Leasing and Licensing Policy consulted upon 	June	<ul style="list-style-type: none"> • Annual Business Plan/Financial Plan 17/18 adopted • Statement of Intent – Housing Diversity Plan • Rate rise of 2.5% (lowest rate rise in 15 years)

⁶ Local Government Act 1999 (SA) s 131 and Schedule 4, s(1)(f).

⁷ Local Government Act 1999 (SA) s 131 and Schedule 4, s(2)(ca).

⁸ Local Government Act 1999 (SA) s 6 and 7.

CONFIDENTIAL ITEMS

The City of Marion is committed to the principle of open and accountable government whilst acknowledging that on occasions, it may be necessary to restrict access to discussions and/or documents.⁹

The *Local Government Act 1999* (SA) (the Act) regulates how Council administers confidential items, with an underlying principle that as government is accountable to its public, only certain circumstances evoke the appropriate use of confidential orders. During the financial year, Council (excluding committees) considered 24 reports in confidence in relation to matters in accordance with the *Local Government Act 1999*. The following table provides further detailed information upon Council's use of various sections of the Act.

Relevant placita of <i>Local Government Act (SA) 1999</i>	Explanation S 90 (2) Information the disclosure of which would;	Number of times used
3(a)	<ul style="list-style-type: none"> involve unreasonable disclosure of information concerning the personal affairs of any person (living or dead). 	10
3(b)(i) and (ii)	<ul style="list-style-type: none"> 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; on balance, be contrary to the public interest. 	4
3(c)	<ul style="list-style-type: none"> reveal a trade secret 	0
3(d)(i) and (ii)	commercial information of a confidential nature (not being a trade secret) the disclosure of which— <ul style="list-style-type: none"> 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; on balance, be contrary to the public interest. 	13
3(e)	<ul style="list-style-type: none"> matters affecting the security of council, members or employees of the council or council property, or the safety of any person. 	2
3(f)	<ul style="list-style-type: none"> could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial. 	0
3(g)	<ul style="list-style-type: none"> matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty. 	0
3(h)	<ul style="list-style-type: none"> legal advice. 	6
3(i)	<ul style="list-style-type: none"> information relating to actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council; 	0
3(j)(i) and (ii)	<ul style="list-style-type: none"> would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); on balance, be contrary to the public interest. 	1
3(k)	<ul style="list-style-type: none"> tenders for the supply of goods, the provision of services or the carrying out of works. 	0
3(m)	<ul style="list-style-type: none"> relating to a proposed amendment to a Development Plan under <i>the Development Act 1993</i> (SA) before a Development Plan Amendment proposal relating to the amendment is released for public consultation under that Act. 	0
3(n)	<ul style="list-style-type: none"> relevant to the review of a determination of a council under the <i>Freedom of Information Act 1991</i> (SA). 	0

⁹ *Local Government Act 1999* (SA) s 131 and Schedule 4 s(1)(ga).

See General Council Meeting, 13 December 2016 Report Reference: (GC131216R03) to satisfy Local Government (General) Regulations 2013 (SA) r 35.

Council undertook a rigorous review of its confidential orders in December 2016 resulting in 53 confidential reports being released and three reports released in part.¹⁰ At the conclusion of the financial year, Council currently has 47 reports with confidential orders remaining in place to be reviewed again December 2017.

Relevant placita of Local Government Act (SA) 1999	Explanation	Number of times used
(7) + (9)	S 91 Minutes and release of documents If an order is made under subsection (7)— the <u>council</u> or <u>council committee</u> must specify the duration of the order or the circumstances in which the order will cease to apply, or a period after which the order must be reviewed, and, in any event, any order that operates for a period exceeding 12 months must be reviewed at least once in every year.	15 All to be reviewed Dec 2017

INFORMAL GATHERINGS

Council has a policy position regarding its administration of informal gatherings in accordance with legislative provisions enacted in the previous financial year. It espouses the following principles;

- Informal gatherings are open to the public whenever possible.
- Decisions to hold informal gatherings in confidence are made on a case-by-case basis.
- Council publishes notification details on the website to ensure that interested members of the public can attend.
- If Council decides to hold an informal gathering in confidence, the reason for this decision is briefly stated on the website and reported upon via the Annual Report process.¹¹
- On 11 occasions, the Forum Agenda identified that an allotment of time *may* be allocated for Elected Member/CEO or Elected Member only discussion.
- The following occasions detail when confidentiality provisions were applied;
 - 12 July 2016: Local Government Association (Legal Advice) 90(3)(h)
 - 19 July 2016: EA Negotiations (persons living or dead) 90 (3)(a)
 - 21 March 2017: (divulge commercial information) (90)(3)(j)
 - Forecast Capital Works Carryovers 2016/17
 - Draft Annual Business Plan and Budget 2016/17
 - Rating Data and Modelling 2017/18
 - 18 April 2017:
 - Southern Innovation Area DPA (development) Reg 8AB(1)(b)(ii)
 - Annual Budget (divulge commercial information) (90)(3)(j)

	Elected Member attendance at Elected Member forums											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	(2)	(4)	(2)	(2)	(3)	(1)	(2)	(1)	(1)	(1)	(1)	(1)
Mayor Kris Hanna	2	4	2	1	3	1	2	1	1	1	1	1
Deputy Mayor Cr Ian Crossland	2	4	1	2	3	1	1	1	1	1	1	1
Cr Tim Gard	2	2	2	2	3	1	2	1	1	1	1	1
Cr Jason Veliskou	2	4	2	1	2	1	2	1	1	1	1	1
Cr Jerome Appleby	1	4	2		3	1	1	1	1	1	1	
Cr Janet Byram		3	1	2	1		2		1	1		1
Cr Nick Westwood	2	4	2	2	2	1	2	1	1	1	1	1
Cr Bruce Hull		4	2	2	3	1	1	1	1	1	1	1
Cr Nathan Prior	2	4	2	2	2	1	2	1	1	1	1	1
Cr Raelene Telfer		3	2	2	3	1	1	1	1		1	1
Cr Luke Hutchinson	2	3	2	1	2	1	1	1				1
Cr Nick Kerry	2	4			2	1	1		1	1		1
Cr Tim Pfeiffer	2	3	1	2	1		1	1			1	1

¹⁰ Refer to GC250815F01 in part.

¹¹ City of Marion Informal Gatherings Policy, clause 5.

COUNCIL COMMITTEES

The *Local Government Act 1999* (SA) allows the Council to form Committees to assist the decision making of Council. These committees do not make formal decisions as they are established to assist the Council in the performance of its functions (such as overseeing or providing advice).¹²

INFRASTRUCTURE AND STRATEGY COMMITTEE - FUNCTION

Established as at 1 January 2017 for the purpose of;

- Advising Council regarding the development, implementation and review of its strategic management plans.
- Ensuring that Council policy and strategies provide and promote Community 'wellbeing' through enhancing and sustaining economic, environmental and community development of the City of Marion.
- Reviewing any topic specific strategies or plans (not included within any other Committees Terms of Reference) prior to Council consideration and adoption.
- Development and implementation of Council policy relating to the management and utilisation of Council assets and infrastructure.
- Monitoring and potential implementation strategies for the sporting facilities priorities of the City of Marion.
- Monitoring, development and implementation of Council's Strategic Asset Management Plans in accordance with Council's Asset Management Policy.
- Opportunities to either acquire new assets or dispose of assets in accordance with Council's Disposal of Land and Assets Policy.
- Monitoring of major projects of the City of Marion or within the City of Marion.
- Opportunities to further develop strategic transport and integration of transport needs of the Community.

The committee has five (5) Elected Members – Elected Member Presiding. Meetings convened monthly on the first Tuesday of the month from February to November inclusive (10 Meetings). Sitting fees are set at \$1000 per meeting for independent members.¹³

REVIEW AND SELECTION COMMITTEE - FUNCTION

Established as at 1 January 2017 for the purpose of;

- CEO Employment Agreement and Performance Review.
- Vacancy of the Office of the Chief Executive Officer.
- Process to source appointment of expert members to Section 41 Committees.
- Process to source appointment of expert members for the Development Assessment Panel (DAP).
- Review Committee's Performance.

The committee has four (4) Elected Members – Mayor and three (3) Elected Members. Meetings convened as required.

FINANCE AND AUDIT COMMITTEE - FUNCTION

Established as at 1 January 2017 for the purpose of;

- External audit
- Internal audit and service reviews
- Financial Reporting and Prudential Requirements
- Internal controls and risk management

The committee has two (2) Elected Members (who are not the Mayor) and three (3) external expert members. Meetings are five times per year. Sitting fees per meeting include Committee chairperson \$1,200 and Independent members \$1000.

URBAN PLANNING - FUNCTION

Established as at 1 January 2017 for the purpose of;

- Strategic planning and development policies.
- Developing a revised Development Plan for the City.
- Review Committee's performance.

The committee has four (4) Elected Members – Mayor and three (3) Elected Members. Meetings convened bi-monthly basis on the first Tuesday of the month from February to November totaling five (5) meetings per year.

¹² *Local Government Act 1999* (SA) s 41.

¹³ *Local Government Act 1999* (SA) s 131 and Schedule 4 s(1)f.

COMMITTEE SITTING FEES¹⁴

Elected Members presiding over Committee meetings receive a 25% loading above their regular annual allowance. Sitting fees per session are \$1000 for Independent Members and nil for Elected Members.¹⁵

INDEPENDENT MEMBER ATTENDANCE AT MEETINGS

The following table identifies external member attendance at meetings throughout the financial year. It is noted that three (3) Committees (Strategy, People and Culture and Infrastructure) were disbanded effective 31 December 2016 due to a review of Council's Committees in November 2016.¹⁶

Name of Committee	Independent Member attendance at meetings							
	Strategy	Infrastructure	Urban Planning	People & Culture	Finance & Audit	Development Assessment	Infrastructure & Strategy	Review & Selection
Total number of meetings	(1)	(3)	(6)	(5)	(5)	(17)	(4)	(2)
Gavin Lloyd-Jones (Chair – DAP) (From 1 July '16 - 30 June '17)						15		
Graham Goss (From 1 July '16 - 30 June '17)						17		
Charmaine Thredgold (From 1 July '16 - 30 June '17)						14		
Nathan Sim (From 1 July '16 - 30 June '17)						16		
Bryan Moulds (From 19 Jan '16 – 30 Jan '17)			1					
Christian Reynolds (From 1 July '16 to 31 Jan '17)		3					4	
Damien Scanlon (From 1 July '16 – 31 Jan '17)	1	1						
Greg Connor (Chair Finance & Audit) (From 1 July '16 – 30 June '17)					5			
Lew Owens (From 1 July '16 – 31 Dec '16) (Mr Owens resigned 15 Dec '16)					3			
Kathryn Presser (From 1 July '16 – 30 June '17)					5			
Emma Hinchey (From 1 Jan '17 – 30 June '17)					2			
David Panter (From 1 July '16 – 31 Jan '17) (Dr Panter resigned 26 Oct '16)				1				

¹⁴ Local Government Act 1999 (SA) s 131 and Schedule 4 s(1)(f).

¹⁵ Refer Local Government (Members Allowances and Benefits) Regulations 2010 (SA) r 4(2).

¹⁶ Reference Special General Council Meeting (SGC11116R04).

DEVELOPMENT ASSESSMENT PANEL

The City of Marion's Development Assessment Panel is constituted in accordance with the *Development Act (SA)* 1993. The task of the panel is to assess proposed development against the Development Plan, which sets out the planning policies applicable to the Council area.

FUNCTION

In doing so, the Panel assesses the 'pros and cons' of an application. This involves judgment based on whether a development satisfies, or is at variance with the policies set out in the Development Plan. Council's Development Assessment Panel comprises seven members appointed by Council. Three are members of the Council while the others are independent members with experience in development-related disciplines.

The Panel met on 17 occasions during the financial year. The Panel comprises of seven members appointed by Council. Three are Elected Members whilst four are independent members with experience in development related disciplines. The Presiding Member receives \$500 per meeting; Independent members receive \$400 per meeting and Elected members \$200 per meeting.¹⁷

ACHIEVEMENTS FOR 2016/17 FINANCIAL YEAR

More than \$180 million of building applications were granted – a decrease of approximately \$1.6 million on the previous year. The two largest approvals were a \$3.85 million development for the Coles Tenancy at Westfield Marion and a \$2.4 million dollar development at 3 Casey Street Hallett Cove to construct two, two-storey residential flat buildings each comprising six dwellings (12 dwellings in total), with associated freestanding garages, common driveway, earthworks and retaining walls.

The total number of applications granted was 1789. This included 757 new houses and 94 dwelling additions, along with 1523 combined approvals for class 10 structures, including sheds, pools and verandahs. Seven offices, 54 shops, 2 warehouses and 14 public buildings were also approved, while 342 demolitions were granted.

NUMBER OF BUILDING CONSENTS AND VALUES¹⁸

2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
1781	1689	1726	1751	1795	1789
\$159.2m	\$152.2m	\$168.3m	\$195.5m	\$182.1	\$180.5m

CASTLE PLAZA ACTIVITY CENTRE DPA

The aim of the DPA is to facilitate the redevelopment and expansion of the existing Castle Plaza Shopping Centre into a more vibrant, compact and intensely developed mixed use activity centre accommodating employment generating land uses and medium to high density residential development in close proximity to a high frequency public transport corridor. The scope of the retail component of the DPA has been reduced in size since the original proposal. The DPA was forwarded to the Minister in July 2017 seeking his approval for the document.

HOUSING DIVERSITY DPA

The intention of the DPA is to support the development of a range of housing types and densities throughout the Council area and promote mixed use development in key strategic locations. The DPA will also involve protection of character areas and inner-suburb areas that demonstrate a high quality streetscape by promoting sensitive low density infill development within those areas. The DPA also investigates the introduction of mixed use areas within and adjacent to activity centres and along certain transit corridors. More vibrant activity centres will boost the local economy and create employment.

The DPA is currently on public consultation (until 14 November 2017), following which a report will be presented to Council regarding public comment received. Following which amendments will be made, if required, taking into account comments received. The DPA will then be forwarded to the Minister for authorisation.

¹⁷ Local Government Act 1999 (SA) s 131 and Schedule 4 s(1)(f).

¹⁸ These figures include development approvals granted by Council or private certification only. They do not include developments such as land divisions, tree applications or developments that do not require building rules consents. They do not reflect applications refused by Council or granted approval by the Development Assessment Commission.

RECREATION/COMMUNITY DEVELOPMENT DPA

The intention of the DPA is to rezone a number of existing major recreation/community complexes to a more appropriate zone which better reflects existing uses and facilitates the envisaged forms of development anticipated at these complexes. Council approved the DPA 26 September 2017 and the final document has been forwarded to the Minister for authorisation.

MORPHETTVILLE RACECOURSE

The South Australian Jockey Club (SAJC) has recently finalised a concept for the development of surplus land at the Morphettville Racecourse (and surrounds). This concept proposes a mixed use development incorporating higher density residential, a neighbourhood level activity centre, offices, bulky goods and the renewal of core racing facilities, centered around an upgraded tram station. The proposed development is located in two Council areas (Marion and West Torrens) and includes the Department of Transport and Infrastructure (DPTI) controlled tram corridor.

COMMUNITY LAND¹⁹

During the financial year, Council expressed a desire to pursue opportunities for asset consolidation, to maximize use of community facilities and ensure public value is delivered through its assets. Through this process, it had been identified that several properties are surplus to Council's requirements and do not contribute to Council's strategic objectives.

Toc H Hall at 30A De Laine Avenue Edwardstown was identified as surplus to council needs and was sold during the financial year. Luke Court Reserve, O'Halloran Hill is also available for sale. The net proceeds from both sales will be allocated to the Open Space Reserve Fund, for the development of other open space facilities. A recent example of this type of approach has been the award-winning Jervois Street Reserve which was purchased through funds allocated for the development of open space and with the assistance of the state Government.

REGIONAL SUBSIDIARIES

Council has the ability to join another or more Councils to establish a regional subsidiary to provide a specified service or to manage/administer property or activities on behalf of the constituent Councils.²⁰ The City of Marion has two such subsidiaries as described below.²¹

SOUTHERN REGION WASTE RESOURCE AUTHORITY

The Southern Region Waste Resource Authority (SRWRA) is a section 43 Regional Subsidiary of the Cities of Marion, Holdfast Bay and Onkaparinga. SRWRA is responsible for providing and operating waste management services on behalf of the Constituent Councils and ensuring that a long-term Waste Management Strategy exists in the southern region of Adelaide.

SRWRA is managed by a board of 10 people. Each council provides three representatives with the 10th being an independent expert in business or waste management. The board is chaired by the independent member whom only has a casting vote. The equitable interest of the constituent councils in the authority is agreed as follows;

City of Holdfast Bay	15 per cent
City of Marion	30 per cent
City of Onkaparinga	55 per cent

COUNCIL SOLUTIONS

Council Solutions was established on 20 December 2012. It is owned in equal parts by the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully. According to its Charter, Council Solutions is responsible for managing selected procurement and service delivery on behalf of the constituent councils. A key objective is to secure best value and value for money in these activities to improve the financial sustainability of the constituent councils for the benefit of their communities and ratepayers.

Council Solutions is managed by a board of seven members. Each council provides one representative, its chief executive officer, with the seventh being an independent member with expertise relevant to the activities of the authority. The board is chaired by the independent member whom only has a casting vote.

¹⁹ *Local Government Act 1999 (SA)* s 131 and Schedule 4, s(2)(e).

²⁰ *Local Government Act 1999 (SA)* s 43.

²¹ *Local Government Act 1999 (SA)* s 131 and Schedule 4, s(1)(ha).

GOVERNANCE

The *Local Government Act 1999* (SA) provides the legislative framework for legal and transparent decision-making. The term 'governance' incorporates practices and procedures that make for informed decision-making.

The following pieces of information are legislatively required to be provided within an Annual Report.

LIST OF REGISTERS AND CODES OF CONDUCT OR PRACTICES²²

Following is a list of registers kept by council:

- Register of Interests – Elected Members
- Register of Interests – Staff
- Register of Elected Members' allowances and benefits
- Register of staff salaries and benefits
- Register of campaign donations
- Register of Elected Members' gifts and benefits
- Register of Fees and Charges
- Register of By Laws

These documents can be downloaded from the City of Marion's Website free of charge – alternatively a copy can be requested from customer service free of charge.

CODE OF PRACTICE²³

Following is a list of Council Codes of Conduct or Practice, adopted in accordance with the *Local Government Act 1999* or the *Local Government (Elections) Act 1999* and *Local Government (Procedures at Meetings) Regulations 2000*:

- Code of Conduct – Council Members
- Code of Conduct - Employees
- Code of Practice – Access to meetings and documents
- Code of Practice – Procedures at Meetings

The Code of Conduct for elected members continues to ensure that all activities of Council are conducted legally, ethically and with the strict observance of the highest standards of integrity and propriety.

The Code of Conduct is Council's public declaration of the expected standards of behavior and the manner in which individual elected members will conduct themselves in carrying out their duties. The City of Marion also has a Staff Code of Conduct that sets out the expected standards of conduct for all employees.

SENIOR EXECUTIVE OFFICER INFORMATION²⁴

Council had four senior executives whose salary packages include the use of a motor vehicle and allows for private use. Salary packages for the four senior executives including superannuation and the use of a motor vehicle, ranged from \$205,460 to \$290,020.

HUMAN RESOURCES INFORMATION²⁵

The City of Marion had 343.5 Fulltime equivalent staff as at the 30 June 2017. The following employment opportunity programs, and other human resource management or development programs, during the relevant financial year were achieved;

- Gap Year – Commencing in February 2017, Council employed two successful candidates who attended school and live in Marion to provide young people with the skills and knowledge that will help them identify a career and increase their chances of finding future work.
- Career Transition Program (CTP) – This program enables the City of Marion to put initiatives in place for those nearing or reaching retirement age to provide work/life balance and enhanced wellbeing. This provides 55+ aged staff with access to flexible working arrangements and ability to explore alternative role to transition out of fulltime work with dignity, respect and a plan for maintaining involvement in activities outside of the Organisation.

²² *Local Government Act 1999* (SA) s 131 and Schedule 4, s(1)(b).

²³ *Local Government Act 1999* (SA) s 131 and Schedule 4, s(1)(c) and *Local Government (Elections) Act 1999* (SA).

²⁴ *Local Government Act 1999* (SA) s 131 and Schedule 4 s(1)(g).

²⁵ *Local Government Act 1999* (SA) s 131 and Schedule 4, s(2)(d).

NATIONAL COMPETITION POLICY

Early 1990, Australia established a *National Competition Policy* (NCP) to support economic reform from practices that restrained Australian markets and industries as a result of federation. This policy identified various principles to encourage competitive markets that would enhance national productivity for the benefit of the community whilst eliminating any unfair advantages.²⁶

In relation to government activities, it specified that government should not enjoy any competitive advantage simply as a result of their public ownership.¹ An agreement was signed by all State Governments and Territories supporting and committing to the overarching policy and principles. By virtue of clause 7, local government is also bound.

In doing so, the City of Marion is required to report any activities undertaken in the financial year in relation to competitive neutrality principles such as;

- The commencement or cessation of significant business activities
- Any reviews or reformed By-Laws that restrict competition, including proposals for new By-laws
- Complaints received alleging a breach/es of the NCP or unfairly competitive practices
- Structural reform of public monopolies

For the 2016/17 financial year, Council has continued to maintain the following to comply with the NCP

- Procurement and Contractor Management Policy to;
 - Obtain value in the expenditure of public money; and
 - Providing for ethical and fair treatment of participants; and
 - Ensuring probity, accountability and transparency in procurement operations.

COMPETITIVE TENDERING

The City of Marion will seek to provide open and effective competition by providing contractors with fair and reasonable access to opportunities to do business with Council according to relevant procurement procedures. In procuring goods, services and construction works, the City of Marion will seek to maximize value for money at an acceptable level of risk to support the delivery of infrastructure, facilities and services which maximize the benefit to the community.

Public tendering was generally required for contracts valued more than \$100,000 (an increase of \$50,000 from 2015/16 financial year).

The City of Marion is also part regional subsidiary for co-operative purchasing being Council solutions. This regional subsidiary comprising six large metro councils work together to source goods, services and works where a benefit can be obtained by aggregating the requirements of participants. Council Solution contracts are subject to public tender.²⁷

REVIEW OF DECISIONS

As required by the Local Government Act 1999 the Council has developed a procedure for the Review of Decisions, outlining how decisions of Council or other people acting on behalf of council are reviewed. Council's internal review of a council decision policy and procedure is available from the City of Marion website. In 2016/17 Council received eight formal requests to conduct an internal review of decisions of Council. All were completed within the financial year however one request was denied. The complaints related to the following:

- Expiation fine (September 2016) resulting in the fine being upheld.
- Request relating to seven development applications dating from 2009 – 2016 (October 2016) resulting in process improvements being implemented.
- Dangerous Dog Attack (November 2016) resulting in an "Intention to Place a Destruction Order" being issued.
- Review of several development applications relating to a previous review (December 2016) – undertaken by an external party with findings of the previous review upheld.
- Removal of Resolute Crescent Play equipment (December 2016) – resulting in a new report submitted to Council for a decision in addition to process improvements being made.
- Bee complaint (December 2016) resulting in further investigations being explored.
- Development Application – removal of Tree (March 2017) resulting in the complainant being encouraged to submit a final application.
- Review of several development applications relating to previous reviews undertaken (May 2017) - request denied.

²⁶ Local Government Act 1999 (SA) s 131 and Schedule 4, s 1(j).

²⁷ Local Government Act 1999 (SA) s 131 and Schedule 4, s 2(b).

FREEDOM OF INFORMATION

Council is required to publish statistical data for the relevant financial year in relation to the public and local community having access to official documents and records kept.²⁸ These legislative requirements provide further transparency and therefore accountability of our management of various records.

STATEMENT AND STATISTICS

The City of Marion website provides a statement²⁹ and information regarding the process to follow when requesting such documentation. The following provides a summary of the number of Freedom of Information (FOI) requests and resulting outcomes throughout the year;

Number of applications	52
Processed	26
Withdrawn	8
Determined	18

Of the 18 applications determined:

Full release	4
Partial release	2
Refused	12

AMENDMENT OF COUNCIL DOCUMENTS

Should any member of the public consider that any document they have accessed is incorrect, incomplete, misleading or out of date, they may request an amendment by writing to;

Freedom of Information Officer,
City of Marion
PO BOX 21
OAKLANDS PARK SA 5046

LOCAL NUISANCE AND LITTER CONTROL

The *Local Nuisance and Litter Control Act 2016* (SA) (the Act) came into operation in January and July 2017. The Act regulates Council's management of nuisance and litter related complaints. In addition, Council is required to publish various details for the relevant financial year of such complaints received.³⁰

STATISTICS

The City of Marion is required to include various details of complaints received by the Community that is managed by legislation. This ensures consistency across Council boundaries in dealing with nuisance and litter control.

Complaints received	0
Nature of complaints	N/a
Offences expiated	0
Offences prosecuted	0
Number of nuisance abatement notices issued	0
Number of litter abatement notices issued	0
Number of Civil penalties negotiated ³¹	0

²⁸ *Freedom of Information Act 1991* (SA) s9 (1a) and 54AA.

Local Government Act 1999 (SA) s 131 and Schedule 4, s(1)(gb).

²⁹ *Freedom of Information Act 1991* (SA) s54AA.

³⁰ *Local Nuisance and Litter Control Act 2016* (SA) s 8, Local Nuisance and Litter Control Regulations 2016 (SA) Reg 5.

Local Government Act 1999 (SA) s 131 and Schedule 4 s(1)(gb).

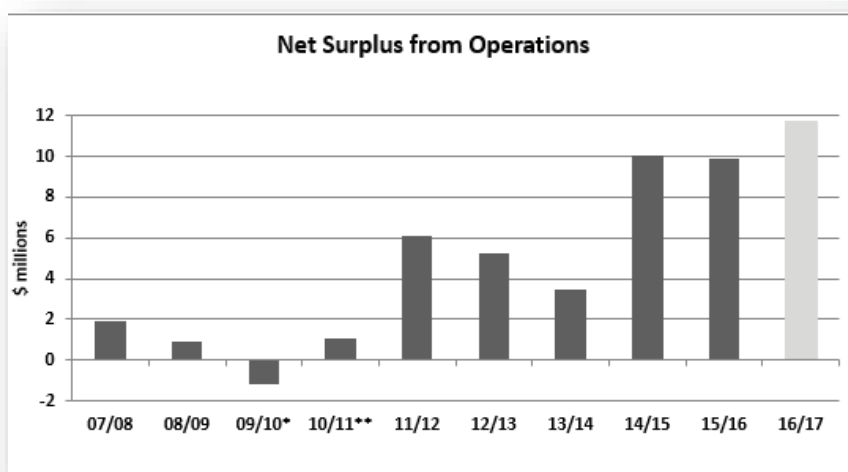
³¹ *Local Nuisance and Litter Control Act 2016* (SA) s 34, Local Nuisance and Litter Control Regulations 2016 (SA) Reg 5 (b)(v).

FINANCIAL MANAGEMENT

The City of Marion is in a strong financial position, providing a sound basis for Council's long-term objectives identified in the Strategic Plan. Below provides further information articulating income and expense streams with ratios provided as a mechanism to measure Council's alignment with budget targets.

STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income details Council's revenue and expenses for the reporting period and reveals an operating surplus (before capital revenues and contributed assets) of \$11.673m for 2016/17 compared to an operating surplus of \$9.883m for 2015/16.



* The underlying operating surplus for 2009/10 after adjusting for the once-off Domain Land transfer for the SA Aquatic and Leisure Centre is \$4.787m.

** The underlying operating surplus for 2010/11 after adjusting for the once-off cash contribution for the SA Aquatic and Leisure Centre is \$6.078m

OPERATING INCOME

Total Operating income for 2016/17 was \$88.173m compared to \$82.628m in 2015/16. The increase of \$5.545m (6.7%) is mainly attributed to the adopted increase in Rates of \$2.6m (2.5% + growth of 1.4%) and an increase in Grants, Subsidies and Contributions of \$2.8m (42.6%).

This increase in operating Grants, Subsidies and Contributions of \$2.8m predominantly relates to timing of the payment of the Grants Commission's Financial Assistance Grants (FAG), usually paid in quarterly instalments in the financial year it relates to.

To further explain, half of the 2017/18 Financial Assistance Grants (\$1.391m) was received in advance in June 2017 and recognised in the 2016/17 accounts and half of the 2015/16 Financial Assistance Grants (\$1.437m) was received in June 2015 and recognised in the 2014/15 accounts. The full allocation of Financial Assistance Grants for 2016/17 (\$2.7m) was also received and recognised in the 2016/17 accounts. The timing of these advance payments has distorted the comparative figures for 2016/17 against 2015/16.

OPERATING EXPENSES

Total Operating expense for 2016/17 was \$76.500m compared to \$72.745m in 2015/16. The increase of \$3.755m (5.2%) predominantly relates to an increase in Depreciation (\$3.236m) resulting from a change in revaluation methodology from the 30 June 2016 asset valuation - predominantly regarding the removal of residual values for infrastructure assets (including roads, footpaths and drainage).

Employee costs increased \$438k (1.4%) in 2016/17 from 2015/16 with increases from Enterprise Agreements offset by final realized savings achieved from the organisational restructure that occurred in the middle of the 2015/16 financial year resulting in a reduction in management positions.

CAPITAL REVENUES AND CONTRIBUTED ASSETS

Other key variances reported on the Statement of Comprehensive Income are *Amounts Received Specifically for New or Upgraded Assets* (up \$1.984m) predominantly relating to a State Government Grant received for the Sam Willoughby International BMX Track (\$2.0m). There have also been significant increases in the valuation of Land and Infrastructure Assets (\$29.324m).

CRUCIAL OPERATING/FINANCIAL RATIOS

The City of Marion utilises 'ratios' in order to measure Council's alignment (or otherwise) with expected budget targets by expressing the difference between actual versus expected budget outcomes as a percentage.

OPERATING SURPLUS RATIO

This ratio expresses the operating surplus/(deficit) as a percentage of total operating revenue. Council has set a target for this ratio of between 0 and 5% on a five year rolling average.¹

	2015	2016	2017
Operating Surplus Ratio	12%	12%	13%

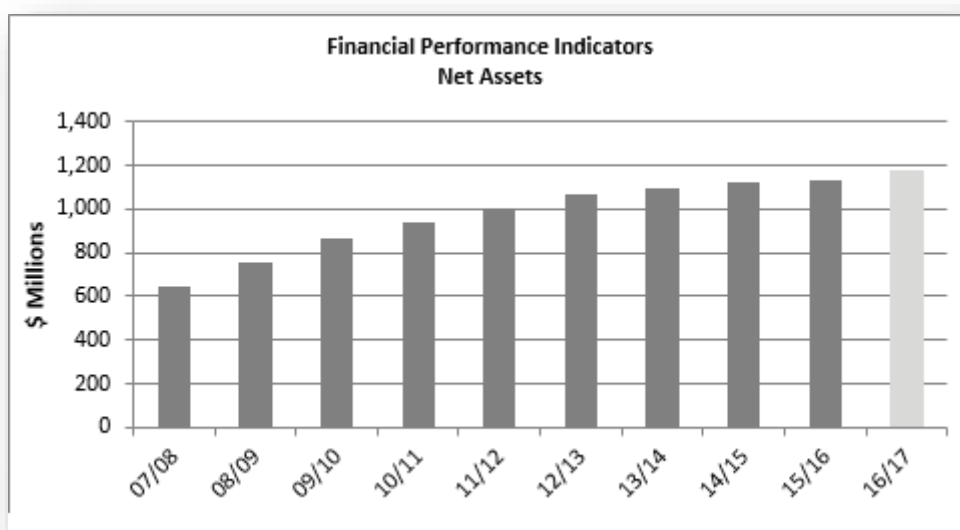
RATE REVENUE RATIO

This ratio expresses rate revenue as a percentage of operating revenue. Although this ratio is not a prescribed measure required by the 'Model Set of Accounts' it is a valuable indicator as it highlights Council's reliance on rates as a revenue source and the need for Council to seek alternative sources of income.²

	2015	2016	2017
Rate Revenue Ratio	82%	85%	82%

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position provides details of Council's assets, liabilities and equity as at 30 June 2017. The majority of Council's assets relate to community property and infrastructure assets (roads, paths, drainage, etc.). Council's at 30 June 2017 is \$1,169.5m, with the following graph illustrating the movement over the past 10 years.



This identifies the continued increase in Council's net assets which can mainly be attributed to revaluations of its Infrastructure assets as noted in the following table.

¹ The Operating Surplus Ratio in the adopted budget for 2016/17 was 10.8% and has been significantly impacted by the advance payment of 2017/18 Financial Assistance Grant instalment, and increased Investment income, with variances in Operating Expenses netting out. With council's focus is on maintaining a balanced or better cash funding position it is important that an operating surplus sufficient to meet Council's capital expenditure requirements is achieved.

² To address Council's dependence on rate revenue, it has focused upon training and development of Officers to maximize grant opportunities and annual reviews of its Fees and Charges Schedule.

	2016 \$'000	2017 \$'000	Increase \$'000
Infrastructure assets	663,385	677,069	13,684
Land assets	343,709	360,144	16,435

Infrastructure, Property, Plant & Equipment (IPP&E):

Council's IPP&E increased by \$24.004m (2.16%) compared to 2015/16 with the majority of the increase relating to a net revaluation of \$12.997m in infrastructure assets and \$16.313m in land.

WORKING CAPITAL RATIO

This ratio focuses on the liquidity position of Council, adjusting for restricted assets (eg. unspent specific tied grants that would need to be excluded from Council's current assets as Council would be restricted from using this cash to meet short term liabilities). It is calculated by dividing current assets (less restricted assets) by current liabilities (less liabilities associated with restricted assets). Council's target for this ratio is between 1.0 and 1.1%.³

	2015	2016	2017
Working Capital Ratio	1.0%	1.5%	2.1%

ASSET SUSTAINABILITY RATIO

Net asset renewal expenditure is defined as net capital expenditures on the renewal and replacement of existing assets and excludes new capital expenditure on the acquisition of additional assets. It is calculated by dividing net asset renewal figures by depreciation expenses. This ratio indicates whether the Council is renewing or replacing existing assets at the rate of consumption. A long-term average ratio of 95-100% would indicate that Council is investing adequately in maintaining its asset base.⁴

	2015	2016	2017
Asset Sustainability Ratio	76%	84%	75%

ASSET CONSUMPTION RATIO

This ratio shows the consumption of the asset stock at a point in time (or the percentage of useful life remaining). Depreciation represents the reduction in value of the assets each year and therefore accumulated depreciation is the total reduction in the carrying value of the assets. It is calculated by dividing the carrying value of depreciable assets by the gross value of depreciable assets. Council's target for this ratio is between 80-100%. A ratio higher than 80% indicates that Council's overall asset base has on average a relatively high remaining useful life. A result between 40% and 80% is considered acceptable. The ratio reflected below indicate on average a relatively high remaining useful life for assets.

	2015	2016	2017
Asset Consumption Ratio	80%	78%	78%

BORROWINGS

In assessing Council's financial position, it is appropriate to consider liabilities in relation to borrowings. Borrowings are required by Council from time to time to finance strategic long-term assets for the orderly development of the City. Council's total borrowings at 30 June 2017 were \$9.102m – a net decrease of \$1.126m over the level of borrowings in June 2016.

³ Council's cash flow is in a good position to undertake day to day operations, along with having sufficient cash to cover the balances in its Asset Sustainability Reserve. Council's significant cash reserves quarantined for future major projects and long term asset management objectives have impacted on this ratio.

⁴ The 2016/17 Asset Sustainability Ratio was significantly impacted by the significant increase in Depreciation Expense due to the changes in revaluation methodology used in the prior year revaluation.

Council's Long Term Financial Plan (LTFP) is set to achieve an average Asset Sustainability Ratio of 95% over the next three years, but only 80% over the 10-year term of the LTFP. Continual review and monitoring of Council's Asset Management Plans are to be incorporated into Council's Long Term Financial Planning process in an effort to close this gap..

KEY DEBT RATIOS

The following indicators are used to monitor Council's performance in relation to its current level of debt;

NET FINANCIAL LIABILITIES RATIO

This ratio indicates the extent to which net financial liabilities of the Council can be met by Councils' total operating revenue and is calculated by dividing the former by the latter. This result is due to Council's Financial Assets exceeding its Financial Liabilities predominantly as a result a substantial holding of cash and other financial assets allocated for unexpended grants and funding for capital projects carried over or retimed to 2017/18 and beyond totalling \$13.698m. Without these holdings this ratio would be (-10%).⁵

	2015	2016	2017
Net Financial Liabilities Ratio	(2%)	(8%)	(25%)

INTEREST COVER RATIO

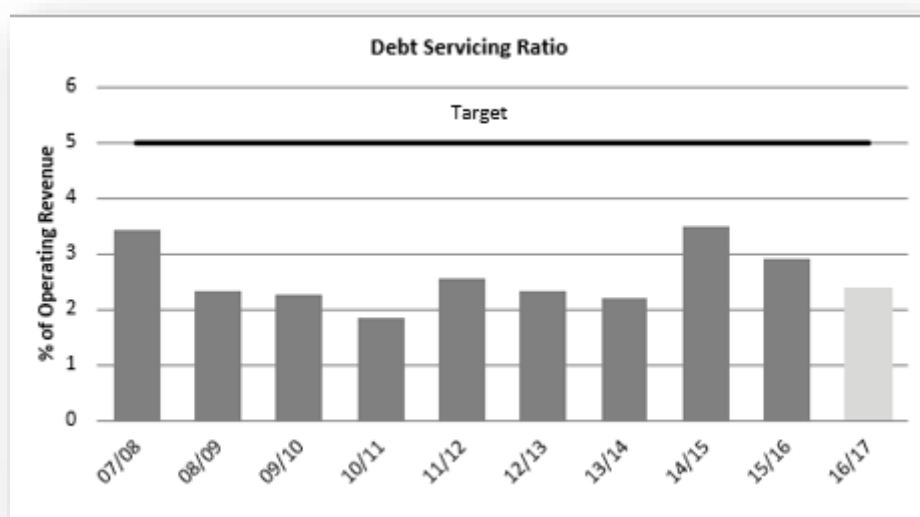
Net interest costs are defined as total interest expenses less total interest revenues. This ratio indicates the extent to which Council's commitment to interest expenses are met by total operating revenues. Negative ratios have been recorded for the past four years reflecting interest revenues being greater than interest expenses.

	2015	2016	2017
Interest Cover Ratio	(0.1%)	(0.0%)	(0.4%)

DEBT SERVICING RATIO

This ratio identifies Council's ability to service its debt obligations from operating revenues, with a maximum target set at 5%. The ratio confirms that Council has a low debt holding and is well positioned for the future borrowing outlined in the Long Term Financial Plan. The 2.4% result is below the maximum target of 5% as illustrated in the diagram below.

	2015	2016	2017
Debt Servicing Ratio	3.5%	2.9%	2.4%



STATEMENT OF CHANGES IN EQUITY

The Statement of Changes in Equity reconciles the opening and closing balances of Council's equity over the reporting period. The balance of equity represents Council's net worth of \$1,169.5m as reflected in the Statement of Financial Position.

⁵ Council's capacity to meet its financial obligations from operating revenues is strong and it has capacity to meet future requirements identified in the Long Term Financial Plan.

CASH FLOW STATEMENTS

The Cash Flow Statement details the cash movements for the year ended and reconciles with Note 11 of the Annual Financial Statements. The Statement indicates a cash surplus of \$29.9m compared with \$16.3m in 2015/16. As previously mentioned a significant portion of the cash position is committed to unexpended grants, carryovers and retimed works (\$13.7m).

OPERATING CASH FLOW COVERAGE RATIO

This ratio identifies Council's ability to fund its operating and capital expenditure requirements (without the need for significant sudden rate increases or service reductions) whilst continuing to maintain intergenerational equity and both sustainable and responsible use of borrowings. It is calculated by dividing cash flow from operations (less loan principal repayments) by the average annual optimal level of expenditure per Councils' Asset Management Plans. Council's target for this ratio is between 100% and 105%.⁶

	2015	2016	2017
Operating Cash Flow Coverage Ratio	134%	108%	147%

RESERVE FUNDS

A review of the balances of these reserves indicates that they are at a level sufficient to meet their purpose and intent as listed in *Note 9 Reserves* in Appendix 3. Council's current reserve funds include the following:

GRANTS AND CARRYOVERS RESERVE: \$13.698m

This consists of grant funded carryover projects and capital works carried over to 2017/18 or retimed to future years as required. It includes \$3.778m that was retimed from prior years which is planned to be utilised in future years when related works are scheduled.

OPEN SPACE RESERVE: \$1.188m

It is considered by management that the current balance of this fund is adequate to meet its intended purpose.

ASSET SUSTAINABILITY RESERVE – GENERAL: \$6.781m

The current balance in this fund is considered by management to be adequate to provide Council with the funding capacity to not only respond to a major infrastructure failure (\$2m is retained in this reserve for this specific purpose) but to also assist Council in managing its long term asset management objectives.

ASSET SUSTAINABILITY RESERVE – COMMUNITY FACILITY PARTNERSHIP FUND (CFPP): \$4.653m

Funding has been specifically set aside in the Asset Sustainability Reserve for the renewal, upgrade and purchase of Council assets as specifically resolved by Council. It includes a balance set aside to encourage organisations leasing council facilities to seek partnership funding for the required renewal and upgrade of those facilities.

ASSET SUSTAINABILITY RESERVE – MAJOR NEW PROJECTS: \$4.197m

Funding has also been specifically set aside in the Asset Sustainability Reserve for major new projects. Council has endorsed funding its \$4.0m contribution to the Edwardstown Soldiers Memorial Recreation Ground redevelopment from this reserve.

LONG TERM FINANCIAL PLAN (LTFP)

Council has a LTFP focused upon;

- Achieving the City of Marion's Strategic Directions.
- Addressing issues arising and opportunities identified from internal audit reviews, service reviews and business excellence assessments.
- Maintaining a breakeven or better cash funding position.
- Improving the maintenance of assets in accordance with Council's Asset Management Plans, with a priority on maintenance *before* renewal, and/or renewal *before* new (whichever is more cost effective).
- Reviewing existing services and assets to ensure they meet prioritised community needs.
- Approving new Major Projects where it has the identified funding capacity to do so.
- Maintaining Council's position for an average residential rate that remains low (in comparison with other metropolitan councils).
- Progressing 'liveable cities' strategies and funding opportunities within Marion.

⁶ Council's operating cash flow coverage is sufficient to meet the asset renewal requirements included in its Long Term Financial Plan. This ratio has been impacted by the advance payment of 2017/18 operational FAG grants (\$1.391m) in addition to higher than forecast investment returns with Council's significant cash reserves quarantined for future major projects and managing its long term asset management objectives.



LIVEABLE

LIVEABLE KEY ACHIEVEMENTS

By 2040 our city will be well planned, safe and welcoming, with high quality and environmentally sensitive housing, and where cultural diversity, arts, heritage and healthy lifestyles are celebrated.

\$8 MILLION EDWARDSTOWN OVAL REDEVELOPMENT

The Federal Government committed \$4 million towards the project, matching Council's \$4 million commitment. A design developed for the site will result in the removal of existing buildings and the development of a new two-story building. This \$8 million rebuild will create new sports and community spaces, function rooms, viewing areas, upgrades to the velodrome and loop path, an upgrade to the Memorial Gardens and facilities for skills training providers. A World War One Honour Board will also be rehomed at the site.

MITCHELL PARK SPORTS AND COMMUNITY CENTRE

Plans for the Mitchell Park Sports and Community Centre include a multi-purpose four court indoor facility for sports including basketball and netball, community and neighbourhood centre, gym, function area and new facilities for the existing football, cricket, rugby, tennis and the Dover Gardens Dog Club has been approved. Council committed to 50 per cent of the costs, subject to receiving matching funding from other partners.

MARION OUTDOOR POOL

Approximately 79,000 attendances were recorded for the financial year. Several events were held including two open days with markets, interactive activities and games for all ages, along with a joint radio station and movie night to compliment the many carnivals, school excursions and parties. Council allocated \$320,000 for the installation of a new speed slide, which is expected to be installed and operational prior to the next swim season opening. Plans for the site include detailed designs and costs for potential upgrades to the facility in future years. An extensive service review was commenced and completed within the financial year.

MARION CULTURAL CENTRE

The centre has a café, art gallery, library and theatre with approximately 260,000 people visiting the centre. Over 5,800 ticket sales for the theatre were recorded, attracting an average attendance of 132 people per performance. New signage including a digital display to create further awareness of the centre and its events is expected to be installed and operational the following financial year to increase visitation and ticket sales.

OAKLANDS RECREATION PLAZA STAGE 2 DESIGN

Consultation with the community was undertaken to develop a design for Stage 2 of the Oaklands Recreation Plaza. The Concept design, endorsed by Council includes the installation of a new rotunda to replace the old roundhouse, line marking for trike and bike riders, skate mounds, and picnic tables, benches and picnic shelter.

SAM WILLOUGHBY INTERNATIONAL BMX TRACK – O'HALLORAN HILL

The cities of Marion and Onkaparinga each announced a \$750,000 commitment and the State Government a \$2 million share to build the Sam Willoughby International BMX Track. Whilst undertaking feasibility studies, the land was deemed to have expansive clay deposits that will effect the estimated project budget and timeframes. Council will continue to work with key stakeholders to deliver a facility to meet international standards and community expectations.

TENNIS AND NETBALL REVIEW

A Tennis and Netball review was initiated in February 2017 and accompanying three year capital works program (along with a newly endorsed leasing and licencing policy). A program was endorsed whereby all tennis and netball clubs that lease facilities from Council are allocated fit-for-purpose amenities to operate and grow.

SERVICE REVIEWS

The City of Marion embarked upon a rigorous service review program resulting in the production of a service review framework and program along with identifying and reviewing over 130 services with nine services reviewed at a very detailed level.

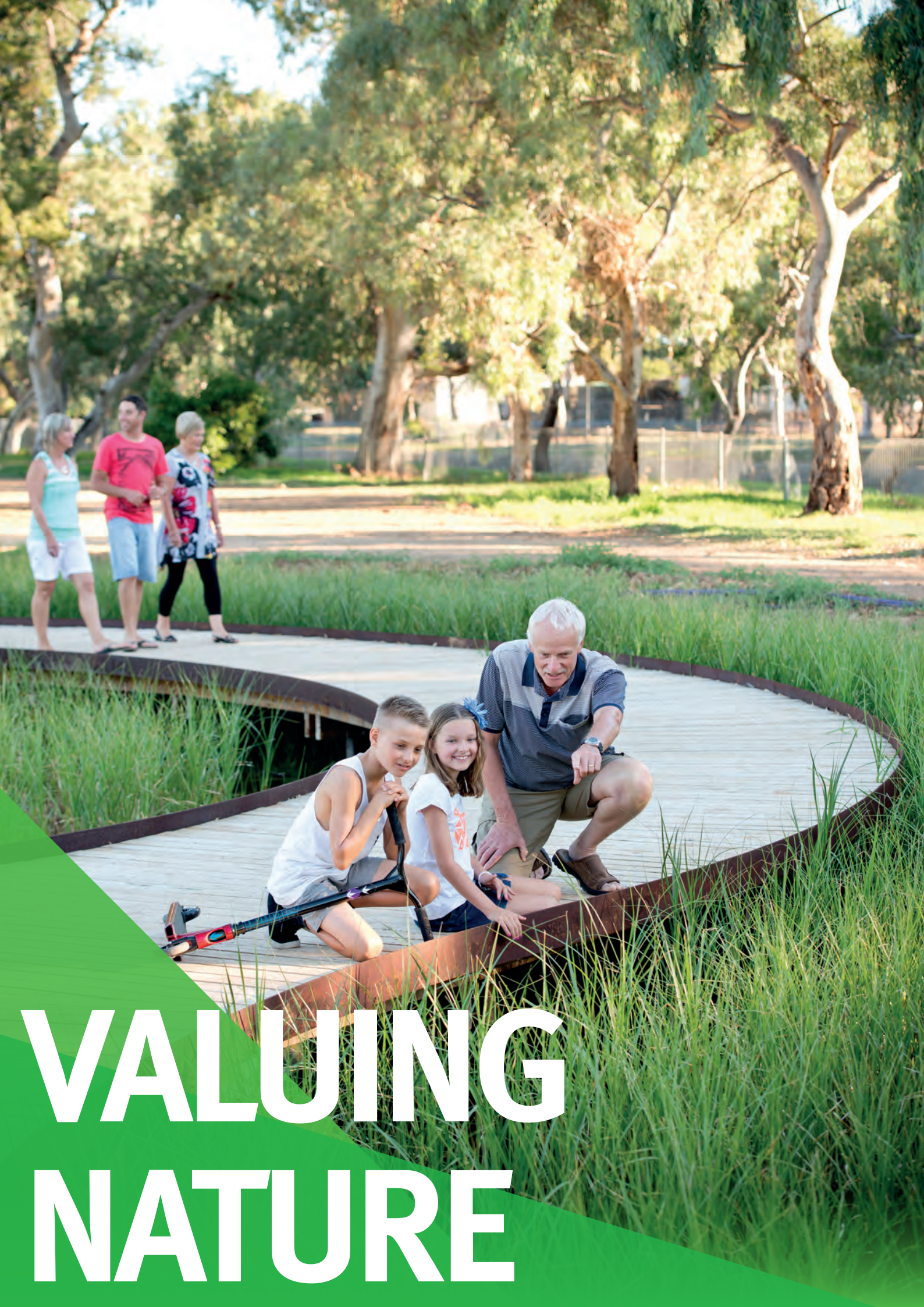
LIVING KAURNA CULTURAL CENTRE (LKCC)

The LKCC is an Aboriginal education venue hosting cultural education workshops and has rooms available for hire for community or business meetings. During the year;

- 200 young people attended Youth and Reconciliation week Celebrations
- 150 attended a NAIDOC celebration
- 12,790 visitors were recorded;
 - 5058 cultural workshops and tours,
 - 3390 utilising venue hire,
 - 3442 utilising the park for events,
 - 900 drop in visits to the Gallery.

ASSET OPTIMISATION

Council has expressed a desire to pursue opportunities for asset consolidation, to maximize use of community facilities and ensure public value is delivered through its assets. As a result, the Toc H Hall at 30A De Laine Avenue Edwardstown has been sold. The net proceeds from the sale will be used for the development of existing or new community facilities currently under Council's consideration. Luke Court Reserve, O'Halloran Hill is currently on the market for sale. The net proceeds from the sale will be allocated to the Open Space Reserve Fund, for the development of other open space facilities. A recent example of this type of approach has been the award-winning Jervois Street Reserve which was purchased through funds allocated for the development of open space and with the assistance of the state Government.



VALUING NATURE

VALUING NATURE KEY ACHIEVEMENTS

By 2040 our city will be deeply connected with nature to enhance peoples' lives, while minimizing the impact on the climate and protecting the natural environment.

ENVIRONMENT MANAGEMENT SYSTEM

An extensive review of the City of Marion's certified (ISO 14001) Environmental Management System was conducted and as a result of the review, certification discontinued 30 June 2017 and a new internal environmental risk management framework commenced development. A new cloud-based management system – *Skytrust* was approved which will improve environmental incident reporting and hazard management /registering to ensure environmental risk and legal compliance matters are appropriately addressed, reported and recorded.

GREEN EDUCATION – SOUTHERN REGION

Council continued to host an Education Officer, funded by the Adelaide and Mt Lofty Ranges Natural Resources Management Board, to involve schools and pre-schools in sustainability projects. This program supported 139 teachers and 444 students through professional development sessions, monitoring of youth groups and hands on activities such as water testing and bird surveys.

NEW WETLAND AT HALLETT COVE – GLADE CRESCENT

Glade Crescent Reserve Wetland is the next stage in a long-term plan to transform 13 hectares high value Council land into a site that can be enjoyed by the community. The wetland forms part of the City of Marion Stormwater Management Plan which aims to reduce flooding and erosion along sections of Waterfall Creek. The total funding provided by the NRM Board to the City of Marion over the past five years is more than \$3.9 million helping to deliver Oaklands Wetland river restoration and landscaping projects across the city.

OAKLANDS RECREATION PLAZA WINS AWARD

Oaklands Recreation Plaza won a *Parks and Open Space* category award at the Institute of Landscape and Architecture (SA) Awards. The \$1 million skate park, including a mini basketball court, lawns and parkour exercise circuit was claimed as being '*decisively transformed, not just by inclusion of a particular element, but with a rich mix of youth-based activities including BMX, skating, parkour and basketball*'.

CREATING A WATER SENSITIVE CITY

Two detailed Stormwater Management Plans have been approved and another in development with an adjacent Council. The aims of a Stormwater Plan are; minimise flooding, harnessing the potential of stormwater and improving the health of waterways and landscaped areas. During the year Council:

- Increased the number of reserves irrigated with water from Oaklands wetland from nine to twenty-five, and used over 70ML of treated storm water.

- Completed a new wetland system to improve the quality of storm water at Glade Crescent Reserve, Hallett Cove

Council will continue with drainage upgrade projects at Heron Way (as part of the Hallett Cove Beach Redevelopment), Melanto, Farne and Maxwell Terrace, Keen and Hammersmith Avenue.

ADAPTING TO A CHANGING CLIMATE

The Cities of Marion, Mitcham, Holdfast Bay and Onkaparinga have been responding to climate change through actions from the *Southern Region Local Government Implementation Plan*. Regionally, Council has held a series of community workshops on topics such as water sensitive urban design and energy efficiency.

GROWING A GREENER CITY

Approximately 30,000 native plants were planted (increase of 20,000 on the previous year). This included 10,000 indigenous native shrubs at Oaklands Estate Reserve during a *Planet Ark Tree day* in July 2017 with support from the Friends of Sturt River and the local community. 20,000 native plants were planted at other sites throughout the year including Trott Park creek, Linear Park Reserve, Glade Crescent Reserve and Nari Reserve. To improve local amenity, attract native wildlife and reduce the impact of heat in urban areas, we planted 1400 street trees.

ENCOURAGING RECYCLING

Kitchen caddies for recycling food scraps continue to be popular in the community, with 839 residents collecting their free kitchen caddy and roll of compostable bags, (53% increase from last year). The number of households recycling food scraps by actively using their organics bin has grown to approx. 5,050 households. In addition;

- 50 presentations were delivered to schools, kindergartens and community groups regarding electrical waste and recycling.
- Two tours of waste and recycling facilities.
- Residents participating in the *Recycle Right Bin Tagging Campaign* achieved an 81% reduction of waste contamination.
- \$2567 from Keep Australia Beautiful Grant assisted with the installation of new recycling facilities at the Marion Outdoor pool with 5,016 cans, bottles and cartons recycled.

COASTAL MANAGEMENT PLAN

Work began on the development of a Coastal Management Plan for Council including documenting key coastal values and risks associated with climate change



ENGAGED

ENGAGED KEY ACHIEVEMENTS

By 2040 our city will be a community where people are engaged, empowered to make decisions, and work together to build strong neighbourhoods.

NEIGHBOURHOOD AND COMMUNITY CENTRES

The City of Marion's four Neighbourhood and Community Centres; Coinda, Mitchell Park, Trott Park and Glandore operate with an early interventionist approach with particular focus on positive outcomes for socially isolated members of the community.

Almost 40,000 people participated in events offered by the four centres during the financial year resulting in;

- Collaborations with Flinders University for the "Inspiring Health" partnership, involving health and social science students to provide a health assessment for participants aged between 40 and 75 years. 174 City of Marion employees, volunteers and residents completed health assessments.
- All four centres participated in the "Hang it Up Poverty Program" collecting unwanted clothing to provide to disadvantaged people.
- University Placements were provided to six students from both Flinders University and University SA.
- The students from the school of Social Work Flinders University participated in a range of programs including the continuation of the Chinese Grandparenting group and needs analysis on health and wellbeing for people aged 50-65 years.

GLANDORE COMMUNITY CENTRE

- 1200 people attended "Carols in the Park".
- 250 Children attended the Family Halloween Trick N Treat trail.
- New service 'Friday Community Meals' commenced providing 1,500 meals to disadvantaged residents.
- Hosted International Women's Day, with guest speaker Rachel Sporn.
- Still Births and Neonatal Deaths (SANDS) meets once a month.
- Unity Housing Company providing a facilitator for a woodworking session for socially isolated/disadvantaged people once a week.

MITCHELL PARK NEIGHBOURHOOD CENTRE

- Playgroup for families was developed as a new service to the community.
- BBQ Information session once a month for residents to learn about the services Council has on offer.
- Narcotics Anonymous began hosting weekly meetings.
- 70 community members attended a free Christmas family event offered in conjunction with Junction Australia held a with community stalls, family activities, free BBQ, Christmas

movie with free drinks, snacks and a goody bag for all children.

- May 2017 the centre celebrated its 30 Anniversary.
- A repair café was introduced providing residents with the opportunity to have clothing repairs done whilst learning the skills to undertake future repairs.

TROTT PARK NEIGHBOURHOOD CENTRE

- An upgrade to the centre's facilities to provide greater accessibility for people with a disability.
- Redevelopment of an outside open space project joining the Community garden to rear of the Centre, by laying pavers to the rear of the Woodwork shed beautifying the area.
- Introduction of new courses including Men's Wellbeing and Mental Health programs, Mosaic classes, machine embroidery, chess and book club.

SQUARE EYES

The Humans of Marion – Positive Ageing exhibit continued its public life at an exhibition at Coinda Community Centre. The exhibition was the initiating factor for a 'speed dating' Every Generation Festival event with some of the participants who exemplify positive ageing and challenge the stereotypes of this demographic. Attendants were able to chat with the participants over lunch, hear their stories, secrets to ageing well and view the photographs and stories from the exhibition that capture their spirit

VOLUNTEERS

A total of 367 City of Marion volunteers contributed 41,489 hours of service to the dollar value of \$1,138,573, assisting with the delivery of various programs across Council including;

- Community Bus and Community Care - Social Support/Home Maintenance
- Crime Prevention – Graffiti Removal
- Libraries including Marion Heritage Research Centre
- Neighbourhood Centres
- Youth Development
- Justice of the Peace
- Broadband for seniors.

A number of new initiatives have occurred including the development of four Volunteer WH&S Action Plans addressing:

- Hazard Register Development.
- Training Needs Analysis and Induction Review.
- WH&S Consultation Committee Development.
- Pilot project of 'Skilled Volunteer' Program.
- Review of Child Safe Environments for registered volunteers.



PROSPEROUS

PROSPEROUS KEY ACHIEVEMENTS

By 2040 our city will be a diverse and clean economy that attracts investment and jobs, and creates exports in sustainable business precincts while providing access to education and skills development.

DEVELOPING TONSLEY

Council continued to work with key stakeholders, including the State Government, PEET Group and Flinders University, to develop the integrated employment, education and residential district at Tonsley. This redevelopment is expected to attract \$1 billion of private investment.

Progress over the past year included;

- 1,000 people are now employed at Tonsley.
- The launch of the State Governments \$32 million Drill Core Reference Library used by mineral exploration companies to pinpoint deposits.
- The co-working space, Co-HAB, has extended its offices and increased the number of its tenants to 64.
- The State Government plans to develop an 11 hectare residential precinct and extend the Tonsley rail line to Flinders Medical Centre and Flinders University increasing connectivity between the sites. The Tonsley Residential Development will see around 850 dwellings with 1200 residents over the next seven years.
- The following companies have moved to the Tonsley innovation district including:
 - Radical Torque Solutions
 - Micro-X,
 - Azzo Automation,
 - HEGS,
 - Catalyst Cloud Solutions,
 - Australia's Best Ideas,
 - Squash SA
 - Hydrix.

Looking forward, additional activation of the "Tonsley Pod" will build community within the site and attract more local and small businesses to the site. In addition, with the announcement of the Flinders Link project on the Tonsley rail line to Flinders Medical Centre and Flinders University, opportunities for rail station placement, upgrading and renaming of the Clovelly Park Station need to be considered.

More companies are also expected to move to Tonsley including SAGE Automation, and ZEISS (having commenced construction of their 4,000 square metre premises during the financial year).

GROWING SMALL BUSINESS

The Tonsley Small Business Advisory Service provided support to 395 clients in its second year of operation. Launched in June 2015 as a partnership between the City of Marion, City of Onkaparinga and the Department of State Development (DSD), the advisory service delivered approximately 600 hours of face-to-face support to aspiring entrepreneurs and established operators.

The most popular subjects businesses sought advice on were planning, finance and marketing. Council will continue to work regionally through the Southern Adelaide Economic Development Board to reinvigorate the Southern Adelaide Small Business Advisory Service to support start-ups and businesses with strong growth potential.

DARLINGTON UPGRADE PROJECT

Marion and Mitcham councils continue to work with the State Government and Gateway South (the construction consortium) through the design and build of the \$620 million Darlington road upgrade. This financial year heralded an announcement of a further \$85.5 million for the Flinders Link rail project, providing increased connectivity between the sites including Flinders University, Flinders Medical Centre, and Tonsley whilst driving jobs growth, improving local traffic access and promoting cycling and public transport. The \$620 million and \$85.5 million projects respectively are jointly funded by Australian and State governments. The project is anticipated to be completed by December 2018 and the Flinders Link Project is anticipated to be completed by March 2019.



INNOVATIVE

INNOVATIVE KEY ACHIEVEMENTS

By 2040 our city will be a leader in embracing and developing new ideas and technology to create a vibrant community with opportunities for all.

LEASING AND LICENSING POLICY

A new *Leasing & Licensing Policy* was adopted at the 28 March 2017 Council meeting with a gradual implementation phase planned from 1 July 2017 to all leases and licences which are renewed or entered into. The purpose of the review and subsequent policy endorsement was to ensure a consistent and equitable approach for organisations/associations leasing council owned facilities. Key changes from the previous policy include;

- Removal of peppercorn rent arrangements
- Building insurance will not be charged to clubs

Ultimately, the new policy will facilitate strategies/initiatives for clubs to increase their membership and attract other user groups whilst being eligible to access subsidies offered by Council.

SPORTING AND COMMUNITY CLUB SURVEY

The City of Marion wants to work closely with community organisations and sporting clubs to ensure that they are well managed and the facilities are safe, suitable and encourage maximum community participation. This year a total of 66 participants viewed the survey on Council's Making Marion Website, with 45 responses received. Maintenance issues are a major challenge to Council with many buildings in need of ongoing maintenance works due to their age. Council will continue to work with Sporting and Community Clubs to assist with capacity building and ongoing assistance where needed.

SOLAR PANELS

Council decided to explore the opportunity of installing solar panels to 10 of our operating buildings. With a projected saving of approximately \$70,000 annually of power costs. Solar panels across eight sites have been successfully installed with Solar panels and waiting for connection to the network through SA Power Networks.

SPORT LIGHTING UPGRADES

Council was approached by Cove Soccer Club to install sports lighting to the Capella reserve to improve the facility so their juniors would be able to train. The Cove Soccer Club were successful in obtaining a grant and council agreed to match it. A slight re-design for the position of the lighting towers has increased the site's capacity to accommodate two full sized pitches in the future.

ICEBREAKER16

Supported by the City of Marion and managed by Flinders University New Venture Institute and sponsored by Renewal SA, more than 1000 business people, researchers, students and executives pitched their services, exchanged ideas and swapped contact details at

Tonsley's biggest networking event. This event was a Guinness World Record attempt attracting 1062 participants – falling short of the previous record set by JCI Limburg in Flanders, Belgium on 17 November 2014 of 1068 participants. Participants had three minutes to state their case before moving on to another networker with each person making 22 contacts.

OPEN FOR BUSINESS

A new Council initiative '*Open for Business*' aimed at creating jobs and boosting business investment was launched in early 2017. The initiative plans to reduce red tape and fast track development applications to create a more conducive and business friendly environment for all types of businesses in the City of Marion. In addition, Council's payment terms have been reduced from up to 60 days to 30 days to improve cash flow, reduce costs and provide certainty for small companies that Council conducts business with.

COMMUNITY SATISFACTION SURVEY

A survey distributed to 5000 homes across every suburb in the City of Marion in May 2017 received a 9% response rate. The survey aimed to seek information from the community regarding their satisfaction with Council Sporting and community facilities and events to support Council's focus on innovation and improvement. Satisfaction rate results include;

- Sport and Recreation Facilities – 87%
- Community and Cultural Facilities – 97%

OFFICE OF RECREATION AND SPORT FUNDING SUPPORT

With the assistance and guidance from the City of Marion clubs have been made aware of the various funding opportunities through both internal & external providers that could facilitate capital upgrades and equipment purchases that could not be funded by the club alone. Support has been provided in establishing all required documentation to support these applications such as constitutions, business plans, strategic plans, volunteer management policies along with professional guidance in writing the applications to ensure strongest application is made. Council will continue to support clubs to have an established strategic plan that can be activated and aligned when funding becomes available.



CONNECTED

CONNECTED KEY ACHIEVEMENTS

By 2040 our city will be linked by a quality road, footpath and public transport network that brings people together socially and harnesses technology to enable them to access services and facilities.

OAKLANDS CROSSING

Council remained steadfast in its commitment to fix Oaklands Crossing. As at June 2017, the cost to fix Oakland's Crossing was estimated at \$174.3 million (\$95 million from Federal Government, \$74.3 million from State Government and \$5million from the City of Marion).The project proposes a rail underpass extending 400 metres east and west of the Oaklands Park level crossing and will include a new station with an extended 160-metre platform to cater for longer trains. Expressions of interest for design and construction are expected to be sought early next financial year and building to commence in 2018.

HALLETT COVE FORESHORE MASTERPLAN - STAGE 5 AMPHITHEATRE

The detailed design for the amphitheatre at Grand Central Reserve was endorsed by Council. The design includes terraced irrigated lawns, retaining seating walls, pavements and landscaping which will enable community events to be hosted at this popular coastal public reserve. Construction of the Amphitheatre and the design of the playground and reserve stage will occur in 2017/18.

MARION LEISURE AND FITNESS CENTRE

Council has provided the YMCA South Australia with a lease from 1 September 2016 to manage areas of the centre for four years and 10 months. The centre now offers a 'wellness' model for health and fitness programs with a focus on older adult fitness, disability, health, recreation and rehabilitation services.

GLANDORE LANEWAYS

The Glandore Laneways were a network of interconnected private laneways running between Nottingham Crescent/Maude Street, and Pleasant Avenue/Maude Street. As a means of improving safety and traffic flow, Council took ownership of the laneways and acquired portions of land from six adjoining property owners to make vehicle turn paths and access/egress safer. The laneways have now been named 'Frederick Lane' and 'Burmeister Lane' in recognition of the previous land owners.

SOCIAL MEDIA COMMUNICATION AND ENGAGEMENT

The City of Marion tracks its social media performance throughout the financial year achieving the following results;

- 513,963 website visitors
- 1,155,051 pages viewed on website
- 9,861 website Facebook referrals
- 334 website Twitter referrals
- 7,315 *Making Marion* visitors
- 104,875 Facebook likes
- 644,579 Facebook reach
- 37,967 Twitter followers
- 275,493 Twitter engagements
- 6,320 Instagram followers
- 11,958 E-talk newsletter subscriptions

INCLUSIVE PLAYGROUND – HENDRIE RESERVE

Council endorsed a concept plan and staged approach to the delivery of an inclusive playground at Hendrie Street Reserve. This is a joint project between the City of Marion, the Touched by Olivia Foundation and the Department of Planning, Transport and Infrastructure (DPTI). DPTI have committed \$250,000 matching the City of Marion's contribution with the Touched by Olivia Foundation looking to raise \$400,000 towards the project, with the Edwardstown Rotary donating \$10,000 toward the project. Stage one will commence 2017/18 which will include landscaping, playground equipment, seating, BBQ and picnic areas.

OPEN SPACE POLICY

The Open Space Policy was endorsed in January 2017 and applied the following principles that will guide the provision, development and management of an open space works plan

- Accessibility and amenity
- Multi-functional and adaptability
- Environment protection and sustainability
- Placemaking and community involvement

Using these principles, along with strategic mapping, the next step is to develop an Open Space Plan. The plan, over a ten year period should deliver open spaces that contribute to neighbourhood character, provide opportunities for active living and community engagement, and protect and enhance natural environments

RESERVE STREET RESERVE DOG PARK

Completion of Council's first dog park at Reserve Street Reserve, Trott Park with an official opening in September 2016.

City of Marion

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017



City of Marion

General Purpose Financial Statements for the year ended 30 June 2017

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General Purpose Financial Statements
for the year ended 30 June 2017

Certification of Financial Statements


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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Adrian Skull
CHIEF EXECUTIVE OFFICER



Kris Hanna
MAYOR

Date: 24.10.17

City of Marion

Statement of Comprehensive Income for the year ended 30 June 2017

\$ '000	Notes	2017	2016
Income			
Rates Revenues	2a	72,591	69,997
Statutory Charges	2b	1,879	1,813
User Charges	2c	1,949	1,771
Grants, Subsidies and Contributions	2g	9,242	6,482
Investment Income	2d	929	696
Reimbursements	2e	691	814
Other Income	2f	479	515
Net Gain - Equity Accounted Council Businesses	19	413	540
Total Income		88,173	82,628
Expenses			
Employee Costs	3a	32,221	31,783
Materials, Contracts & Other Expenses	3b	26,783	26,627
Depreciation, Amortisation & Impairment	3c	16,870	13,634
Finance Costs	3d	613	700
Net loss - Equity Accounted Council Businesses	19	13	1
Total Expenses		76,500	72,745
Operating Surplus / (Deficit)		11,673	9,883
Asset Disposal & Fair Value Adjustments	4	(1,226)	(233)
Amounts Received Specifically for New or Upgraded Assets	2g	2,524	540
Physical Resources Received Free of Charge	2i	439	655
Net Surplus / (Deficit) ¹		13,410	10,845
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	29,324	(4,500)
Total Other Comprehensive Income		29,324	(4,500)
Total Comprehensive Income		42,734	6,345

¹ Transferred to Equity Statement

City of Marion

Statement of Financial Position

as at 30 June 2017

\$ '000	Notes	2017	2016
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	29,913	16,271
Trade & Other Receivables	5b	5,840	4,754
Other Financial Assets	5c	11,900	8,200
Inventories	5d	248	176
Total Current Assets		47,901	29,401
Non-Current Assets			
Equity Accounted Investments in Council Businesses	6a	6,059	5,659
Infrastructure, Property, Plant & Equipment	7a	1,135,662	1,111,658
Other Non-Current Assets	6b	5,202	2,341
Total Non-Current Assets		1,146,923	1,119,658
TOTAL ASSETS		1,194,824	1,149,059
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	10,235	6,082
Borrowings	8b	1,197	1,126
Provisions	8c	5,239	5,192
Total Current Liabilities		16,671	12,400
Non-Current Liabilities			
Borrowings	8b	7,905	9,102
Provisions	8c	701	744
Total Non-Current Liabilities		8,606	9,846
TOTAL LIABILITIES		25,277	22,246
Net Assets		1,169,547	1,126,813
EQUITY			
Accumulated Surplus		373,871	369,211
Asset Revaluation Reserves	9a	765,159	735,835
Other Reserves	9b	30,517	21,767
Total Council Equity		1,169,547	1,126,813

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

		Accumulated	Asset	Other	Total
\$ '000	Notes	Surplus	Revaluation	Reserves	Equity
2017					
Balance at the end of previous reporting period		369,211	735,835	21,767	1,126,813
a. Net Surplus / (Deficit) for Year		13,410	-	-	13,410
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	29,324	-	29,324
Other Comprehensive Income		-	29,324	-	29,324
Total Comprehensive Income		13,410	29,324	-	42,734
c. Transfers between Reserves		(8,750)	-	8,750	-
Balance at the end of period		373,871	765,159	30,517	1,169,547
2016					
Balance at the end of previous reporting period		360,929	740,335	19,204	1,120,468
a. Net Surplus / (Deficit) for Year		10,845	-	-	10,845
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(4,500)	-	(4,500)
Other Comprehensive Income		-	(4,500)	-	(4,500)
Total Comprehensive Income		10,845	(4,500)	-	6,345
c. Transfers between Reserves		(2,563)	-	2,563	-
Balance at the end of period		369,211	735,835	21,767	1,126,813

City of Marion

Statement of Cash Flows

for the year ended 30 June 2017

\$ '000	Notes	2017	2016
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts		72,393	69,633
Statutory Charges		1,888	1,813
User Charges		2,013	1,948
Grants, Subsidies and Contributions (operating purpose)		9,377	6,821
Investment Receipts		929	696
Reimbursements		725	895
Other Receipts		3,555	4,072
<u>Payments</u>			
Payments to Employees		(32,423)	(32,638)
Payments for Materials, Contracts & Other Expenses		(26,707)	(31,631)
Finance Payments		(613)	(700)
Net Cash provided by (or used in) Operating Activities	11b	31,137	20,909
Cash Flows from Investing Activities			
<u>Receipts</u>			
Nil			
Amounts Received Specifically for New/Upgraded Assets		2,524	540
Sale of Replaced Assets		2,049	559
Sale of Surplus Assets		363	-
<u>Payments</u>			
Nil			
Expenditure on Renewal/Replacement of Assets		(12,675)	(9,528)
Expenditure on New/Upgraded Assets		(4,931)	(8,796)
Net Purchase of Investment Securities		(3,700)	(5,450)
Net Cash provided by (or used in) Investing Activities		(16,370)	(22,675)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		3	21
<u>Payments</u>			
Repayments of Borrowings		(1,126)	(1,672)
Repayment of Bonds & Deposits		(2)	-
Net Cash provided by (or used in) Financing Activities		(1,125)	(1,651)
Net Increase (Decrease) in Cash Held		13,642	(3,417)
plus: Cash & Cash Equivalents at beginning of period	11	16,271	19,688
Cash & Cash Equivalents at end of period	11	29,913	16,271

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

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

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these 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*.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

City of Marion is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 245 Sturt Road, Sturt. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

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

3 Income Recognition

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

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

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2014/15	\$4,173,716	\$2,736,897	+\$1,436,819
2015/16	\$1,278,810	\$2,715,629	-\$1,436,819
2016/17	\$4,091,214	\$2,700,069	+\$1,391,145

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

Note 1. Summary of Significant Accounting Policies (continued)

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

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

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

5 Inventories

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

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

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 given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Category	Individual Threshold
Infrastructure	\$5,000
Land	N/a
Land Improvements	\$5,000
Buildings	\$5,000
Furniture and Fittings	\$3,000
Equipment	\$3,000
Other	\$3,000

Thresholds are also applied to Aggregated Assets in determining whether the value is considered material.

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

Note 1. Summary of Significant Accounting Policies (continued)

Category	Aggregated Threshold
Infrastructure	
Reserve Lighting	\$1,000,000
Reserve Pathways	\$1,000,000
Reserve Irrigation	\$1,000,000
Buildings	
Bus Shelters	\$1,000,000
Shelters/Gazebos	\$100,000
Fencing	\$100,000
Furniture and Fittings	\$25,000
Equipment	\$100,000
Other	
BBQs	\$100,000
Reserve Furniture	\$500,000
Cricket Practice Nets	\$100,000
Drink Fountains	\$50,000
Play Equipment Softfall	\$50,000
Reserve Bollards	\$500,000
Reserve Bins	\$100,000
City Band Instruments	\$100,000
Council Artwork	\$100,000
Library Stock	\$1,000,000

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 values 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.

Major depreciation periods for each class of asset are listed below. 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.

	Short Life Years	Long Life Years
Furniture & Equipment		
Office Equipment	3 to 15	N/a
Office Furniture	10 to 15	N/a
Vehicles and Heavy Equipment	3 to 15	N/a
Other Plant & Equipment	7 to 25	N/a
Buildings		
Super Structure	N/a	80 to 200
Structure	40 to 80	N/a
Roofing	40	N/a
Services	40 to 50	N/a
Fitout	15 years	N/a
Infrastructure		
Sealed Roads – Surface	25 to 40	N/a
Road Base	60 to 100	200
Road Formation	100 to 175	200
Kerb	70 - 105	200
Footpath – Bitumen/Rubber	20 to 40	60 to 100
Footpath – Concrete	50 to 85	200
Footpath – Paved	50 to 85	200
Other Road Structures	20 to 60	40 to 80
Traffic Signs	15 to 20	60
Bridges	80 to 140	200
Stormwater Pipes Standard	100 to 175	200
Junction Boxes	100 to 175	200
Pollutant Traps	100 to 175	200
Box Culverts	100 to 175	200
Headwalls	100 to 175	200
Drainage Pits	100 to 175	200
Other Infrastructure		
Wetland Assets	15-100	250 years
Car Parks	25 to 40	N/a
Irrigation	25	N/a
Lighting	15-40	N/a
Recreation Pathways	40	N/a
Sports Floodlights	25	N/a

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

Note 1. Summary of Significant Accounting Policies (continued)

<i>Other Assets</i>		
Library Books - Paperbacks	7	N/a
Library Books - Hardcover	7	N/a
Other Library (CD's, DVD's, Toys)	3 to 7	N/a
Playground Equipment	20	N/a
Reserve Furniture	7 to 40	N/a
Band Instruments	60	N/a
Civic Art Structures	30 to 80	N/a

6.5 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 the higher of the present value of future cash inflows or value in use).

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

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

9.2 Superannuation

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

10 Leases

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

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

11 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

12 GST Implications

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

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

13 New accounting standards and interpretations

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

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

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 23.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

Effective for annual reporting periods beginning on or after 1 January 2017

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*

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

Note 1. Summary of Significant Accounting Policies (continued)

- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

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

- AASB 9 *Financial Instruments (December 2009)*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*

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

- AASB 16 *Leases*

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 Marion

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

Note 2. Income

\$ '000	Notes	2017	2016
(a). Rates Revenues			
General Rates			
General Rates		71,746	69,233
Less: Mandatory Rebates		(1,060)	(1,026)
Less: Discretionary Rebates, Remissions & Write Offs		(7)	(2)
Total General Rates		70,679	68,205
Other Rates (Including Service Charges)			
Natural Resource Management Levy		1,666	1,562
Total Other Rates		1,666	1,562
Other Charges			
Penalties for Late Payment		246	230
Total Other Charges		246	230
Total Rates Revenues		72,591	69,997
(b). Statutory Charges			
Development Act Fees		810	810
Town Planning Fees		86	82
Animal Registration Fees & Fines		465	455
Parking Fines / Expiation Fees		518	466
Total Statutory Charges		1,879	1,813
(c). User Charges			
Hall & Equipment Hire		256	215
Sales - General		297	265
Sundry		785	695
Admission Fees		380	414
Rental Income		231	182
Total User Charges		1,949	1,771

City of Marion

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

Note 2. Income (continued)

\$ '000	Notes	2017	2016
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		924	692
- Banks & Other		5	4
Total Investment Income		929	696
(e). Reimbursements			
Private Works		171	201
Other		520	613
Total Reimbursements		691	814
(f). Other Income			
Insurance & Other Recoupments - Infrastructure, IPP&E		31	76
Sundry		124	137
Donations & Contributions income		324	302
Total Other Income		479	515
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		2,524	540
Other Grants, Subsidies and Contributions		7,851	6,482
Individually Significant Item - Additional Grants Commission Payment (refer below)		1,391	-
Total Grants, Subsidies, Contributions		11,766	7,022
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		3,613	4,684
State Government		7,956	1,986
Other		197	352
Total		11,766	7,022
(ii) Individually Significant Items			
Grant Commission Grant Recognised as Income		1,391	-

In June 2017, Council received payment of the first two instalments of the 2017/18 Grants Commission Financial Assistance Grants. This has had a material effect on Council's operating result in the 2016/17 financial year.

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

Note 2. Income (continued)

\$ '000	Notes	2017	2016
(h). Conditions over Grants & Contributions			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
Unexpended at the close of the previous reporting period		1,245	4,225
Less:			
Expended during the current period from revenues recognised in previous reporting periods			
Other		(835)	(3,656)
Subtotal		(835)	(3,656)
Plus:			
Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions			
Other		2,429	676
Subtotal		2,429	676
Unexpended at the close of this reporting period		2,839	1,245
Net increase (decrease) in assets subject to conditions in the current reporting period		1,594	(2,980)
(i). Physical Resources Received Free of Charge			
Land & Improvements		264	588
Roads, Bridges & Footpaths		83	-
Stormwater Drainage		68	-
Buildings		23	67
Other		1	-
Total Physical Resources Received Free of Charge		439	655

City of Marion

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

Note 3. Expenses

\$ '000	Notes	2017	2016
(a). Employee Costs			
Salaries and Wages		27,408	27,036
Employee Leave Expense		2,609	2,564
Superannuation	18	2,488	2,451
Workers' Compensation Insurance		890	922
Less: Capitalised and Distributed Costs		(1,174)	(1,190)
Total Operating Employee Costs		32,221	31,783
Total Number of Employees (full time equivalent at end of reporting period)		344	342
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		37	51
Bad and Doubtful Debts		-	14
Elected Members' Expenses		340	332
Operating Lease Rentals - Cancellable Leases		450	462
Subtotal - Prescribed Expenses		827	859
(ii) Other Materials, Contracts and Expenses			
Contractors		12,770	12,576
Energy		1,815	1,735
Maintenance		2,014	1,767
Legal Expenses		180	424
Levies Paid to Government - NRM levy		1,683	1,573
Levies - Other		160	125
Parts, Accessories & Consumables		2,681	3,044
Professional Services		977	1,066
Sundry		1,826	1,572
Insurance		627	643
Fringe Benefits Tax		215	227
Advertising		103	151
Printing & Postage		331	285
Memberships & Subscriptions		209	193
Bank Fees & Charges		203	209
Telecommunication Charges		162	178
Subtotal - Other Material, Contracts & Expenses		25,956	25,768
Total Materials, Contracts and Other Expenses		26,783	26,627

City of Marion

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

Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings & Other Structures		4,927	4,279
Infrastructure		8,361	5,933
- Other		1,380	1,168
Plant & Equipment		1,260	1,308
Furniture & Fittings		76	71
Intangible Assets		54	67
Other Assets		954	916
Subtotal		17,012	13,742
Less: Capitalised and Distributed costs		(142)	(108)
Total Depreciation, Amortisation and Impairment		16,870	13,634
(d). Finance Costs			
Interest on Loans		613	700
Total Finance Costs		613	700

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

Assets Renewed or Directly Replaced			
Proceeds from Disposal		2,412	559
Less: Carrying Amount of Assets Sold		(3,638)	(792)
Gain (Loss) on Disposal		(1,226)	(233)
Net Gain (Loss) on Disposal or Revaluation of Assets		(1,226)	(233)

Note 5. Current Assets

(a). Cash & Cash Equivalents

Cash on Hand at Bank		213	321
Short Term Deposits & Bills, etc.		29,700	15,950
Total Cash & Cash Equivalents		29,913	16,271

City of Marion

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

Note 5. Current Assets (continued)

\$ '000	Notes	2017	2016
(b). Trade & Other Receivables			
Rates - General & Other		2,065	1,981
Rates Postponed for State Seniors		145	31
Accrued Revenues		467	225
Debtors - General		1,463	1,739
GST Recoupment		1,064	247
Prepayments		636	531
Total Trade & Other Receivables		5,840	4,754

(c). Other Financial Assets (Investments)

Other Financial Assets (Term Deposits with over 90 days to maturity)		11,900	8,200
Total Other Financial Assets (Investments)		11,900	8,200

Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13

(d). Inventories

Stores & Materials		248	176
Total Inventories		248	176

Note 6. Non-Current Assets

(a). Equity Accounted Investments in Council Businesses

Southern Region Waste Resource Authority	19	5,971	5,559
Council Solutions	19	88	100
Total Equity Accounted Investments in Council Businesses		6,059	5,659

(b). Other Non-Current Assets

Capital Works-in-Progress		4,978	2,121
Computer Software & Licences		1,238	1,180
Less Accumulated Amortisation		(1,014)	(960)
Total Other Non-Current Assets		5,202	2,341

City of Marion

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

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

		as at 30/6/2016					Asset Movements during the Reporting Period					as at 30/6/2017						
		Fair Value Level	At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Dep'n	Impairment	Carrying Value
					Dep'n	Impairment		New / Upgrade	Renewals									
\$ '000																		
	Land	2	341,485	2,224	-	-	343,709	429	-	(307)	-	-	16,313	357,491	2,653	-	-	360,144
	Buildings & Other Structures	3	144,471	26,420	81,414	-	89,477	564	452	(2,360)	(4,927)	-	-	136,341	27,436	80,571	-	83,206
	Infrastructure	3	728,024	2,145	104,329	-	625,840	2,083	7,267	-	(8,361)	-	12,997	741,028	4,562	105,764	-	639,826
	- Other	3	47,744	4,780	14,979	-	37,545	629	1,001	(552)	(1,380)	-	-	46,771	6,410	15,938	-	37,243
	Plant & Equipment		-	12,805	6,534	-	6,271	67	1,821	(409)	(1,260)	-	-	-	13,687	7,197	-	6,490
	Furniture & Fittings		(1)	1,775	862	-	912	8	4	(6)	(76)	-	-	-	1,734	892	-	842
	Other Assets		13,655	987	6,738	-	7,904	415	536	(4)	(954)	-	14	13,295	1,938	7,322	-	7,911
	Total Infrastructure, Property, Plant & Equipment		1,275,378	51,136	214,856	-	1,111,658	4,195	11,081	(3,638)	(16,958)	-	29,324	1,294,926	58,420	217,684	-	1,135,662
	Comparatives - Prior Year		1,254,679	31,481	184,757	-	1,101,403	17,156	12,066	(792)	(13,675)	(12,653)	8,153	1,275,378	51,136	214,856	-	1,111,658

Note 7a (ii). Investment Property

Nil

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

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

\$ '000

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

Accounting procedure: Upon revaluation, the current new replacement cost and accumulated depreciation are restated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, fair value is taken to be the current replacement cost.

Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

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

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

\$ '000

Valuation of Assets (continued)

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

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

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Fair value hierarchy level 2 valuations: Land is shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Fair value hierarchy level 3 valuations of valuations of buildings, infrastructure and other assets: There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

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

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

\$ '000

Valuation of Assets (continued)

Land & Land Improvements

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. A desktop revaluation was carried out by independent valuation for the reporting period, 30 June 2017.

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis. Additions are recognised at cost.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1) and depreciated over the estimated remaining life of the relevant asset. Currently there are no assets that require this treatment.

Buildings & Other Structures

A desktop revaluation was carried out by independent valuation for this reporting period, 30 June 2017.

Infrastructure

A desktop revaluation of infrastructure assets (roads, footpaths, kerbs, drains, bridges, traffic devices and traffic signs) was carried out by independent valuation for this reporting period, 30 June 2017.

A desktop revaluation was carried out by independent valuation for this reporting period, 30 June 2017 for other infrastructure assets such as car parks, lighting, walking trails and reserve pathways

All acquisitions made after the respective dates of valuation are recorded at cost.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other Assets

A desktop revaluation was carried out by independent valuation for this reporting period, 30 June 2017, apart from Library Stock which is valued by Council Officers at written down replacement cost on an annual basis.

City of Marion

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

Note 8. Liabilities

\$ '000	Notes	2017 Current	2017 Non Current	2016 Current	2016 Non Current
(a). Trade and Other Payables					
Goods & Services		9,451	-	5,317	-
Accrued Expenses - Employee Entitlements		737	-	599	-
Accrued Expenses - Other		20	-	27	-
Deposits, Retentions & Bonds		23	-	22	-
Other		4	-	117	-
Total Trade and Other Payables		10,235	-	6,082	-

(b). Borrowings

Loans	1,197	7,905	1,126	9,102
Total Borrowings	1,197	7,905	1,126	9,102

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

(c). Provisions

Employee Entitlements (including oncosts)	5,239	701	5,192	744
Total Provisions	5,239	701	5,192	744

Note 9. Reserves

\$ '000	1/7/2016	Increments (Decrements)	Transfers	Impairments	30/6/2017
(a). Asset Revaluation Reserve					
Land	242,532	16,313	-	-	258,845
Buildings & Other Structures	59,250	-	-	-	59,250
Infrastructure	12,860	12,997	-	-	25,857
- Stormwater Drainage	97,742	-	-	-	97,742
- Other	1,302	-	-	-	1,302
- Roads, Bridges, Footpaths	318,547	-	-	-	318,547
Other Assets	4,492	14	-	-	4,506
JV's / Associates - Other Comprehensive Income	(890)	-	-	-	(890)
Total Asset Revaluation Reserve	735,835	29,324	-	-	765,159
Comparatives - Prior Year	740,335	(4,500)	-	-	735,835

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

Note 9. Reserves (continued)

\$ '000	Notes	1/7/2016	Increments (Decrements)	Transfers	Impairments	30/6/2017
(b). Other Reserves						
Open Space Reserve		1,014	174	-	-	1,188
Grants/Carry Forward Projects Reserve		10,506	9,920	(6,728)	-	13,698
Asset Sustainability Reserve		10,247	5,835	(451)	-	15,631
Total Other Reserves		21,767	15,929	(7,179)	-	30,517
Comparatives - Prior Year		19,204	18,085	(15,522)	-	21,767

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).

Available-for-sale Investments Reserve

This reserve records the net difference between original cost, and fair value at reporting date, of financial instruments classified as available-for-sale. On disposal of the financial instrument, the balance standing in the reserve in relation to that instrument is transferred to profit and loss (see Note 4).

Open Space Reserve

Purpose - this reserve has been established to account for the following:

- I. set aside open space contributions provided by developers in accordance with the Development Act (conditions may apply)
- II. separate net proceeds associated with Road Closures.
- III. net proceeds associated with disposal of minor land holdings
- IV. funds received from the 'Urban Trees Fund'

Use of Fund - monies can be applied to the development of Open Space facilities as approved by Council and in accordance with the Open Space Policy (pending). Interest revenues earned on contributions provided by developers are transferred to the Fund.

Grants/Carry Forward Projects Reserve

Purpose - this reserve was created for:

Grants received in advance - occasionally a funding body has provided Grant funds relating to the following financial year in advance. When this has occurred, it has been necessary to transfer these funds to this reserve so that they can be matched against the expenditures planned to be incurred in the next financial year.

Unexpended Grants - when grant monies have not been fully acquitted in the financial year this reserve is used to transfer the unexpended balance to the following year.

Carryovers - typically represents unspent capital and service improvements budgets carried forward to the following financial year.

Use of Fund - monies are utilised in accordance with the original purpose.

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

Note 9. Reserves (continued)

\$ '000

Asset Sustainability Reserve

Purpose - this is a reserve fund established to:

- I. Primary Purpose – Provide Council with the ability to access sufficient funds to enable it to respond to a major infrastructure failure or fund an infrastructure gap identified in periodic asset audits. A minimum balance of \$2 million will be retained in the Asset Sustainability Reserve for this purpose.
- II. Assist Council fund its Long Term Asset Management objectives.
- III. Provide a means by which to spread the cost of intergenerational assets thereby reducing the need for borrowings
- IV. Provide a means by which Council can strategically plan to maintain its asset base within a long term Financial framework.
- V. Quarantine funds specifically set aside in the Community Facilities Partnership Program (CFPP) for the purpose of funding the renewal, upgrade and purchase of Council assets as resolved by Council. This will include encouraging organisations leasing council facilities to seek partnership funding for required renewal and upgrade of those community facilities.

The Asset Sustainability Reserve will be funded from planned surpluses identified in the Long Term Financial Plan (LTFP) and from funds specifically set aside for the CFPP in the LTFP.

Use of Fund - Reserve transfers will be controlled by specific Council resolutions or identified as part of the approved annual Strategic Plan and Budget.

Note 10. Assets Subject to Restrictions

\$ '000

Notes

2017

2016

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 & Financial Assets

Unexpended amounts received from Federal Government

Other

2,839

1,245

Total Cash & Financial Assets

2,839

1,245

Total Assets Subject to Externally Imposed Restrictions

2,839

1,245

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

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2017	2016
(a). Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	5a	29,913	16,271
Balances per Statement of Cash Flows		29,913	16,271
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		13,410	10,845
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		16,870	13,634
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(400)	(539)
Non-Cash Asset Acquisitions		(439)	(655)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(2,524)	(540)
Net (Gain) Loss on Disposals		1,226	233
		28,143	22,978
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(1,086)	(718)
Net (Increase)/Decrease in Inventories		(72)	(10)
Net (Increase)/Decrease in Other Current Assets		(4)	(48)
Net Increase/(Decrease) in Trade & Other Payables		4,152	(1,217)
Net Increase/(Decrease) in Unpaid Employee Benefits		4	(76)
Net Cash provided by (or used in) operations		31,137	20,909
(c). Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2i	439	655
Amounts recognised in Income Statement		439	655
Total Non-Cash Financing & Investing Activities		439	655
(d). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Corporate Credit Cards		75	75
LGFA Cash Advance Debenture Facility		11,000	11,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Council also has immediate access to a short-term draw-down facility, and variable interest rate borrowings under a cash advance facility, both from the Local Government Finance Authority of SA.

City of Marion

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

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016
\$ '000										
Leader in the Delivery of the Community Vision										
Development Assessment	1,086	1,077	3,669	3,651	(2,583)	(2,574)	3	6	-	-
Crime Prevention	1	-	390	380	(389)	(380)	-	-	-	-
Community Support & Development	3,404	3,162	9,701	10,072	(6,297)	(6,910)	1,999	1,788	115,560	118,975
Public & Environment Health	90	86	843	844	(753)	(758)	38	38	-	-
General Inspection	1,011	950	1,589	1,561	(578)	(611)	1	2	-	-
Public Infrastructure	3,713	2,852	18,132	15,769	(14,419)	(12,917)	3,319	2,344	707,144	691,032
Open Space	260	591	12,000	11,575	(11,740)	(10,984)	59	433	264,162	263,975
Public Conveniences	2	2	516	502	(514)	(500)	-	-	3,005	2,967
Strategic Projects	25	12	1,276	1,186	(1,251)	(1,174)	21	6	1	2
Asset Management	-	-	-	-	-	-	-	-	17,492	17,805
Neighbourhood Centres	640	590	2,480	2,322	(1,840)	(1,732)	382	358	6,882	6,901
Cultural Development	311	304	3,371	2,962	(3,060)	(2,658)	24	14	11,129	11,500
Libraries	700	669	7,518	7,427	(6,818)	(6,758)	547	553	14,581	16,141
Waste & Recycling	56	52	7,525	7,195	(7,469)	(7,143)	3	1	5,972	5,019
Trees	-	-	-	-	-	-	-	-	-	-
Economic Development	204	53	749	606	(545)	(553)	160	40	-	-
Total Leader in the Delivery of the Community Vision	11,503	10,400	69,759	66,052	(58,256)	(55,652)	6,556	5,583	1,145,928	1,134,317
Organisation of Excellence										
Governance	89	83	4,130	4,074	(4,041)	(3,991)	1	-	2	4
Service Quality	1	1	136	142	(135)	(141)	-	-	578	681
Total Organisation of Excellence	90	84	4,266	4,216	(4,176)	(4,132)	1	-	580	685
Treasury	76,167	71,604	2,462	2,476	73,705	69,128	2,685	899	48,316	14,057
Total Functions/Activities	87,760	82,088	76,487	72,744	11,273	9,344	9,242	6,482	1,194,824	1,149,059

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

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

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

Leader in the Delivery of the Community Vision – “Broad Horizons, Bright Future”

PUBLIC INFRASTRUCTURE

Includes the design, development and maintenance of footpaths, streets, drainage and kerb and water table, as well as street signs, traffic control devices and line-marking ensuring that local neighbourhoods are safe and accessible with good amenity

WASTE & RECYCLING

Services including domestic kerbside collection, hard rubbish collection, street sweeping and general litter collection to maintain cleanliness and amenity

OPEN SPACE

Parks, reserves, ovals and streetscape development and maintenance providing well maintained public spaces for use by all members of the community

LIBRARIES

Providing opportunities for learning and social activities for all ages and interests

ASSET MANAGEMENT

Management and maintenance of Council properties enabling them to be utilised by members of the community for various purposes such as meetings, social activities and programs

COMMUNITY SUPPORT & DEVELOPMENT

Services such as home and community care, youth services, support for volunteers and community transport providing direct support to groups within the community

COMMUNITY DEVELOPMENT

Recreation, sport and leisure facilities, services and activities that provide opportunities for community members to socialise and undertake physical activity

DEVELOPMENT ASSESSMENT

Building and planning services which ensure that houses are safely constructed and designed and developed in a manner which is sympathetic to the local neighbourhood

CULTURAL DEVELOPMENT

Supporting community involvement in arts and cultural activity and expression, celebrating diversity, indigenous people and those from culturally and linguistically diverse backgrounds. This includes the Marion Cultural Centre and Living Kurna Cultural Centre providing cultural and artistic experiences for the community

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

Note 12b. Components of Functions (continued)

\$ '000

The activities relating to Council functions are as follows: (continued)

TREES

Provision of street trees and revegetation programs to improve amenity and promote, where possible, the use of indigenous plants

NEIGHBOURHOOD CENTRES

Providing opportunities for learning and social activities for all ages and interests

PUBLIC & ENVIRONMENTAL HEALTH

Services such as food safety and public health inspections, immunisation and enforcement of certain environmental regulations as well as Planning, information, advice and demonstration to promote environmentally sensitive practices by both Council and the community

ECONOMIC DEVELOPMENT

Planning and support for existing and potential businesses to assist businesses to adapt to changing circumstance and provide an employment base for the Marion community

STRATEGIC PROJECTS

Major projects such as the Marion South Plan and State Aquatic Centre aimed at providing improved services and facilities for the Community

CRIME PREVENTION

Services such as graffiti removal and working with other agencies to improve the safety and amenity of the community

GENERAL INSPECTION

Services include dog and cat control, pest control, parking control and the enforcement of by-laws to ensure that the community is safe and orderly

PUBLIC CONVENIENCES

Services such as provision and maintenance of public toilets in close proximity to highly frequented reserves and other open space areas

Organisation of Excellence

To lead in the delivery of the Community Vision, the organisation must maintain its sustainability. This underpins our Corporate Vision of "An Organisation of Excellence". To achieve this, the following essential support services are funded in the budget.

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

Note 12b. Components of Functions (continued)

\$ '000

The activities relating to Council functions are as follows: (continued)

Excellence in Governance

Elected Member Support

Provision of services which enable Elected Members to undertake their role in making decisions for the Council and community, including Council meetings, elections, council receptions and Sister City activities

Strategic, corporate and sustainability planning and policy development

To ensure that Council is progressing towards achieving the Community Vision 2020 and its strategic social, cultural, and economic and environmental sustainability goals in a transparent and accountable manner, working with our Local, State, and Federal Government partners

Financial services

Including budgeting, rating, accounts management and payroll, which ensure sound and transparent financial management which enables Council to provide adequate services and facilities and appropriately address community needs

Risk management policy, development and internal audit

Activities to ensure that Council is continuously improving its management systems

External relations, communication and community engagement

Enables the community to be appropriately and adequately informed about the activities and decisions of the Council

Service Quality

Customer service

In particular the Customer Service Centre, which enables Council staff to liaise with the community to address issues and concerns directly with Council, as well as provide the community with information and referral to other services provided in the region

Information technology

Provides support to Council staff for their technological needs to enable them to contribute towards delivery of the Community Vision as well as access by the community to Council information and services through the internet and email

Information Management

Enables Council to keep adequate and appropriate records of activities and decisions

Employer of Choice

Human Resources

Services that provide support for staff to undertake their roles to deliver the Community Vision

Occupational Health & Safety

Services to ensure that work is undertaken in a manner that is safe for the staff and community

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

Note 13. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 1.85% and 2.40% (2016: 1.90% and 2.79%). Short term deposits have an average maturity of 95 days and an average interest rate of 2.42% (2016: 76 days and 2.79%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

Accounting Policy:

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

Terms & Conditions:

Secured over the subject land, arrears attract interest of 2% (2016: 2%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

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

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

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

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value.

Liabilities

Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Interest Bearing Borrowings

Accounting Policy:

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

Terms & Conditions:

Secured over future revenues, borrowings are repayable over 10 to 15 years; interest is charged at fixed rates between 5.80% and 6.85% (2016: 5.80% and 6.85%).

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

City of Marion

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

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2017					
Financial Assets					
Cash & Equivalents	29,913	-	-	29,913	29,913
Receivables	1,930	-	-	1,930	1,930
Other Financial Assets	11,900	-	-	11,900	11,900
Total Financial Assets	43,743	-	-	43,743	43,743

Financial Liabilities					
Payables	10,235	-	-	10,235	10,235
Current Borrowings	1,743	-	-	1,743	1,197
Non-Current Borrowings	-	5,791	4,235	10,026	7,905
Total Financial Liabilities	11,978	5,791	4,235	22,004	19,337

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2016					
Financial Assets					
Cash & Equivalents	16,271	-	-	16,271	16,271
Receivables	1,964	-	-	1,964	1,964
Other Financial Assets	8,200	-	-	8,200	8,200
Total Financial Assets	26,435	-	-	26,435	26,435

Financial Liabilities					
Payables	6,082	-	-	6,082	6,082
Current Borrowings	1,743	-	-	1,743	1,126
Non-Current Borrowings	-	6,452	5,316	11,768	9,102
Total Financial Liabilities	7,825	6,452	5,316	19,593	16,310

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

	30 June 2017		30 June 2016	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	6.17%	9,102	6.20%	10,228
		9,102		10,228

Net Fair Value

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

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

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

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

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

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

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

Note 14. Commitments for Expenditure

\$ '000

Notes

2017

2016

Capital Commitments

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

Land	56	36
Buildings	961	76
Infrastructure	2,952	1,530
Plant & Equipment	208	41
Other	64	64
	4,241	1,747

These expenditures are payable:

Not later than one year	4,241	1,747
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	4,241	1,747

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

Note 15. Financial Indicators

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

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

1. Operating Surplus Ratio

Operating Surplus	11,673	13%	12%	12%
Total Operating Revenue	88,173			

This ratio expresses the operating surplus as a percentage of total operating revenue.

1a. Adjusted Operating Surplus Ratio

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

10,282	12%	12%	10%
88,173			

2. Net Financial Liabilities Ratio

Net Financial Liabilities	(22,376)	(25%)	(8%)	(2%)
Total Operating Revenue	88,173			

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

3. Asset Sustainability Ratio

Net Asset Renewals	12,675	75%	84%	76%
Infrastructure & Asset Management Plan required expenditure	16,870			

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

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

Note 16. Uniform Presentation of Finances

\$ '000	2017	2016
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	88,173	82,628
less Expenses	(76,500)	(72,745)
Operating Surplus / (Deficit)	11,673	9,883
less Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	12,675	9,528
less Depreciation, Amortisation and Impairment	(16,870)	(13,634)
less Proceeds from Sale of Replaced Assets	(2,049)	(559)
Subtotal	(6,244)	(4,665)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	4,931	8,256
less Amounts Received Specifically for New and Upgraded Assets	(2,524)	540
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	(363)	-
Subtotal	2,044	8,796
Net Lending / (Borrowing) for Financial Year	15,873	5,752

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

Note 17. Operating Leases

\$ '000

2017

2016

Lease Payment Commitments of Council

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease return or acquire the equipment leased

No lease contains any escalation clause

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

Not later than one year	300	385
Later than one year and not later than 5 years	287	415
Later than 5 years	-	-
	587	800

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

Note 18. Superannuation

\$ '000

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2016/17; 9.50% in 2015/16). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2015/16) of "superannuation" salary.

In addition, Council makes a separate contribution of 3.2% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

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

The most recent actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

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

Note 19. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2017	2016	2017	2016
Joint Ventures	400	539	6,059	5,659
Total	400	539	6,059	5,659

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2017	2016
Southern Region Waste Resource Authority (SRWRA)	Waste Disposal	5,971	5,558
Council Solutions	Procurement	88	101
Total Carrying Amounts - Joint Ventures & Associates		6,059	5,659

Southern Region Waste Resource Authority (SRWRA)

The Southern Region Waste Resource Authority was established under Section 43 of the Local Government Act to provide and operate services for the management of waste and waste facilities under its control on behalf of its constituent councils.

The SRWRA owns and operates the Southern Region Waste Disposal Depot on behalf of the Cities of Holdfast Bay, Marion and Onkaparinga.

The City of Marion has an equal voting right and a 30% interest in the assets and liabilities of SRWRA. For the year ended 30 June 2017, the net assets of SRWRA total \$19,903,000. The City of Marion interest, totalling \$5,971,000 is disclosed below.

In 2006 the decision was taken to equity account for this investment due to a change in the operations of the business. Initial balances were brought to account through accumulated surplus.

Council Solutions

Established by the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully in December 2012, this regional joint venture has been established for the purposes of providing a centre of excellence in procurement and to provide services to the Constituent Councils

The City of Marion has a 16.67% interest in the assets and liabilities of Council Solutions. For the year ended 30 June 2017, the net assets of Council Solutions total \$526,000. The City of Marion interest, totalling \$88,000 is disclosed below.

City of Marion

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

Note 19. Interests in Other Entities (continued)

\$ '000

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2017	2016	2017	2016	2017	2016
Southern Region Waste Resource Authority (SRWRA)	30%	30%	30%	30%	30%	30%
Council Solutions	17%	17%	17%	17%	17%	17%

(c) Movement in Investment in Joint Venture or Associate

	Southern Region Waste Resource Authority (SRWRA)		Council Solutions	
	2017	2016	2017	2016
Opening Balance	5,558	5,018	101	102
Share in Operating Result	413	540	(13)	(1)
Council's Equity Share in the Joint Venture or Associate	5,971	5,558	88	101

(d). Share of Joint Operations Expenditure Commitments

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

(i) Capital Expenditures Payable

	2017	2016
Not later than one year	-	527
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	-	527

(ii) Operating Expenditures Payable

	2017	2016
Not later than one year	18	18
Later than one year and not later than 5 years	37	55
Later than 5 years	-	-
	55	73

Note 20. Non-Current Assets Held for Sale & Discontinued Operations

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations

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

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge of those items is considered relevant to the user 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. BANK GUARANTEES

Council currently has no guaranteed loans or other banking facilities advanced to community organisations and sporting bodies at reporting date.

4. 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 6 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.

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

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2017, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 24/10/17.

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

Note 23. Related Party Transactions

\$ '000

2017

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, 17 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Salaries, Allowances & Other Short-Term Employee Benefits	1,167
Post-Employment Benefits	74
Total	1,241

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

Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received no receipts from Key Management Personnel.

Independent Auditor's Report to the Members of the Corporation of the City of Marion

Opinion

We have audited the financial report of the Corporation of the City of Marion (the "Council"), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the certification of financial statements as set out on pages 2 to 43.

In our opinion the accompanying financial report presents fairly, in all material respects, the Entity's financial position as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian 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 Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Chief Executive Officer is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, 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.

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.

Chief Executive Officer's Responsibilities for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011 and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial report and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the Entity'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 Chief Executive Officer either intends to liquidate the Entity or to cease operations, or have 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.

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

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

We communicate with the directors 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Penny Woods
Partner
Chartered Accountants
Adelaide, 24 October 2017

Independent Assurance Report to the members of Corporation of the City of Marion

We have been engaged by the Corporation of the City of Marion (the "Council") to conduct a reasonable assurance engagement relating to the Council's compliance with the requirements of Section 125 of the Local Government Act 1999 in relation to the design and implementation of internal controls established by the Council to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2016 to 30 June 2017 are in accordance with legislative provisions.

The Council's Responsibility for the Internal Controls

The Council is responsible for compliance with the material requirements of *Section 125 of the local Government Act 1999* in relation to the design and implementation of internal controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities are in accordance with legislative provisions.

Our Responsibility

Our responsibility is to express a conclusion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, to express a conclusion whether, in our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls for the period 1 July 2016 to 30 June 2017. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of internal controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these internal controls, assessing the risk that a material weakness exists, and testing and evaluating the design and implementation of internal controls on a sample basis based on the assessed risks.

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

Inherent Limitations

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with the requirements as measured by the Section 125 of the Local Government Act 1999 in relation to the design and implementation of internal controls, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with requirements as measured by the Section 125 of the Local Government Act 1999 in relation to the design and implementation of internal controls are undertaken on a test basis.

The conclusion expressed in this report has been formed on the above basis.

Independence

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

Conclusion

In our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to the design and implementation of internal controls, established by the Council to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2016 to 30 June 2017 are in accordance with legislative provisions.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Penny Woods
Partner
Chartered Accountants
Adelaide, 24 October 2017


City of Marion

General Purpose Financial Statements for the year ended 30 June 2017


Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Marion for the year ended 30 June 2017, the Council's Auditor, Deloitte Touche Tohmatsu 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*.



Adrian Skull
CHIEF EXECUTIVE OFFICER



Greg Connor
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 10.10.17

Corporation of the City of Marion
245 Sturt Road
STURT SA 5047

24 October 2017

Dear Members

Corporation of the City of Marion

In accordance with the Local Government (Financial Management) Regulations 2011, I am pleased to provide the following declaration of independence to the councillors of the Corporation of the City of Marion.

I confirm that, for the audit of the financial statements of the Corporation of the City of Marion for the 30 June 2017 financial year, 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, and in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Penny Woods
Partner
Chartered Accountants



FINANCIAL REPORT

For the Financial Year Ended 30 June 2017

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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SOUTHERN REGION WASTE RESOURCE AUTHORITY

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2017

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Southern Region Waste Resource Authority Board to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards*.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2017 and the results of its operations and cashflows 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 throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



.....
Mark Booth
Chairman



.....
Mark Hindmarsh
Executive Officer

Dated the 29th day of AUGUST 2017

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME for the financial year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
INCOME			
User charges	2	11,617	9,294
Investment income	2	552	622
Other Income	2	244	631
Net gain - equity accounted Joint Venture	15	265	-
Total Income		12,678	10,547
EXPENSES			
Employee costs	3	1,194	1,025
Materials, contracts & other expenses	3	9,240	6,848
Depreciation, amortisation & impairment	3	949	784
Other Expenses	3	78	75
Net loss - equity accounted Joint Venture	15	-	20
Total Expenses		11,461	8,752
OPERATING SURPLUS / (DEFICIT)		1,217	1,795
Net gain (loss) on disposal or revaluation of assets	4	18	5
Amounts received specifically for new or upgraded assets		140	-
NET SURPLUS / (DEFICIT)		1,375	1,800
transfer to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		1,375	1,800

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

		2017	2016
	Notes	\$'000	\$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	19,940	19,069
Trade & other receivables	5	2,025	867
Inventories	5	-	48
		21,965	19,984
Total Current Assets		21,965	19,984
Non-current Assets			
Equity Accounted Joint Venture	14	709	164
Property, Plant & Equipment	6	15,081	14,461
		15,790	14,625
Total Non-current Assets		15,790	14,625
Total Assets		37,755	34,609
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	2,529	1,365
Provisions	7	149	136
		2,678	1,501
Total Current Liabilities		2,678	1,501
Non-current Liabilities			
Provisions	7	15,174	14,580
		15,174	14,580
Total Non-current Liabilities		15,174	14,580
Total Liabilities		17,852	16,081
NET ASSETS		19,903	18,528
EQUITY			
Accumulated Surplus		19,903	18,528
TOTAL EQUITY		19,903	18,528

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

2017	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Balance at end of previous reporting period		18,528	-	-	18,528
Adjustments due to compliance with revised Accounting Standards		-	-	-	-
Adjustments to give effect to changed accounting policies		-	-	-	-
Restated Opening Balance		18,528	-	-	18,528
Net Surplus/ (Deficit) for Year		1,375			1,375
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-	-
Transfers between reserves		-	-	-	-
Distributions to Member Councils		-	-	-	-
Balance at end of period		19,903	-	-	19,903

2016	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Balance at end of previous reporting period		16,728	-	-	16,728
Adjustments due to compliance with revised Accounting Standards		-	-	-	-
Adjustments to give effect to changed accounting policies		-	-	-	-
Restated Opening Balance		16,728	-	-	16,728
Net Surplus/ (Deficit) for Year		1,800	-	-	1,800
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-	-
Transfers between reserves		-	-	-	-
Distributions to Member Councils		-	-	-	-
Balance at end of period		18,528	-	-	18,528

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

		2017	2016
	Notes	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		11,927	10,869
Investment receipts		552	621
<u>Payments</u>			
Operating payments to suppliers & employees		(10,279)	(8,898)
Net Cash provided by (or used in) Operating Activities	8 (b)	2,200	2,592
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		-	-
Sale of surplus assets		163	5
Distributions received from equity accounted Joint Venture	14	125	150
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(754)	(39)
Expenditure on new/upgraded assets		(863)	(2,739)
Capital contributed to equity accounted Joint Venture	14	-	(145)
Net Cash provided by (or used in) Investing Activities		(1,329)	(2,768)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		871	(176)
Cash & cash equivalents at beginning of period		19,069	19,245
Cash & cash equivalents at end of period	8 (a)	19,940	19,069

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group Interpretations (UIGs) and relevant South Australian legislation.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of City of Onkaparinga, City of Marion and the City of Holdfast Bay.

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 AIFRS requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

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

2 The Local Government Reporting Entity

Southern Region Waste Resource 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 1999, and has its principal place of business at 112 Bakewell Dr, Seaford Heights SA 5169.

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 10.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

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 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.

Capitalisation threshold applied of \$1,000 for all asset classes. Any purchases greater than this amount are capitalised and depreciated on the Authority's asset register.

5.3 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 on Landfill Construction assets are amortised proportionately to the rate of filling based upon the projected remaining airspace of landfill cells as at the beginning of the reporting period. The Authority annually assesses the remaining airspace of landfill cells and accordingly, depreciation and amortisation rates are adjusted to reflect these estimates. 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	3 to 10 years
Buildings	30 - 50 years
Waste Facility	10 to 15 years
Landfill Construction	Amortised proportionately to rate of filling

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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 1 - Significant Accounting Policies (cont)

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.

The Authority recognises all presently entitled liabilities as current liabilities regardless of whether it is expected to be paid within the preceding 12 months of reporting date.

7.2 Superannuation

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

Accumulation Fund Members

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

Defined Benefit Members

Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial. The most recent full actuarial investigation conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

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

8 Rehabilitation

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

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and makes adjustments to the liability as required to ensure an accurate projected cost of the liability is showing in the balance sheet. The Authority will be undertaking further detailed reviews of all rehabilitation and restoration liability costs in future years with the assistance of external consultants to ensure all projected costs have been independently verified.

9 Inventory

Inventory held by the Authority reflect materials stored on site which have either been purchased or gifted which will be used for future Cell and Capping construction works to be undertaken in future years.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 1 - Significant Accounting Policies (cont)

10 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax". Receivables and Creditors include GST receivable and payable. Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable. Non-current assets and capital expenditures include GST net of any recoupment.

Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

11 Comparative Information

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

12 New Accounting Standards

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

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

13 Valuation of Land and Building Assets

Land and Building assets held by the Authority were valued by Opteon (South Australia) Pty Ltd with an effective valuation date of 30 June 2014 applied for financial reporting purposes. Assets were valued to their market value based on the current zoning of the Onkaparinga Council Development Plan and Environmental Protection Agency (EPA) constraints and assessed market values based on highest and best use. All purchases made post 30 June 2014 have been recorded at Cost.

14 Consolidation of Asset Classes

During the 2016/17 financial year, the Authority undertook a consolidation of a number of asset classes in Note 6 of the Financial Statements. There was no impact to the financial performance or position of the Authority as a result of the consolidating asset classes.

The Authority undertook a review of the recognition basis for each constructed landfill cell to determine the most appropriate and reliable method to measure the consumption of constructed landfill airspace and recognition of capital works for asset depreciation purposes. It was determined that consolidating all existing landfill sites into a single cell is the most reliable and accurate method of measuring landfill activities given that the site is now operated as one large single cell site. As a result, the WDV of all landfill cell assets was consolidated as at 1 July 2016 and renamed 'Super Cell' in Note 6.

A review of the ongoing capping obligations for the site is being undertaken in the 2017/18 financial year. Any changes to key assumptions or estimates will be applied in the 2017/18 financial year once the review has been completed.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 2 - INCOME

	Notes	2017 \$'000	2016 \$'000
USER CHARGES			
Landfill Operations		11,617	9,294
		<u>11,617</u>	<u>9,294</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		488	552
Banks & other		22	27
Investment property rental income		42	43
		<u>552</u>	<u>622</u>
OTHER INCOME			
Movement in Landfill Liabilities		-	228
Other Income		88	307
Southern Recycling Centre		156	96
		<u>244</u>	<u>631</u>

Note 3 - EXPENSES

EMPLOYEE COSTS			
Salaries and Wages		1,042	951
Employee leave expense		26	11
Superannuation		90	77
Workers' Compensation Insurance		50	43
Less: Capitalised and distributed costs		(14)	(57)
Total Operating Employee Costs		<u>1,194</u>	<u>1,025</u>
Total Number of Employees		11	10
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		16	19
Board Expenses		37	43
Operating Lease Rentals - cancellable leases		-	3
Subtotal - Prescribed Expenses		<u>53</u>	<u>65</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors		238	227
Fuel		135	104
Equipment Hire		19	12
Maintenance		299	391
Legal Expenses		14	55
Levies paid- EPA Levy		8,018	5,582
Professional services		20	41
Southern Recycling Centre		60	10
Sundry		384	361
Subtotal - Other Materials, Contracts & Expenses		<u>9,187</u>	<u>6,783</u>
		<u>9,240</u>	<u>6,848</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 3 - EXPENSES (cont)

	Notes	2017 \$'000	2016 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Landfill Construction		488	401
Buildings & Waste Facility		99	45
Plant & Equipment		362	338
Impairment	6	-	-
		<u>949</u>	<u>784</u>
OTHER EXPENSES			
Transfer to Provision of Cell 3-1 & 3-2 Capping		<u>78</u>	<u>75</u>
		<u>78</u>	<u>75</u>

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

PROPERTY, PLANT & EQUIPMENT			
Proceeds from disposal		163	5
Less: Carrying amount of assets sold		<u>(145)</u>	<u>-</u>
Gain (Loss) on disposal		<u>18</u>	<u>5</u>
NET GAIN (LOSS) ON DISPOSAL OF ASSETS		<u>18</u>	<u>5</u>

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		3,787	1,304
Short Term Deposits & Bills, etc		<u>16,153</u>	<u>17,765</u>
		<u>19,940</u>	<u>19,069</u>
TRADE & OTHER RECEIVABLES			
Accrued Revenues		19	25
Debtors - general		1,994	823
Prepayments		<u>12</u>	<u>19</u>
		<u>2,025</u>	<u>867</u>
INVENTORIES			
Stores & Materials		-	48
		<u>-</u>	<u>48</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 6 - PROPERTY, PLANT & EQUIPMENT

	2016				2017			
	\$'000				\$'000			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	1,427	400	-	1,827	1,427	400	-	1,827
Buildings	560	780	(41)	1,299	560	3,825	(351)	4,034
Waste Facility	-	312	(211)	101	-	-	-	-
Plant & Equipment	-	4,220	(2,720)	1,500	-	4,150	(2,358)	1,792
Motor Vehicles	-	74	(13)	61	-	-	-	-
Office Equipment	-	126	(113)	13	-	132	(102)	30
Landfill Construction:								
Landfill Cell 3-1 & 3-2	-	5,293	(5,293)	-	-	-	-	-
Landfill Cell's 3-1 & 3-2 Capping	-	828	(828)	-	-	-	-	-
Cell 3-3 & 3-4 (Lower)	-	3,705	(3,264)	441	-	-	-	-
Cell 3-3 & 3-4 (Lower) Capping	-	2,755	(588)	2,167	-	-	-	-
Cell 4	-	3,607	(1,432)	2,175	-	-	-	-
Cell 4 (Capping)	-	1,727	(991)	736	-	-	-	-
Super Cell	-	-	-	-	-	7,436	(4,867)	2,569
Super Cell Capping	-	-	-	-	-	4,737	(1,777)	2,960
Post Closure Rehabilitation	-	5,733	(5,733)	-	-	5,851	(5,740)	111
Future Restoration Costs	-	4,028	(2,384)	1,644	-	4,159	(2,495)	1,664
Work in Progress	-	2,497	-	2,497	-	94	-	94
TOTAL PROPERTY, PLANT & EQUIPMENT	1,987	36,085	(23,611)	14,461	1,987	30,784	(17,690)	15,081
Comparatives	1,987	33,320	(18,693)	16,614	1,987	33,320	(18,693)	16,614

This Note continues on the following pages.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 6 - PROPERTY, PLANT & EQUIPMENT

	2016 \$'000 CARRYING AMOUNT	CARRYING AMOUNT MOVEMENTS DURING YEAR \$'000							2017 \$'000 CARRYING AMOUNT
		Additions		Disposals	Depreciation	Impairment	Adjustments	Transfer	
		Capital	Renewals						
Land	1,827	-	-	-	-	-	-	-	1,827
Buildings	1,299	714	-	-	(99)	-	2,120	-	4,034
Waste Facility	101	-	-	-	-	-	(101)	-	-
Plant & Equipment	1,500	-	732	(145)	(356)	-	61	-	1,792
Motor Vehicles	61	-	-	-	-	-	(61)	-	-
Office Equipment	13	-	23	-	(6)	-	-	-	30
Landfill Construction:									
Landfill Cell 3-1 & 3-2	-	-	-	-	-	-	-	-	-
Landfill Cell's 3-1 & 3-2 Capping	-	-	-	-	-	-	-	-	-
Cell 3-3 & 3-4 (Lower)	441	-	-	-	-	-	(441)	-	-
Cell 3-3 & 3-4 (Lower) Capping	2,167	-	-	-	-	-	(2,167)	-	-
Cell 4	2,175	-	-	-	-	-	(2,175)	-	-
Cell 4 (Capping)	736	-	-	-	-	-	(736)	-	-
Super Cell	-	126	-	-	(173)	-	2,616	-	2,569
Super Cell Capping	-	254	-	-	(197)	-	2,903	-	2,960
Post Closure Rehabilitation	-	118	-	-	(7)	-	-	-	111
Future Restoration Costs	1,644	131	-	-	(111)	-	-	-	1,664
Work in Progress	2,497	-	-	-	-	-	(2,019)	(384)	94
TOTAL PROPERTY, PLANT & EQUIPMENT	14,461	1,343	755	(145)	(949)	-	-	(384)	15,081
Comparatives	16,614	3,068	39	(60)	(784)	-	(4,416)	-	14,461

This Note continues on the following pages.

* Work in Progress transfer of \$0.384 million relates to asset contributed to the Southern Recycling Centre Joint Venture.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 7 - LIABILITIES

	Notes	2017 \$'000		2016 \$'000	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		2,469	-	1,190	-
Accrued expenses - other		60	-	175	-
		2,529	-	1,365	-
PROVISIONS					
Annual Leave		78	-	74	-
Long Service Leave		71	32	62	20
Post Closure Rehabilitation		-	3,772	-	3,654
Cell Capping - 3-1 & 3-2		-	2,474	-	2,396
Cell Capping - 3-3 & 3-4 (Lower)		-	2,845	-	2,755
Cell 4 Capping		-	1,892	-	1,727
Future Restoration Costs		-	4,159	-	4,028
		149	15,174	136	14,580

Movements in Provisions - 2017 year only (current & non-current)	Opening Balance	Additional Amounts Recognised/ (Derecognised)	Payments	Closing Balance
Post Closure Rehabilitation	3,654	118	-	3,772
Cell Capping -3-1 & 3-2	2,396	78	-	2,474
Cell Capping - 3-3 & 3-4 (Lower)	2,755	90	-	2,845
Cell 4 Capping	1,727	165	-	1,892
Future Restoration Costs	4,028	131	-	4,159
Total	14,560	582	-	15,142

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 8 - RECONCILIATION OF CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2017 \$'000	2016 \$'000
Total cash & equivalent assets	5	19,940	19,069
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>19,940</u>	<u>19,069</u>

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

Net Surplus (Deficit)	1,375	1,800
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	949	784
Net (Gain) loss in Equity Movement Joint Venture	(265)	20
Net (Gain) Loss on Disposals	(45)	(5)
	<u>2,014</u>	<u>2,599</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(1,018)	182
Net (increase) decrease in inventories	48	1
Net (increase) decrease in other current assets	-	-
Net increase (decrease) in trade & other payables	1,166	(49)
Net increase (decrease) in other provisions	(10)	(141)
Net Cash provided by (or used in) operations	<u>2,200</u>	<u>2,592</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

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

(d) Financing Arrangements

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

Corporate Credit Cards	18	18
------------------------	----	----

The Authority has no bank overdraft facility.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term	Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.
Deposits	<p>Terms & conditions: Deposits are returning fixed interest rates of 1.25 - 2.5% (2016: 1.5 - 2.8%). Short term deposits have an average maturity of 90 days (2016: 90 days).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Gate Fees & Associated Charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Net Fair Value

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

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and the ANZ Bank. 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.

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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 9 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2017	Floating Interest Rate \$'000	≤ 1 year \$'000	Fixed interest maturing in > 1 year ≤ 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
Financial Assets						
Fair Value through P&L						
Cash Assets	3,787	16,153	-	-	-	19,940
Loans & Receivables						
Receivables	-	-	-	-	2,025	2,025
Total	3,787	16,153	-	-	2,025	21,965
<i>Weighted Average Interest Rate</i>	<i>1.25%</i>	<i>2.50%</i>				
Financial Liabilities						
Payables	-	-	-	-	2,529	2,529
Total	-	-	-	-	2,529	2,529
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	3,787	16,153	-	-	(504)	19,436
2016	Floating Interest Rate \$'000	≤ 1 year \$'000	Fixed interest maturing in > 1 year ≤ 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
Financial Assets						
Fair Value through P&L						
Cash Assets	1,304	17,765	-	-	-	19,069
Loans & Receivables						
Receivables	-	-	-	-	867	867
Total	1,304	17,765	-	-	867	19,936
<i>Weighted Average Interest Rate</i>	<i>1.50%</i>	<i>2.80%</i>				
Financial Liabilities						
Payables	-	-	-	-	1,365	1,365
Total	-	-	-	-	1,365	1,365
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,304	17,765	-	-	(498)	18,571

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 10 - COMMITMENTS FOR EXPENDITURE

	2017 \$'000	2016 \$'000
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Resource Recovery Facility	-	527
	-	527
These expenditures are payable:		
Not later than one year	-	527
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	-	527
Other Expenditure Commitments		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	55	73
	55	73
These expenditures are payable:		
Not later than one year	18	18
Later than one year and not later than 5 years	37	55
Later than 5 years	-	-
	55	73

NOTE 11 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL PERFORMANCE

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

1. Potential Insurance Losses

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

2. Legal Expenses

All known costs have been recognised.

Note 12 - EVENTS OCCURRING AFTER REPORTING DATE

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 13 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a uniform and consistent basis. The uniform presentation represents a simplified version of reporting under the Government Finance Statistics (GFS) framework of the Australian Bureau of Statistics.

	2017 \$'000	2016 \$'000
Income	12,678	10,547
<i>less</i> Expenses	(11,461)	(8,752)
Operating Surplus / (Deficit)	1,217	1,795
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	754	39
Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	(1,027)	(859)
Proceeds from Sale of Replaced Assets	-	-
	(273)	(820)
<i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	863	2,739
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	(163)	(5)
	700	2,734
Net Lending / (Borrowing) for Financial Year	790	(119)

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 14 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under Section 112 of the *Local Government Act 1999*. In all, 4 persons were paid the following total compensation:

	2017 \$'000
Salaries, allowances & other short term benefits	420
Post-employment benefits	-
Long term benefits	39
Termination Benefits	-
TOTAL	459

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Onkaparinga	4,080	343	Provision of waste disposal services
City of Holdfast Bay	697	35	Provision of waste disposal services
City of Marion	1,776	167	Provision of waste disposal services

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 15 - EQUITY ACCOUNTED JOINT VENTURE

Southern Recycling Centre (SRC)

The Authority has entered into a joint venture arrangement with Integrated Waste Services Pty Ltd to operate the Southern Recycling Centre located on the Authority's landfill site.

	2017 \$'000	2016 \$'000
The Authority's respective interests are:		
- interest in operating result:	49.99%	49.99%
- ownership of equity	49.99%	49.99%
the proportion of voting power	50.00%	50.00%
<u>Movement in Investment in Joint Operation:</u>		
Opening Balance	164	189
New Capital Contributions	405	145
Share in Operating Result	71	124
Equity Adjustment	194	(144)
Distributions Received	(125)	(150)
Share in Equity of Joint Operation	709	164

Expenditure Commitments

There were no expenditure commitments at reporting date that required to be recognised in the financial statements.

Contingent Liabilities

There were no contingent liabilities at reporting date that required to be recognised in the financial statements.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 16 - FAIR VALUE MEASUREMENTS

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

- Land assets.

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

(a) **Fair value hierarchy**

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

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

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

Valuation techniques

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

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 16 - FAIR VALUE MEASUREMENTS (Cont.)

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

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2017					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
- Land	6	-	1,427	-	1,427
- Buildings	6	-	560	-	560
Total financial assets recognised at fair value		-	1,987	-	1,987

2016					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
- Land	6	-	1,427	-	1,427
- Buildings	6	-	560	-	560
Total financial assets recognised at fair value		-	1,987	-	1,987

(b) Disclosed fair value measurements

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

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

David Chant FCPA
Simon Smith FCPA
David Sullivan CPA
Jason Seidel CA
Renae Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CPA

SOUTHERN REGION WASTE RESOURCE AUTHORITY

GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2017

Statement by Auditor

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

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Luke Williams CPA Registered Company Auditor
Partner

31 / 08 / 2017

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INDEPENDENT AUDITOR'S REPORT

To the members of the Southern Region Waste Resource Authority

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of the Southern Region Waste Resource Authority ("the Authority"), which comprises the balance sheet as at 30 June 2017, 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 Chairman.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with the Australian 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 entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our 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 the 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 relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

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

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

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



Luke Williams CPA Registered Company Auditor
Partner

31 / 08 / 2017

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTHERN REGION WASTE RESOURCE AUTHORITY

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE SOUTHERN REGION WASTE RESOURCE AUTHORITY

We have audited the compliance of the Southern Region Waste Resource Authority ("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 2016 to 30 June 2017 have been conducted properly and in accordance with law.

The Authority's 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, with acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

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 the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with the law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the 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 2016 to 30 June 2017. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design of controls on a sample basis based on the assess risk.

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 which it was prepared.

Inherent Limitation.

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not to 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.

Independence

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

Opinion

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 relating 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 year ended 30 June 2017.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Luke Williams CPA Registered Company Auditor
Partner

31 / 08 / 2017

Council Solutions Regional Authority
General Purpose Financial Reports
for the year ending 30 June 2017

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

I have been authorised by the Council Solutions Regional Authority Board to certify the financial statements of the Council Solutions Regional Authority in their final form. In my opinion:

- The accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- The financial statements present a true and fair view of the Council Solutions Regional Authority's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year.
- Internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect the Council Solutions Regional Authority's accounting and other records.



Catherine Cooper
Chair Of The Board

Date: 22/08/2017

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

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

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

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

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

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

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

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

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

STATEMENT OF CASH FLOW
for the year ended 30 June 2017

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

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

Council Solutions Regional Authority

Notes to and forming part of the Financial Statements

for the year ending 30 June 2017

Note 1 - Significant Accounting Policies

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

Council Solutions Regional Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils and their respective share of equity are as follows:

Constituent Council	Equity Share
Adelaide City Council	16.67%
City of Charles Sturt	16.67%
City of Marion	16.67%
City of Onkaparinga	16.67%
City of Salisbury	16.67%
City of Tea Tree Gully	16.67%

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 1 May 2011.

1 Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs. All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 Income recognition

Management Fee Income is recognised when the Constituent Councils enter into the purchase of a good or service from a Supplier contracted to provide the Authority (or in the case of some prior contracts that were created jointly between the six constituent Council) with a Management Fee.

3 Cash, Cash Equivalents and other Financial Instruments

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

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

All financial instruments are recognised at fair value at the date of recognition.

4 Infrastructure, Property, Plant & Equipment

The Authority did not procure any non-current assets during the reporting period and does not hold any non-current assets as at the reporting date.

5 Employee Benefits

All employees are employed through Adelaide City Council, one of the Constituent Councils. Those employees are then contracted to the Authority.

Council Solutions Regional Authority
Notes to and forming part of the Financial Statements
for the year ending 30 June 2017

6 GST Implications

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

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

7 Comparative Information

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

8 Critical Accounting Estimates and Judgements

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

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

Accounts receivable are reviewed at each reporting date to establish the collectability.

9 Pending Accounting Standards

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

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 17	Leases
AASB 1058	Income of Not-for-Profit Entities

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

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

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

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

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

Note 2 - INCOME

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

Note 3 - EXPENSES

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

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

Note 4 - CURRENT ASSETS

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

Note 5 - LIABILITIES

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

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

Note 6 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

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

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

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

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

Note 7 - FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The Authority's exposure to interest rate risk, which is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on those applicable financial assets and liabilities is as follows;

2016-17

	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instruments	Fair Value of Fixed Interest rate instruments maturing within One Year	Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs	Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs	Fair Value of Non-Interest Bearing Instruments
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:						
Cash	1.8%	334	-	-	-	-
Receivables	0.0%	-	-	-	-	469
Total Financial Assets		334	-	-	-	469
Financial Liabilities:						
Creditors and Provisions	0.0%	-	-	-	-	277
Total Financial Liabilities		-	-	-	-	277

2015-16

	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instruments	Fair Value of Fixed Interest rate instruments maturing within One Year	Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs	Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs	Fair Value of Non-Interest Bearing Instruments
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:						
Cash	1.8%	267	-	-	-	-
Receivables	0.0%	-	-	-	-	390
Total Financial Assets		267	-	-	-	390
Financial Liabilities:						
Creditors and Provisions	0.0%	-	-	-	-	55
Total Financial Liabilities		-	-	-	-	55

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

Note 7 - FINANCIAL INSTRUMENTS

(b) Credit Risk

Credit Risk represents the loss that would be recognised if other entities failed to perform as contracted.

The Authority's exposure to credit risk is limited to receivables - the Authority's maximum exposure is disclosed in the financial statements net of any provision for doubtful debts

(c) Net Fair Value

The net fair value of a financial instrument is defined as its value net of all costs to settle the asset and liability.

The financial assets and liabilities as stated or referred to in notes (a) and (b) above, are stated at their face value (less provision for doubtful debts if applicable).

Due to the nature of financial instruments held in the Authority, the cost associated with their settlement would not be material and have not been considered.

Note 8 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL (KMP)

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

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

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

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

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Council Solutions Regional Authority for the year ended 30 June 2017, the Council's Auditor, Ian G McDonald, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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



Catherine Cooper
CHAIR

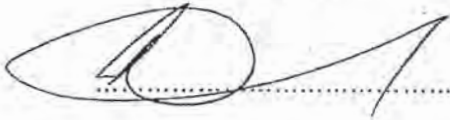
Date:

29/8/17.



Tanya Johnston
PRESIDING MEMBER OF AUDIT COMMITTEE

Date: 22/8/2017



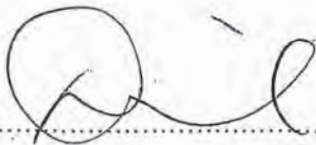
Mark Dowd
CHIEF EXECUTIVE OFFICER
City of Onkaparinga

Date: 31/8/2017



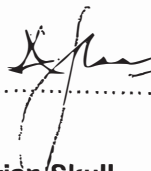
Mark Goldstone
CHIEF EXECUTIVE OFFICER
City of Adelaide

Date: 21/8/17



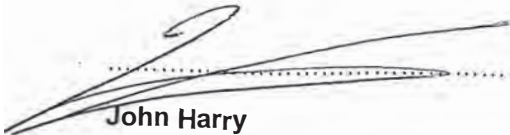
Darren Birbeck
ACTING CHIEF EXECUTIVE OFFICER
City of Charles Sturt

Date: 22/8/2017



Adrian Skull
CHIEF EXECUTIVE OFFICER
City of Marion

Date: 25-8-2017



John Harry
CHIEF EXECUTIVE OFFICER
City of Salisbury

Date:

24/8/2017



John Moyle
CHIEF EXECUTIVE OFFICER
Tea Tree Gully

Date: 17/8/2017

Council Solutions Regional Authority

ANNUAL FINANCIAL STATEMENTS For the year ended 30 June 2017

STATEMENT BY AUDITOR

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

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



Ian G McDonald FCA

Dated this 11th day of August 2017

Council Solutions Regional Authority Independent Auditor's Report

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

Opinion

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

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

Basis for Opinion

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

Other Information – Basis of Accounting and Restriction on Distribution

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

Responsibilities of Management for the Financial Report

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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



Ian G McDonald FCA
Registered Company Auditor

Dated at Grange this 18th day of September 2017