

# ANNUAL REPORT 2019/20



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# WELCOME FROM THE MAYOR

Welcome to the City of Marion Annual Report for 2019/2020.

COVID-19 has affected all of us in some way. Council closed Neighbourhood Centres and Libraries and reached out to vulnerable members of the community in a number of different ways. We waived rent and utilities charges at Council facilities, for sports clubs, etc. Deferral of rates payment was granted in cases of hardship.

In June, Council voted not to increase the average residential rate (in percentage terms) for the 2020/21 year to support our residents and local businesses in the time of the virus.

This followed our decision to maintain a rate rise of 1.8 per cent for 2019/2020. This was the lowest average residential rate percentage increase of any suburban council.

By working efficiently and innovatively we have continued to deliver the projects and services our community needs.

Our major achievements included:

- Working with the Federal and State governments to open the \$174 million Oaklands Crossing upgrade
- Opening the \$3.7 million redevelopment of Morphettville Park Sports and Community Club
- Reopening 2.5km of the Coastal Walkway following its temporary closure for repairs. (I thank the State Government for providing matching funding of \$2.4 million to jointly fund Council's plan to rebuild Grey Road and Kurnabinna Terrace gullies, and connect the walkway between Heron Way Reserve and the Field River)
- Delivering about \$3 million in streetscape upgrades, including paving, landscaping and planting trees
- Completing more than \$2.6 million of improvements to reserves, including Bandon Terrace Reserve in Marino, Hazelmere Reserve Dog Park in Glengowrie, and Crown Street Reserve in Dover Gardens

Council also agreed to fund a \$2 million playground within Glenthorne National Park.

We continued to champion the wishes of our community, including advocacy to improve the State Government's draft Planning and Design Code.

Our formal submission to the draft Code sought to protect our community from the impacts of excessive urban infill in some areas, while encouraging development in other areas - after considerable community consultation. All we are after is a fair balance between the rights of developers and existing residents. As of August this year, we had not received a formal response to our requests.

Additionally, we called on our community to help identify footpaths which needed fixing. The "Footpath Blitz" campaign led to more than 355 footpaths being nominated for repair. They will be fixed in the 2020/21 financial year.

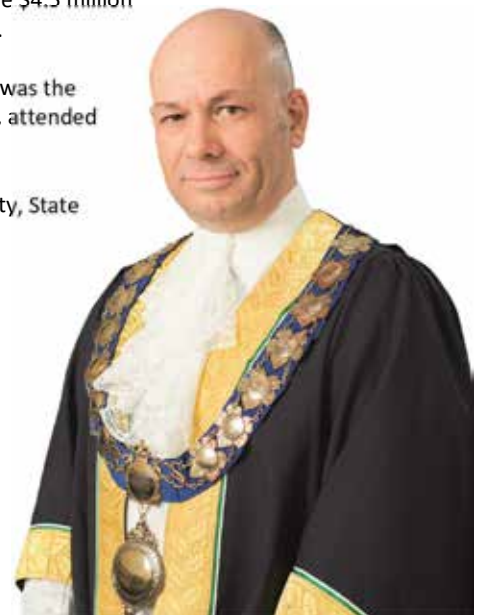
Our focus on improving sports and recreational facilities continued, with work on the \$4.5 million transformation of Marion Outdoor Pool. This is due for completion in October 2020.

We continued to bring our community together at events. The highlight of the year was the hugely successful ASO outdoor performance at Warriparinga next to the Sturt River, attended by more than 2300 people.

Thank you to everyone who has worked with us to improve our area - the community, State and Federal Governments, elected Councillors and staff, and many more.

Yours faithfully,

**Kris Hanna**  
Mayor



# MESSAGE FROM THE CEO

The global pandemic (COVID-19) has meant this year has been challenging for everyone.

More than ever the health and safety of our community has been our priority – as has continuing to deliver vital services.

Our response to the coronavirus included delivering some services in new and innovative ways.

From March to July this included:

- 135,343 views of live streaming entertainment and education programs from the Domain Theatre
- 4,734 wellbeing calls made to vulnerable residents and 5,238 frozen meals delivered
- 571 activity packs with exercise tips delivered to older residents
- 129 Adult Community Education classes delivered online

I'm very proud of the way we shifted the organisation quickly and effectively to support people through this difficult time.

We also progressed a number of major projects in line with Council's focus on improving sporting and community facilities.

Council voted to begin design work for the \$12.8 million construction of new soccer and BMX facilities on Majors Road, O'Halloran Hill.

This will deliver a new \$7 million home for Cove Football (soccer) Club. The Sam Willoughby International BMX track will cost \$5.8 million and be home to The Cove and Happy Valley BMX clubs.

Council's \$4.5 million for the Southern Football Facility was supported by \$2.5 million from State Government.

The BMX facility is being funded by \$1.75 million from Council, \$3.3 million from State Government, and \$750,000 from Onkaparinga Council.

Preliminary work progressed on the \$15.74 million rebuild of Mitchell Park Sports and Community Centre. Council is contributing \$10.74 million and the Australian Government \$5 million.

Building strong partnerships helped secure considerable external funding for these and other projects.

We continued to look for new ways to protect the environment. This included conducting a carbon inventory of our operational activities to identify areas for improvement. We reached more than 13,000 people with online sustainability workshops through our involvement in the Resilient South program.

Working collaboratively with the Cities of Charles Sturt and Port Adelaide Enfield has enabled all three Councils to upgrade irrigation systems more cost-effectively than if we worked in isolation. The team delivered more than \$1.6 million of capital works across the three council areas.

The Revitalisation of Edwardstown Employment Precinct continued with the adoption of an action plan to boost the local economy.

Our commitment to partnerships has brought many successes. The \$95,000 transformation of First Avenue Reserve in Ascot Park won the 2020 Australian Institute of Landscaping Architects award for Small Projects.

Judges noted how the successful involvement of community groups helped deliver the work.

Council underlined its commitment to building an inclusive community by endorsing the Stretch Reconciliation Action Plan 2019 – 2023. The plan embeds Reconciliation actions in all our projects and programs.

Thank you to everyone who has helped shape our city by contributing ideas during our many community consultations.

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

The six themes of our Community Vision represent the shared values and aspirations that guide how our city develops, towards 2040. These outcomes are important for this community now and into the future:



### ENGAGED

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

### 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.

### 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.

### 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.

### 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

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<b>Location</b>	South-Western suburbs of Adelaide
<b>Land area</b>	56.18 kms <sup>2</sup>
<b>Estimated resident population</b>	93,448
<b>Residents born overseas</b>	24,185
<b>Landmarks</b>	Cove Civic Centre Living Kurna Cultural Centre Hallett Cove Coastal Walking Trail Hallett Cove Conservation Park Marion Cultural Centre Marion Outdoor Pool Morphettville Racecourse Oaklands Wetlands & Recreation Plaza SA Aquatic and Leisure Centre Tonsley Innovation District Westfield Shopping Centre
<b>Gross Regional Product</b>	\$3.690 billion
<b>Leading Employment Sectors</b>	Retail, Health, Community, Manufacturing
<b>Council Members</b>	13
<b>Wards</b>	6
<b>Operating Expenditure</b>	\$87.4 million
<b>Revenue</b>	\$93.8 million with \$77.2 million from general rates
<b>Rateable properties</b>	43,605
<b>Average residential rate</b>	\$1,484
<b>Rate increase from 2018/19</b>	1.8%
<b>Library items loaned</b>	658,129
<b>Website visits</b>	654,029
<b>Volunteers</b>	348 contributing 32,363 hrs totalling \$1.45 million
<b>Street trees planted</b>	3,300
<b>Development applications</b>	2,093
<b>Value of Development applications</b>	\$196 million
<b>Distance of footpaths</b>	832 km
<b>Distance of roads</b>	493 km
<b>Distance of stormwater network (drains)</b>	266 km

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# STRATEGIC PLANS

The City of Marion's 10-Year Strategic Plan 2017-2027 and 4-year Business Plan July 2019 – June 2023 have provided directions for strategic decision-making.

In 2019-20 work areas within Council commenced, progressed and/or delivered a significant number of projects including a suite of major infrastructure projects including:

- Mitchell Park Sports and Community Centre Redevelopment
- Edwardstown Employment Precinct
- Sam Willoughby BMX Facility
- Morphetville Park Sports and Community Club

Details of these projects are provided in this Annual Report.

These actions and projects will help us to deliver the Community Vision for a city that is Liveable, Valuing Nature, Engaged, Prosperous, Innovative and Connected.





# BRIEF OVERVIEW OF FINANCIAL PERFORMANCE

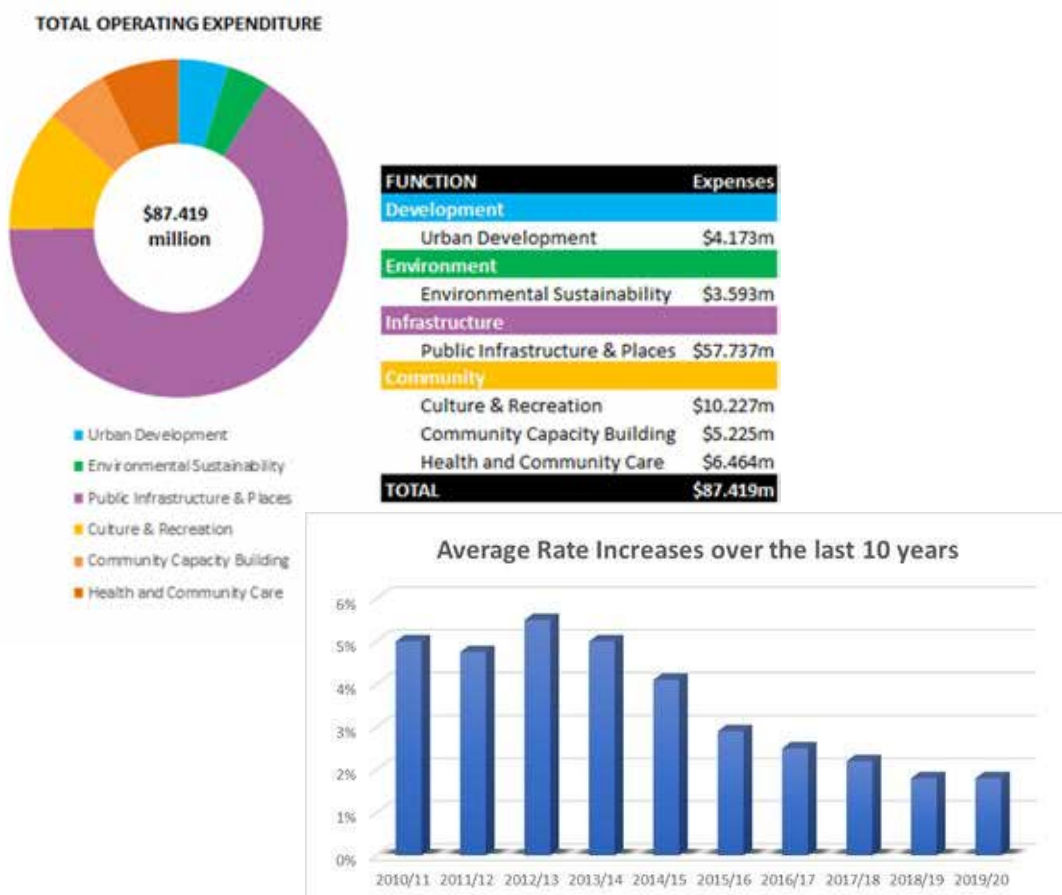
The City of Marion is in a strong financial position, providing a sound basis for Council's long-term objectives identified in the Strategic Plan. Below is a synopsis of Council's financial position.

There has been a strong commitment from Council to reduce the financial rate burden while continuing to deliver significant Infrastructure projects. Our rate increase remained at 2018/19 levels (see diagram below) with 2019/20 adopting an average 1.8% increase, while achieving an operating surplus of \$6.396 million. The operating surplus achieved was below the original budgeted operating surplus of \$7.281m adopted by Council. The main factors for this decrease include:

• Other Income (contributions) deferred to 2020/21	\$0.802m
• Reimbursement revenue increased	\$0.616m
• Investment Income increased	\$0.238m
• Statutory Charges and User Charges decreased	\$0.089m
• Employee costs increased	\$0.582m
• Lower than Budgeted Materials, Contracts and Other expenses	\$1.129m
• Increase in Depreciation, Amortisation & Impairment	\$0.524m

Sustaining an operating surplus is critical to renewing and maintaining the \$1.2 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 \$6.396 million which provides funding for renewal, replacement and upgrade of community assets.
- \$93.815 million revenue with 85 per cent coming from rates.
- \$87.419 million operating expenditure (see diagram below).
- \$1.2 billion net assets, providing community facilities, infrastructure and open space.

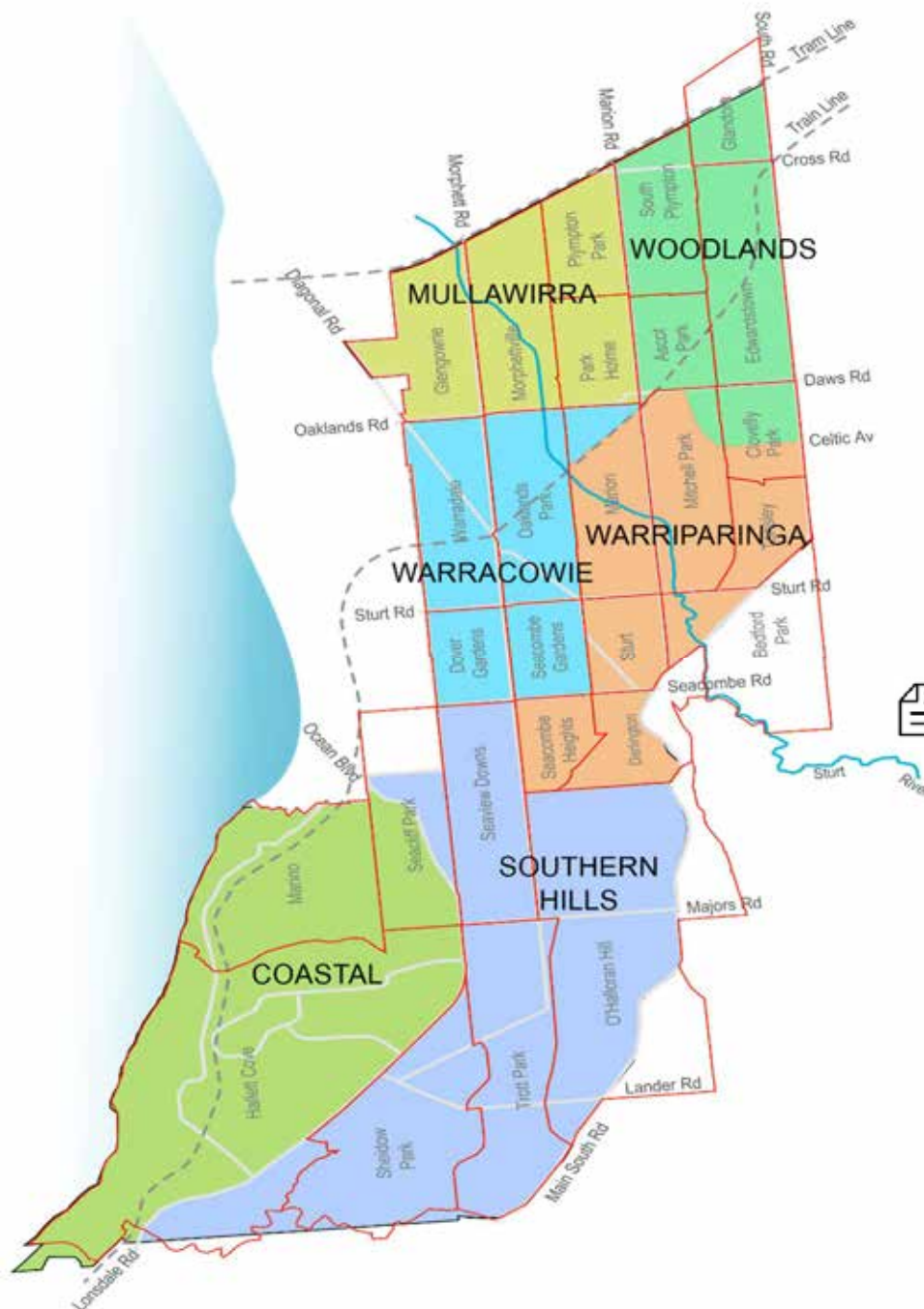


# COUNCIL AREA AND WARD BOUNDARIES

The Council comprises of an elected Mayor and 12 Councillors. The city has 27 suburbs, covered by six wards, each ward represented by two Councillors.

In the City of Marion, one Council Member represents (on average) 5,460 voters (known as a 'representation quota'). To ensure Council Members fairly represent residents and facilities in each ward, every eight years, a Representation Review is held. The outcomes of the review determine whether a council community would benefit from a change to the Council's composition or ward structure. It must address the current state and planning for the future requirements of the Council area. The *Local Government Act 1999 (the Act)* sets out the requirements for a representation review.

The City of Marion last reviewed its structure in 2013. In accordance with legislation, a review is scheduled for 2020/21, where the outcome will be implemented at the 2022 Local Government Election.



## Representation Quotas

Comparison with other Metropolitan Councils with 12 Council Members

**1:5460**  
(Marion)

**1:2324**  
(Holdfast Bay)

**1:6114**  
(Tea Tree Gully)

**1:10478**  
(Onkaparinga)

# COUNCIL MEMBERS

## MAYOR

Kris Hanna

*Jun '19 – Jun '20*

*Review and Selection Committee (Presiding Member)*

*Urban Planning Committee*

*Infrastructure and Strategy Committee*



## COASTAL WARD COUNCILLORS

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



### COUNCILLOR

Ian Crossland

*Jun '19 – Nov '19 Infrastructure and Strategy Committee*

*Nov '19 – Jun '20 Urban Planning Committee (Presiding Member)*

*Feb '20 – Jun '20 Finance and Audit Committee*



### COUNCILLOR

Tim Gard

*Jun '19 – Jun '20 Finance and Audit Committee*

*Jun '19 – Jun '20 Infrastructure and Strategy Committee*

## MULLAWIRRA WARD COUNCILLORS

GLENGOWRIE, PLYMPTON PARK,  
PARK HOLME, MORPHETTVILLE



### COUNCILLOR

Jason Veliskou

*Jun '19 – Nov '19 Review and Selection Committee*

*Nov '19 – Jun '20 Infrastructure and Strategy*

*Committee (Presiding Member)*



### COUNCILLOR

Kendra Clancy

*Jun '19 – Nov '19 Finance and Audit Committee*

*Jun '19 – Jun '20 Review and Selection Committee*



## SOUTHERN HILLS WARD COUNCILLORS

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



### COUNCILLOR

Maggie Duncan

*Jun '19 – Jun '20 Urban Planning Committee  
Jun '19 – Jun '20 Council Assessment Panel*



### COUNCILLOR

Matthew Shilling

*Deputy Mayor*

*Sep '19 – Jun '20*

*Jun '19 – Nov '19 Infrastructure and Strategy Committee*

*Nov '19 – Feb '20 Finance and Audit Committee*

*Nov '19 – Jun '20 Review and Selection Committee*

## WARRACOWIE WARD COUNCILLORS

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



### COUNCILLOR

Bruce Hull

*Jun '19 – Jun '20 Infrastructure and Strategy Committee*



### COUNCILLOR

Nathan Prior

*Jun '19 – Nov '19 Urban Planning Committee (Presiding Member)*

*Nov '19 – Jun '20 Urban Planning Committee*

## WARRIPARINGA WARD COUNCILLORS

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



### COUNCILLOR

Raelene Telfer

*Jun '19 – Nov '20 Urban Planning Committee  
Jun '19 – Jun '20 Council Assessment Panel (Deputy Member)  
Nov '19 – Jun '20 Infrastructure and Strategy Committee*



### COUNCILLOR

Luke Hutchinson

*Jun '19 – Nov '19 Infrastructure and Strategy Committee  
(Presiding Member)  
Nov '19 – Jun '20 Review and Selection Committee*

## WOODLANDS WARD COUNCILLORS

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



### COUNCILLOR

Tim Pfeiffer

*Resigned August '19 effective from September '19  
Deputy Mayor  
Jun '19 – Sept '19  
Jun '19 – Sept 19 Review and Selection Committee*



### COUNCILLOR

Sasha Mason

*Elected December 2019 (following supplementary  
election)  
Jan '20 – Jun '20 Infrastructure and Strategy  
Committee*



### COUNCILLOR

Joseph Masika

*Jun '19 – Jun '20 Urban Planning Committee*

## EXECUTIVE LEADERSHIP TEAM



**CHIEF EXECUTIVE OFFICER**  
Adrian Skull

PEOPLE AND CULTURE, CITY SERVICES,  
CITY DEVELOPMENT, CORPORATE  
SERVICES



**GENERAL MANAGER,  
CITY SERVICES**  
Tony Lines

ENGINEERING ASSETS &  
ENVIRONMENT, OPERATIONS,  
COMMUNITY CONNECTIONS,  
CORPORATE GOVERNANCE



**GENERAL MANAGER,  
CITY DEVELOPMENT**  
Ilia Houridis

CITY PROPERTY, DEVELOPMENT &  
REGULATORY SERVICES,  
CITY ACTIVATION



**GENERAL MANAGER,  
CORPORATE SERVICES**  
Sorana Dinmore

FINANCE, INFORMATION  
TECHNOLOGY &  
TRANSFORMATION,  
STRATEGIC PROCUREMENT,  
CUSTOMER EXPERIENCE



## DECISION-MAKING AND STRUCTURE OF COUNCIL

The Mayor and Council Members attend Council meetings and participate in the decision-making process, providing the direction and authority for the organisation's ongoing operations. While decisions are made at Council meetings, the City of Marion also has four Committees, which assist the Council to accomplish its objectives and add value to the decisions of Council through the provision of advice.

From the 1 July 2019 – 30 June 2020, Council's formal decision-making and Committee structure comprised:

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

Pursuant to the Planning, Development and Infrastructure Act, Council has also established a Council Assessment Panel (CAP). The CAP considers a wide range of development applications, ensuring that new development proposals are consistent with Council's Development Plan.

All meetings are open to the public. Documentation for each meeting (notice 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. The table below shows the total number of meetings attended that each Council Member was eligible to attend. (Note: There was a change in Committee Members from November 2019.)

	General Council	Special Council	Urban Planning	**Finance & Audit	Council Assessment Panel	Infrastructure & Strategy	Review & Selection
<b>Number of Meetings</b>	<b>17*</b>	<b>5</b>	<b>7</b>	<b>5</b>	<b>12</b>	<b>7</b>	<b>8</b>
<b>Mayor Kris Hanna</b>	15/17	5/5	7/7	-	-	7/7	8/8
<b>Cr Kendra Clancy</b>	17/17	4/5	-	2/3	-	-	8/8
<b>Cr Ian Crossland</b>	15/17	3/5	4/4	0/1	-	2/3	-
<b>Cr Maggie Duncan</b>	17/17	5/5	7/7	-	12/12	-	-
<b>Cr Tim Gard</b>	16/17	4/5	-	4/5	-	4/7	-
<b>Cr Bruce Hull</b>	17/17	3/5	-	-	-	7/7	-
<b>Cr Luke Hutchinson</b>	13/17	3/5	-	-	-	-	3/4
<b>Cr Joseph Masika</b>	15/17	3/5	4/7	-	-	-	-
<b>Cr Sasha Mason</b> (Elected December 2019)	8/9	2/2	-	-	-	3/3	-
<b>Cr Tim Pfeiffer</b> (Resigned effective September 2019)	3/3	1/1	-	-	-	-	1/1
<b>Cr Nathan Prior</b>	16/17	5/5	7/7	-	-	-	-
<b>Cr Matthew Shilling</b>	15/17	5/5	-	0/1	-	2/4	3/4
<b>Cr Raelene Telfer</b>	17/17	5/5	3/3	-	0/12***	4/4	-
<b>Cr Jason Veliskou</b>	17/17	5/5	-	-	-	4/4	4/4

Note: The figures shown indicate the number of meetings a member attended out of the maximum they were eligible to attend.

\* 18 General Council Meetings were scheduled, however, one was cancelled (23 March 2020 GC200323)

\*\* Cr Shilling resigned from FAC as of 11 Feb 2020. Cr Crossland was appointed from 25 Feb to 30 Nov 2020

\*\*\* 'stand-in' member only (Council Assessment Panel)

# COUNCIL MEETINGS

The *Local Government Act 1999* (The Act) 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 Council 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' is a legal decision formed by a majority vote within a formally constituted meeting of council. During the financial year, 450 resolutions were made by Council resulting from 151 corporate reports seeking a decision.

The Community made deputations on the following topics:

- Future Management of the Living Kurna Cultural Centre (*July '19*)
- Cat Curfew (*August '19*)
- Cove Football Club (*September '19 and October '19*)
- Diagonal Road Oaklands Park Road Closure (*October '19*)
- Driveway Link – De Laine Avenue, Edwardstown (*November '19 and January '20*)
- Lucretia Way Detention Basin (*December '19*)
- Planning and Design Code (*January '20*)
- Mitchell Park Netball Club (*February '20*)
- Climate Change Emergency Declaration (*February '20*)
- Australia Day Council of South Australia (*April '20*)
- Cormorant Reserve (*April '20*)
- Future of Business Associations (*May '20*)
- Lower Field River Native Vegetation Management Plan (*May '20*)
- Drug ARM Warradale (*May '20*)
- Heron Way to Field River Section of the Coastal Walkway (*June '20*)

Petitions were received on the following matters:

- Marion Community / Neighbourhood Centre exercise price increase (*September '19*)
- Cove Cobras Football Club (*October '19*)
- De Laine Avenue Edwardstown (*October '19 and January '20*)
- Diagonal Way Oaklands Park Road Closure (*November '19*)
- Carparking Issues Wingate Street, Edwardstown (*January '20*)
- Cormorant Drive Reserve (*April '20*)
- Removal of Lower Field River Pines (*May '20*)
- Proposed Petrol Station at 373 Diagonal Road Sturt (*June '20*)

The following Workshops/Presentations were held in council meetings:

- Adelaide Film Festival (*Confidential – February '20*)

## COUNCIL MEMBERS

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

## COUNCIL MEMBER ALLOWANCES

Under the *Local Government Act 1999*, a council member is entitled to an allowance as determined by the Remuneration Tribunal of South Australia prior to the periodic election (the most recent was held in November 2018). Section 76(9) requires allowances to be adjusted on the first, second and third anniversaries of the periodic election. The adjustment provides or a CPI increase each financial year. The amounts applied in November 2019 were:

Mayor	\$85,588
Deputy Mayor	\$26,746
Council Members	\$21,397

## TRAINING AND DEVELOPMENT

Council Members undertake training based on Council business and their own professional development requirements.

The following training and development programs were attended by various Council Members:

- LGA SA Leadership Forum (*Local Government Association*)
- Council Member Induction (*Manager Governance*)

Other training sessions throughout the year (held during EM Forums) for Council Members included:

- Social Media and Customer Service training (*Manager Customer Experience*)
- Business Continuity Training (*Manager Governance and Unit Manager Risk*)
- Public Interest Disclosure and ICAC Training (*Noman Waterhouse and Manager Corporate Governance*)

## KEY DECISIONS OF GENERAL COUNCIL

Council made numerous 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.

2019	Key decisions	2020	Key decisions
<b>July</b>	<ul style="list-style-type: none"> <li>• Endorsed the allocation up to \$180,000 towards the Revitalisation of the Edwardstown Employment Precinct.</li> <li>• Allocated a total of \$75,000 over the next five years for implementation of a coastal climate change monitoring program</li> </ul>	<b>January</b>	<ul style="list-style-type: none"> <li>• Supported the installation of parking controls on the southern side of Wingate Street.</li> <li>• Approved funding of up to \$46,500 for communications about the potential impacts of the State Government's Planning and Design Code for South Australia.</li> </ul>
<b>August</b>	<ul style="list-style-type: none"> <li>• Endorsed the City of Marion Strategic Plan 2019-2029</li> <li>• The Draft Seacliff Park Residential and Centre Development Plan Amendment was endorsed for public consultation</li> <li>• Council adjusted the formula it uses to enable an extra nine reserves to be irrigated each year after</li> <li>• Supported the provision of Electric Vehicle charging stations at strategic locations throughout the City of Marion.</li> </ul>	<b>February</b>	<ul style="list-style-type: none"> <li>• Agreed funding of \$35,000 for Adelaide Film Fest in the Burbs (Marion) be approved in the 2020/21 Annual Budget.</li> <li>• Recognised the accelerating impact of climate change and resolved to continue building on the work it is doing in climate change mitigation, adaption and prevention.</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>• Committed \$15,000 annually from 2020/21 to 2022/23 to pilot effectiveness and viability for an on-going program for public art on utility boxes and stobie poles.</li> <li>• Endorsed the establishment of a Youth Advisory Committee</li> <li>• Appointed Councillor Shilling as the Deputy Mayor from 24 September until 19 November 2020.</li> </ul>	<b>March</b>	<ul style="list-style-type: none"> <li>• Endorsed the inclusion of a second multiuse exterior court with lights at Mitchell Park Sports and Community grounds as part of the upgrade design.</li> <li>• Endorsed a Section 48 Prudential Report for the Southern Football Facility and Sam Willoughby BMX Facility endorsing Administration to proceed to detailed design for both projects</li> </ul>
<b>October</b>	<ul style="list-style-type: none"> <li>• Appointed Council Members for various positions for 2019-2020</li> <li>• Resolved to make a Road Process Order in accordance with the Roads (Opening and Closing) Act 1991 to close portion of Diagonal Way Oaklands Park</li> <li>• Council endorsed the new \$15 million Mitchell Park Sports and Community Centre to proceed to detailed design.</li> </ul>	<b>April</b>	<ul style="list-style-type: none"> <li>• Council formally acknowledged the State Government's \$2.4 million commitment towards upgrading two sections of the Coastal Walkway and the new timeframes</li> <li>• Council resolved to maintain its membership of the Australia Day Council (SA)</li> </ul>
<b>November</b>	<ul style="list-style-type: none"> <li>• Council agreed to a repair timetable for Coastal Walkway while committing \$2.4 million towards re-opening three sections.</li> <li>• Supported the creation of an Oaklands Park precinct, replacing old public houses modern units</li> <li>• Approved the Youth Development Grant applications, totalling \$109,825.</li> </ul>	<b>May</b>	<ul style="list-style-type: none"> <li>• Endorsed the Nannigai Drive Reserve final concept plan for procurement and construction.</li> <li>• Extended the current Agreement with Flinders University for the Oaklands Education Centre</li> <li>• Endorsed the Reconciliation Statement Policy</li> <li>• Endorsed a program of Community Satisfaction Surveys</li> </ul>
<b>December</b>	<ul style="list-style-type: none"> <li>• Council unanimously supported the stretch Reconciliation Action Plan and Reconciliation Statement Policy.</li> <li>• Approved the redevelopment of the Tarnham Rd Reserve, with four multipurpose courts and open space development noting an estimated budget of \$ 1,640,000</li> <li>• Endorsed the Lucretia Way Detention Basin project to progress to a detailed design in a hybrid model, the lake will be retained while new wetlands will be built. The total cost is \$1.293 million.</li> </ul>	<b>June</b>	<ul style="list-style-type: none"> <li>• Endorsed a partnership with State Government to construct a City-Wide Attraction playground at Glenthorne National Park</li> <li>• Adopted a zero percent rate increase with more than \$45 million worth of major construction projects approved in the 2020/21 Annual Business Plan and Budget.</li> <li>• A Smart Community Strategic Plan was approved for the next four years harnessing technology and data to improve our operations, community and places.</li> </ul>



# CONFIDENTIAL ITEMS

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

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 (including committees) considered 58 reports in confidence\* in relation to matters in accordance with the *Local Government Act 1999*. The following table provides further detailed information about Council's use of various sections of the Act.

Relevant placita of <i>Local Government Act (SA) 1999</i>	Explanation <b>S 90 (2) Information the disclosure of which would;</b>	Number of times used
3(a)	<ul style="list-style-type: none"> <li>involve unreasonable disclosure of information concerning the personal affairs of any person (living or dead).</li> </ul>	23
3(b)(i) and (ii)	<ul style="list-style-type: none"> <li>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;</li> <li>on balance, be contrary to the public interest.</li> </ul>	14
3(c)	<ul style="list-style-type: none"> <li>reveal a trade secret</li> </ul>	0
3(d)(i) and (ii)	<ul style="list-style-type: none"> <li>commercial information of a confidential nature (not being a trade secret) the disclosure of which—</li> <li>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;</li> <li>on balance, be contrary to the public interest.</li> </ul>	15
3(e)	<ul style="list-style-type: none"> <li>matters affecting the security of council, members or employees of the council or council property, or the safety of any person.</li> </ul>	0
3(f)	<ul style="list-style-type: none"> <li>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.</li> </ul>	3
3(g)	<ul style="list-style-type: none"> <li>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.</li> </ul>	4
3(h)	<ul style="list-style-type: none"> <li>legal advice.</li> </ul>	8
3(i)	<ul style="list-style-type: none"> <li>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;</li> </ul>	2
3(j)(i) and (ii)	<ul style="list-style-type: none"> <li>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);</li> <li>on balance, be contrary to the public interest.</li> </ul>	0
3(k)	<ul style="list-style-type: none"> <li>tenders for the supply of goods, the provision of services or the carrying out of works.</li> </ul>	0
3(m)	<ul style="list-style-type: none"> <li>relating to a proposed amendment to a Development Plan under the Development Act 1993 (SA) before a Development Plan Amendment proposal relating to the amendment is released for public consultation under that Act.</li> </ul>	0
3(n)	<ul style="list-style-type: none"> <li>relevant to the review of a determination of a council under the Freedom of Information Act 1991 (SA).</li> </ul>	0

\*Note: more than 1 confidential clause may apply to an item.

Council undertook a rigorous review of its confidential orders in December 2019 resulting in 15 confidential reports being released and 11 report released in part. At the conclusion of the financial year, Council currently has 157 reports with confidential orders remaining in place to be reviewed again December 2020.

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.	53  All to be reviewed Dec 2020 (unless released prior)

## INFORMAL GATHERINGS

Council has a policy position regarding its administration of informal gatherings in accordance with legislative provisions. The Policy states that:

- 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.
- On 15 occasions, the Forum Agenda identified that an allotment of time *may* be allocated for Council Member/CEO or Council Member only discussion and were subject to confidentiality under Section 90(8) of the Local Government Act.
- The following occasions detail when additional confidentiality provisions were applied to discussion items;
  - 10 September 2019: Housing Renewal SA 90(3)(j)(i) – Confidential information provided by a Minister of the Crown or another public authority or official
  - 18 January 2020: Council Member Planning Day 90(8) – Planning session of a general or strategic nature
  - 21 January 2020: Castle Plaza Future Plans – 90(3)(d)(i)(ii) – Commercial Information
  - 31 March 2020: Marion Outdoor Pool, Community Satisfaction Survey, CEO and General Manager Time – 90(8) – Planning session of a general or strategic nature
  - 9 June 2020: Presentation from Minister David Speirs re Glenelg National Park and Nature Playground – 90(3)(d)(i)(ii) – Commercial Information

Council Member attendance at Informal Gatherings													
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
	1	1	2	1	2	0	2	1	2	1	1	2	16
Mayor Kris Hanna	1	1	2	1	2	-	2	1	2	1	1	2	16/16
Cr Kendra Clancy	1	1	2	1	2	-	2	1	1	1	1	2	15/16
Cr Ian Crossland	1	1	0	1	2	-	2	1	2	1	1	2	14/16
Cr Maggie Duncan	1	1	2	1	2	-	2	1	2	1	1	2	16/16
Cr Tim Gard	1	1	2	1	2	-	2	1	1	1	1	2	15/16
Cr Bruce Hull	1	1	2	1	2	-	2	1	2	1	1	2	16/16
Cr Luke Hutchinson	1	0	0	0	0	-	0	0	1	1	1	1	5/16
Cr Joseph Masika	1	1	0	0	1	-	2	0	2	1	0	2	10/16
Cr Sasha Mason	(elected December 2019)						2	0	2	1	1	1	7/9
Cr Tim Pfeiffer	1	1	1	(resigned effective September 2019)									3/3
Cr Nathan Prior	1	1	2	1	2	-	2	1	2	1	1	2	16/16
Cr Matthew Shilling	1	1	2	1	2	-	0	1	2	1	1	2	14/16
Cr Raelene Telfer	1	1	2	1	2	-	2	1	2	1	1	2	16/16
Cr Jason Veliskou	1	1	2	1	2	-	2	1	2	1	1	2	16/16

# COUNCIL COMMITTEES

The Act 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).

## COMMITTEE SITTING FEES

Sitting fees are set per session and range from \$1,000 to \$1,200 for Independent Members and nil for Council Members. Council Members presiding over Committee meetings receive a 25% loading above their regular annual allowance.

## INFRASTRUCTURE AND STRATEGY COMMITTEE - FUNCTION

The Committee has five (5) Council Members and one (1) Independent Member. Meetings are convened monthly on the first Tuesday of the month. The Committee met on 7 occasions in 2019-20. Sitting fees are set at \$1,000 per meeting for the independent member. Established 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

Key discussion items were major projects including:

- Revitalisation of Edwardstown Employment Precinct
- Asset Management
- Strategic Theme – Environmental Scans
- COVID-19 Impact and Recovery for Projects
- Oaklands Precinct Project
- Tonsley Railway Station
- Playground Data Analysis
- Community Courts
- Climate Risk and Governance
- Autonomous Vehicle Trial Experience
- City Transport and Movability Plan
- Seaview High School Sports Facilities Partnership
- Capital Construction Program

## REVIEW AND SELECTION COMMITTEE - FUNCTION

The Committee has four (4) Council Members – Mayor and three (3) Council Members. The meetings are convened as required. In 2019/20, the Committee met on eight occasions.

Established 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 Council Assessment Panel (CAP)
- Review Committee's Performance
- Reviewing, monitoring and recommending to Council relevant strategies regarding the organisation's culture and performance associated with the conduct of Council Members, employees and volunteers.
- Monitor the organisations direction regarding the efficient and effective delivery of strategic and operational human resource functions
- Ensure the organisation has appropriate employee well-being strategies.

## FINANCE AND AUDIT COMMITTEE - FUNCTION

The Committee has two (2) Council Members (who are not the Mayor) and three (3) Independent members. The Finance and Audit Committee met on five occasions in 2019/20. Sitting fees per meeting are Chairperson \$1,200 and Independent members \$1,000.

Established for the purpose of:

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

## URBAN PLANNING - FUNCTION

The committee has four (4) Council Members. The Urban Planning Committee met on seven occasions in 2019/20.

Established for the purpose of:

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

## INDEPENDENT MEMBER ATTENDANCE AT MEETINGS

The following table identifies external members appointed to a committee and their attendance at meetings throughout the financial year.

The following Committees do not have any external members appointed:

- Urban Planning
- Review and Selection

Name of Committee	Finance & Audit (FAC)	Council Assessment (CAP)	Infrastructure & Strategy (ISC)
<b>Total number of meetings</b>	<b>(5)</b>	<b>(11)</b>	<b>(7)</b>
Don Donaldson (CAP Jul '19 – Sep '19)		2/2	
Sue Giles (CAP Jul '19 – Jun '20)		11/11	
Gavin Lloyd-Jones (*'stand in' member for DAP)		2/2	
Terry Mosel (Chair – CAP Jul '19 – Jun '20)		10/11	
Nathan Sim (CAP Jul '19 – Jun '20)		9/11	
Yvonne Svensson (CAP Jul '19 – Jun '20)		11/11	
Russle Colbourne (ISC Jan '20 – Jun '20)			3/3
Christian Reynolds (ISC Jul '19 – 31 Dec '19)			2/4
Greg Connor (Chair FAC Jul '19 – 30 Nov '19)	2/2		
Emma Hinchey (Chair FAC Nov '19 – Jun '20) FAC Jul '19 – Jun '20)	4/5		
Natalie Johnston (FAC Jul '19 – Jun '20)	5/5		
David Papa (FAC Dec '19 – Jun '20)	3/3		



## COUNCIL ASSESSMENT PANEL - FUNCTION

The role of the panel is to assess certain development proposals against the Marion Council Development Plan, which sets out the planning policies applicable to the Council area. The Panel considers 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. The Council Assessment Panel comprises five members appointed by Council, four of which are independent members with experience in development-related disciplines and one Council Member.

The Council Assessment Panel comprises five members appointed by Council, four of which are independent members with experience in development-related disciplines and one Council Members.

While the State Government is undertaking the Planning Reforms, the Panel operates under both the *Planning, Development and Infrastructure Act 2016* as well as the *Development Act 1993*.

The Panel met on 11 occasions during the financial year and considered a total of 49 applications. The Presiding Member receives \$500 per meeting; Independent Members receive \$400 per meeting and Council Members \$200 per meeting.

## DEVELOPMENT SERVICES

Where Council is the relevant authority for development assessment matters, an internal team of development and building officers undertake a range of assessment duties under the *Planning, Development and Infrastructure Act 2016* as well as the *Development Act 1993*.

### ACHIEVEMENTS FOR 2019-20 FINANCIAL YEAR

City of Marion granted close to \$196m of building applications – a decrease of approximately \$81 million\* from 2018/19.

\*Note that last financial year there were two large developments totaling \$40million in value which resulted in an above average total of \$277million.

The two largest value approvals were for a \$6.4 million development for construction of an ALDI Store (shop) and Chemist Warehouse (shop) with associated on-site signage, fencing, carparking and landscaping, and a \$3 million Sports Pavilion at Westminster School. The largest value residential approvals were for a four storey residential flat building, comprising sixteen dwellings with associated car parking at the Tonsley Precinct, and a two-storey residential flat building comprising six dwellings with associated landscaping, retaining walls and fencing at 368 Sturt Road Tonsley with a value of \$2.6m and \$1.5m respectively.

The total number of applications granted was 1636. This included 632 new dwellings and 131 dwelling additions, along with 1516 approvals for class 10 structures, including sheds, pools and verandahs. Over the year 278 demolitions were granted. Seven office, 37 shop, 10 warehouse and 28 public buildings or additions were also approved.

### NUMBER OF BUILDING CONSENTS AND VALUES<sup>[1]</sup>

2015/16	2016/17	2017/18	2018/19	2019/20
1795	1789	1771	1734	1636
\$182.1m	\$180.5m	\$221m	\$277m	\$195.7m

## DEVELOPMENT PLAN AMENDMENTS (DPA)

### HOUSING DIVERSITY DPA

The intention of the DPA was 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 also involved the 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 introduced mixed use areas within and adjacent to activity centres and along certain transit corridors.

Following public consultation, the DPA was amended, taking into account comments received, and forwarded to the Minister for authorisation in late December 2017.

<sup>[1]</sup> 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.

In May 2019, Council agreed to a request from Planning Minister to split the DPA in two. This would see part of the DPA proceed and further community consultation undertaken on other areas.

On 15 August 2019 the Minister approved Part 1 of the DPA and it was subsequently consolidated (included) into Council's Development Plan. Part 2 of the DPA (predominantly relating to a mixed use corridor along Marion Road and the rezoning of appropriate areas of Council's southern suburbs) is to be further considered as a Code Amendment following commencement of the Planning and Design Code.

#### **MORPHETTVILLE RACECOURSE DPA**

The DPA was undertaken by the Minister for Planning. The DPA facilitates the development of surplus land at the Morphettville Racecourse (and surrounds) for 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 subject land is located in two Council areas (Marion and West Torrens) and includes the Department of Transport and Infrastructure (DPTI) controlled tram corridor. The DPA was approved by the Minister on 7 May 2020 and it was subsequently consolidated (included) into Council's Development Plan.

#### **SEACLIFF PARK RESIDENTIAL AND CENTRE DPA (joint DPA with City of Holdfast Bay)**

The intention of the DPA is to facilitate the development of land located in the suburbs of Seaclyff, Seaclyff Park and Marino (informally referred to as Cement Hill and/or the Monier/Lorenzin land) for multi-level, medium density residential development, shopping and community facilities and open space.

The DPA was placed on public consultation from 22 August 2019 to 17 October 2019.

Following consultation, the DPA was amended where required and a final draft was forwarded to the Minister/DPTI for consideration/approval in February 2020.

As of June 2020, DPTI are currently reviewing the DPA and awaiting confirmation of a number of associated matters.

Once the above matters have been addressed DPTI will finalise its comments on the DPA and forward it to the Minister for consideration/approval.

#### **COMMUNITY LAND**

Council resolved to commence the process to revoke the community land classification over Travers Street Reserve Sturt and Spinnaker Circuit Reserve Sheidow Park.

It is intended to create one residential allotment of 679 square metres of land from Travers Street Reserve for sale. After the creation of the residential allotment, the balance of the reserve will revert to community land.

It is proposed that Spinnaker Circuit Reserve will be sold to maximise the financial outcome to Council.

The net proceeds from the sales will be paid to the Open Space Reserve Fund or otherwise allocated as authorised by Council.

The Community Land Management Plans will be reviewed.

## **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. The City of Marion has two such subsidiaries as described below.

#### **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 was owned in equal parts by the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully. Council Solutions was responsible for managing selected procurement and service delivery on behalf of the Constituent Councils. A key objective was to secure best value for money in these activities to improve the financial sustainability of the constituent councils for the benefit of their communities and ratepayers.

Following a strategic review of the operations of Council Solutions by the Board, the decision was made to cease the operation of the subsidiary by 31 December 2019. Council Solutions provided benefits to the Constituent Councils during its operation, however the changes in the Sector enabled the Councils to continue to achieve a collaborative benefit without the need for a formalised subsidiary.

## GOVERNANCE

The *Local Government Act 1999* (SA) provides the legislative framework for legal and transparent decision. 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 PRACTICES

Following is a list of registers kept by Council:

- Register of Interests – Council Members\*
- Register of Interests – Staff
- Register of Council Members' allowances and benefits\*
- Register of staff salaries and benefits\*
- Register of campaign donations
- Register of Council Members' gifts and benefits\*
- Register of Fees and Charges\*
- Register of By Laws\*
- Register of Informal Gatherings\*
- Register of Council Member Conflicts of Interest (excl. Confidential items)\*

\*These documents can be downloaded from the City of Marion's Website – alternatively a copy can be requested from Customer Service in line with the Fees and Charges Schedule.

### CODE OF PRACTICE

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 2013:

- 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 council members and staff are mandatory codes published by the Minister for Planning for the purposes of Section 63 (1) and Section 110 (1) respectively of the Local Government Act 1999. These codes are to be observed by all Council Members and staff to ensure that all activities of Council are conducted legally, ethically and in accordance with expected standards of behaviour.

### SENIOR EXECUTIVE OFFICER INFORMATION

Council had four senior executives whose salary packages may include the use of a motor vehicle and allows for private use within South Australia. Salary packages for the four senior executives including superannuation and the use of a motor vehicle, ranged from \$215,000 to \$312, 614.

## PEOPLE AND CULTURE

The City of Marion had 358.07 full-time equivalent staff as at the 30 June 2020. The following human resource management or development programs were delivered:

- The Gap Year program, which has been in place since 2017, has been successful in employing young people who have completed their Year 12 studies and live in the City of Marion. The program has provided these individuals with skills and knowledge that will help them identify their career path and increase their chances of obtaining employment. Seven individuals have benefitted from the program. Endorsement will be sought from Council to continue with the program for 2021 to 2023.
- The Grow your Leadership Program promotes the City of Marion's Leadership Capabilities and Values and provides access to structured, high quality learning and development, with four distinct programs tailored to the differing needs of our people leaders and our developing future leaders.

The City of Marion was a finalist in the LG Professionals Australia Annual Leadership Excellence Awards in the People and Culture category for the Grow your Leadership program.

In response to COVID-19:

- Delivered its Leadership Team Forum virtually.
- The LG Management Challenge Team was supported with an adjusted on-line development program and competed against other Council teams virtually in June.
- Leadership development programs were adapted and delivered online to ensure leadership development continued for our people.

The first online Leadership Forum was facilitated over the Zoom application for 103 of our leaders and aspiring leaders. A total of four leadership programs were delivered via Zoom March to June 2020.

- During the past year Council volunteers have given 32,363 hours of time to our community. Volunteering has been significantly impacted by COVID-19, however, Council has continued to provide services to our community. Creating a Volunteer COVID-19 Response Plan helped guide staff, volunteers and the community through this time. In 2020/21 Council will continue adapting to the changing demands of community needs and volunteer expectations. Council has developed a system to attract volunteers wanting to contribute outside the traditional roles on offer and are committed to being innovative and embedding the future of volunteering.
- Career Transition Program (CTP) continues to be available for our employees nearing or reaching retirement age. Employees are given access to flexible working arrangements and the ability to explore alternative roles to transition out of fulltime work. Other strategic initiatives will be explored for 2020/21.
- Diversity and Inclusion – Council continues to embrace strategies to foster an inclusive and safe workplace for employees and volunteers where all persons are welcomed, valued, and have opportunities to grow and develop in their career at Council.

## NATIONAL COMPETITION POLICY

The *National Competition Policy* (NCP) supports economic reform from practices that restrain Australian markets and industries. This policy identifies various principles to encourage competitive markets that would enhance national productivity for the benefit of the community whilst eliminating any unfair advantages.

In relation to government activities, it specifies that government should not enjoy any competitive advantage simply as a result of their public ownership. By virtue of clause 7, of the NCP Principles Agreement, local government is also bound.

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 or breaches of the NCP or unfairly competitive practices
- Structural reform of public monopolies

Compliance with the NCP is reflected within the principles of Council's Procurement and Contractor Management Policy which seeks to:

- Obtain value in the expenditure of public money
- Providing for ethical and fair treatment of participants
- Ensuring probity, accountability and transparency in procurement operations



## COMPETITIVE TENDERING

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

Public tendering is required for contracts valued at more than \$100,000.

## 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. If possible, Council endeavor to resolve any complaint or grievances in line with the policy and procedure, without it being escalated to the formal review process. In 2019/20 Council received two formal requests to conduct an internal review of decisions of Council. The complaints related to the following:

- Backyard Burning (*March 2020*)
- Cove Cobras Football Club (*November 2019*)
- Closure of Diagonal Way (*May 2020*)
- Christmas Lights (*not concluded*)
- Review Dispute of Fine (*July 2019*)
- Mitchell Park (*Did not proceed*)

## WORK HEALTH AND SAFETY

The safety of our people and the protection of members of the public is a key priority, which is reflected in the City of Marion Values being "With the community and safety at the forefront of everything we do, we value respect, achievement, integrity and innovation." The Health Safety and Environment Plan 2019-23 outlines a vision; 'We can all make a difference towards achieving zero harm, to people and the environment'. The Plan's commitments focus on further developing our leadership styles, organisational culture and WHS systems through HSE Leadership, Hazard Management, Incident Management and Continual Improvement.

The KPI set by Council is to reduce the Lost Time Injury Frequency Rate (LTIFR) by 10% against the previous year. Council's LTIFR outlined in blue in the table below, using data sourced from the Local Government Association Workers' Compensation Scheme (LGAWCS) Claim Analysis Portal, can be measured and monitored against our local government sector counterparts being the Group A Councils (GAC[1]). The City of Marion recorded an LTIFR of 6.1 in 2019/20 which represents a 44% decrease over the previous 12 months and meets the KPI of 10% reduction on the LTIFR from the previous year. This further cements our commitment to the reduction of harm recording a reduction of 79% from the historical high LTIFR held of 28.8 recorded in 2015/16 and prior. The City of Marion, historically, also recorded a higher LTIFR when compared against our industry counterparts being the Group A Councils and we have recorded a lower LTIFR than the sector for four years in a row.

## LTIFR COMPARED AGAINST GROUP A COUNCILS



## RISK

The City of Marion is committed to excellence in governance with risk management being an integral contributor to good governance in fostering effective decision making to achieve Council's vision and strategic objectives, which focus on our corporate values and community wellbeing.

[1] GAC are metropolitan councils with more than 300 staff (Marion, Adelaide, Charles Sturt, Onkaparinga, Playford, Port Adelaide Enfield, Salisbury and Tea Tree Gully).

The aim of the risk management program is to provide Council with assurance that the City of Marion is managing its corporate risks through its approved suite of documents including the Risk Management Policy, Framework and the Corporate Risk Register, in their alignment with ISO31000:2018 'Risk Management - Guidelines'. In 2019/20 work progressed with the adoption of a risk appetite statement. This enhanced leadership commitment and better defined governance roles / responsibilities and processes. Key initiatives include corporate risk, business continuity management, emergency management plus fraud and corruption management which assist the continual growth of the risk management culture and maturity across the organisation.

## FREEDOM OF INFORMATION

Council is required to publish statistical data for the financial year in relation to the public and local community having access to official documents and records kept. These legislative requirements provide further transparency and therefore accountability of our management of various records. The City of Marion website provides a statement 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	15	Of the 13 applications determined:	
Withdrawn	2	Full release	2
Determined	13	Partial release	6
		Refused	3
		Internal Review (Decision Confirmed)	2

### 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 nuisance provisions of the *Local Nuisance and Litter Control Act 2016* (SA) (the Act) came into operation on 1 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.

### 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.

Total Complaints received = **650**

Nature of Complaints received:

Dust - **33**  
Smoke - **31**  
Noise - **145**  
Odour - **23**  
Unsightly - **156**  
Dumped Rubbish on Council land and offender known - **138**  
Dumped Rubbish on Private Property - **44**  
Noisy Bird - **31**  
Other Animals - **49**  
(poultry, rats, sheep, snakes)

Offences Expiated = **2**

Offences prosecuted = **0**

Number of nuisance abatement notices issued = **1**

Number of litter abatement notices issued = **0**

Number of civil penalties negotiated = **0**

# FINANCIAL MANAGEMENT

The City of Marion is in a strong financial position, providing a sound basis for Councils 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 \$6.396m for 2019/20 compared to an operating surplus of \$12.134m for 2018/19.

## OPERATING INCOME

Total Operating income for 2019/20 was \$93.815m compared to \$95.637m in 2018/19. The decrease of \$1.822m primarily results from a decrease in Grant Income of \$3.754m offset by an increase in Rates of \$2.3m (from an adopted rate increase of 1.8% + growth). The comparative reduction in grant income stems largely from \$2.4m in grants received in 2018/19 for the redevelopment of Edwardstown Soldiers Memorial Recreational Sports Ground and an advance payment of \$0.963m for the Supplementary Road Grant paid in 2018/19.

## OPERATING EXPENSES

Total Operating expense for 2019/20 was \$87.419m compared to the adopted budget forecast of \$87.453m and \$83.503m in 2018/19.

The increase of \$3.916m (4.7%) primarily relates to an increase of \$1.810m in 'Materials Contracts and Other' expenses due largely to increases to Contractor Expenses (\$1.386m), Waste charges and levies (\$0.956m) and additional Cleaning (\$119k).

Additionally, employee costs increased \$1.626m (4.7%) in 2019/20 with increases from Enterprise Agreements (2.3% Salary and 2.5% Wages) and increases to fully Grant Funded positions (\$266k) and Cross Council positions (\$116k).

## CAPITAL REVENUES AND CONTRIBUTED ASSETS

Other key variances reported on the Statement of Comprehensive Income are 'Amounts Received Specifically for New or Upgraded Assets' (down \$4.464m) relating to State Government Grants of (\$3.336m) received in 2019/20 recognised in the Statement of Financial position rather than reported as income in 2019/20 under the compulsory first time adoption of AASB 1058 *Income of Not-for-Profit Entities*.

## CRUCIAL OPERATING/FINANCIAL RATIOS

The City of Marion utilises 'ratios' 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 10% on average over any consecutive five years.

	2018	2019	2020
Operating Surplus Ratio	12.0%	12.7%	6.8%

The Operating Surplus Ratio in the adopted budget for 2019/20 was 7.68% and this outcome has largely been achieved in 2019/20. This is down on the previous year's actual result due mainly to reduced operational grant funding and additional contractor and employee costs. The average Operating Surplus Ratio over the last five financial years is 11.2%.

With council's focus on maintaining a balanced or better cash funding position it is necessary that an operating surplus sufficient to meet Council's capital expenditure requirements is achieved.

#### 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.<sup>1</sup> Council's reliance on rates has increased by 4% in 2019/20. This is largely affected by the receipt and recognition of grant revenues that were down 34% compared to 2018/19.

	2018	2019	2020
Rate Revenue Ratio	81%	81%	85%

#### STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position provides details of Council's assets, liabilities and equity as at 30 June 2020. The majority of Council's assets relate to community property and infrastructure assets (roads, paths, drainage, etc.).

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

Council's IPP&E decreased by \$2.18m (0.2%) compared to 2018/19 with the majority of the movement relating to a net revaluation decrease of (\$9.131m), Physical Assets Received Free of Charge (including roads, drainage and footpaths) of \$2.3m from the State Government as part of the Tonsley Redevelopment and other net additions after depreciation of \$5.7m.

The table below identifies the key contributors to the movement in Council's non-current assets which can mainly be attributed to revaluations of its Infrastructure assets.

	2019 \$'000	2020 \$'000	Increase/ (Decrease) \$'000
Building assets	111,509	115,014	3,505
Infrastructure assets	664,171	658,480	(5,691)

#### WORKING CAPITAL RATIO

This ratio focuses on the liquidity position of Council, adjusting for restricted assets (e.g. 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.<sup>2</sup>

	2018	2019	2020
Working Capital Ratio	2.5	2.9	2.2

#### ASSET RENEWAL FUNDING RATIO

Net asset renewal expenditure is defined as net capital expenditures on the renewal and replacement of existing assets and excludes new/upgrade capital expenditure on the acquisition of additional assets. It is calculated by dividing net asset renewal figures by depreciation expense. This ratio indicates whether the Council is renewing or replacing existing assets at the rate of consumption.

Annual fluctuations result due to the mix of asset renewal and new/upgrade capital expenditure. In 2019/20 Council completed new/upgrade projects such as Morphettsville Park Sports and Community Club upgrade \$3.7m, Marion Outdoor Pool upgrade \$1m in addition to Streetscape upgrade \$2.7m. The lower than average ratio also reflects the timing of significant renewal expenditure subject to the finalisation of the building renewal program following the completion of the building condition audit. Council's Long Term Financial Plan (LTFP) is set to achieve an average Asset Renewal Funding Ratio of 96% over the next three years, and 91% over the 10-year term of the LTFP.

	2018	2019	2020
Asset Renewal Funding Ratio	75%	114%	58%

<sup>1</sup> To address Council's dependence on rate revenue, it has focused upon training and development of Officers to maximise grant opportunities and annual reviews of its Fees and Charges Schedule.

<sup>2</sup> 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.

### 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.

	2018	2019	2020
Asset Consumption Ratio	77%	77%	80%

### 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 2020 were \$5.635m – a net decrease of \$1.170m over the level of borrowings in June 2019.

### 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. The result below highlights Council's Financial Assets exceed its Financial Liabilities predominantly as a result of a substantial holding of cash and other financial assets allocated for unexpended grants and committed funding for capital projects carried over or retimed to 2020/21 and beyond.<sup>3</sup> Council also retains significant cash reserves quarantined for future major projects and long-term asset management objectives.

	2018	2019	2020
Net Financial Liabilities Ratio	(33%)	(37%)	(32%)

#### INTEREST COVER RATIO

Net interest costs are defined as total interest expenses less total interest revenues. This ratio shows 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.

	2018	2019	2020
Interest Cover Ratio	(0.6%)	(0.8%)	(0.5%)

#### DEBT SERVICING RATIO

This ratio shows 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 1.3% result is below the maximum target of 5% as illustrated in the table below.

	2018	2019	2020
Debt Servicing Ratio	1.9%	1.6%	1.3%

<sup>3</sup> Council's capacity to meet its financial obligations from operating revenues is strong and it has capacity to meet future funding requirements identified in the Long Term Financial Plan.



## 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 \$1,191.3m as reflected in the Statement of Financial Position.

## 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 an increase in Cash, Cash Equivalents and Investments of \$7.647m compared to 30 June 2019. As previously mentioned, a sizable portion of the cash position is committed to unexpended grants, carryovers and retimed works. Council also retains significant cash reserves quarantined for future major projects and long term asset management objectives.

## 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* of the Annual Financial Statements. Council's current reserve funds include the following:

### GRANTS AND CARRYOVERS RESERVE: \$20.882m

This consists of grant funded carryover projects and capital works carried over to 2020/21 or retimed to future years as required.

### OPEN SPACE RESERVE: \$2.055m

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

### ASSET SUSTAINABILITY RESERVE – GENERAL AND MAJOR NEW PROJECTS: \$11.279m

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. Funding in this reserve will contribute to upcoming major projects such as the Southern Soccer Facility, Sam Willoughby International BMX track, Council's contribution to the Destination Playspace, Tarnham Road Reserve redevelopment and the Coastal Walkway.

### ASSET SUSTAINABILITY RESERVE – COMMUNITY FACILITY PARTNERSHIP FUND (CFPP): \$3.517m

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.

### WATER RESERVE: \$0.613m

This reserve has been established to quarantine revenue received and savings identified from the sale and use of treated stormwater from the Oaklands Wetland to further develop third party supply opportunities

## 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).





# 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.

### RECONCILIATION ACTION PLAN 2019-2023 IMPLEMENTATION

The Stretch Reconciliation Action Plan (RAP) January 2020 – June 2023 was developed and endorsed by Council in 2019. Implementation commenced with the RAP containing almost 300 initiatives to be delivered across the organisation. 90% of the RAP initiatives will be delivered within existing resources.

### DEVELOPMENT OF DRAFT ASSET MANAGEMENT PLANS 2020-2030

The City of Marion is responsible for the management of over \$1 billion in assets. Eight Asset Management Plans have been drafted to manage the following asset classes: Transport, Stormwater, Water Treatment and Resources, Artworks, Culture and Heritage s, Building and Structures, Open Space, Fleet, Plant and Equipment and Coastal Walkway.

### MITCHELL PARK SPORTS AND COMMUNITY CENTRE

The facility is a multi-functional sport, dog club and community centre that considers the needs of the existing user groups, potential user groups and will cater broadly for the community's recreation and sporting needs. The new \$15.74 million facility is to be delivered in March 2022 and incorporates the following components:

- Two indoor multi-purpose courts
- Function spaces
- Mitchell Park Neighbourhood Centre
- Integrated public artwork and community art story telling piece
- External sports and club facilities
- Two outdoor tennis/netball courts
- Three cricket nets

### SAM WILLOUGHBY BMX (SWBMX) AND SOUTHERN SOCCER FACILITIES

The SWBMX and Southern Soccer Facilities have been designed and will deliver new \$12.8 million facilities on Majors Road, 'O'Halloran Hill.

The SWBMX facility will comprise of:

- UCI BMX track with 5m and 8m start hills
- Clubroom
- Track lighting
- Onsite car park
- New traffic intersection on Majors Road

The new facility will see The Cove BMX and Happy Valley BMX clubs relocate and is set to become a training facility for elite riders. On the opposite side of Majors Road, on the corner of Adams Road, the Southern Soccer Facility will become the home to Cove Soccer Club and include:

- 3 natural turf pitches with lighting
- Clubrooms
- Onsite car parking

Construction is scheduled to commence in late 2020 with the new builds completed mid-2021.

### MORPHETTVILLE PARK SPORTS AND COMMUNITY CENTRE

The new Morphetville Park Sports and Community Club was completed and officially opened in June 2020 following a \$3.7 million rebuild.

The ageing clubrooms were demolished and replaced with a building more than double the size that meets AFL guidelines.

Other improvements include:

- Four unisex change rooms
- Kitchen, bar, umpires' rooms, community function area for up to 200 people
- Integrated public artwork
- Realigned oval to improve safety

### PLAYGROUND IMPLEMENTATION PROGRAM

The City of Marion has set an 8-year Open Space Framework creating a long-term vision to achieve sustainable environmental outcomes and improve the Communities health and wellbeing. The endorsed framework will see a \$14 million revitalisation of 120 parks and playgrounds spent over the next eight years (2020/21 – 2027/28).

### GLENTHORNE NATIONAL PARK

In June 2020, Council endorsed a partnership with State Government to construct a City-Wide Attraction playground at Glenthorne National Park. The City of Marion will contribute \$2 million towards the new multimillion-dollar Glenthorne National Park. The nature focused adventure playground is due for completion and to be opened in 2021.

### RESERVE IMPROVEMENTS

Over \$2.6 million in Reserve upgrades were delivered for the Community. This comprised of five new reserves, one new dog park and several upgrades to reserves. Some of the reserves in the upgrade include:

#### First Avenue Reserve

Council's \$95,000 transformation of First Avenue Reserve in Ascot Park won a prestigious State Award, the 2020 Australian Institute of Landscaping Architects award for Small Projects. The improvements included a stage for children to host mini plays, a swing, log tunnel, climbing poles, mosaic and mural. Several community groups contributed to the project. The Reserve will be entered in the National Landscape Architects Awards.

#### Shamrock Road Reserve

This reserve has benefited from a \$251,500 makeover, including a new playground. Council contributed \$235,000 with the Australian Government contributing \$16,500 through the Stronger Communities Program for the double barbeque. New reserve features include: Basket swing and tube slide, nature play areas, water play area, timber bridge crossing the dry creek, talking tubes and concrete pipe steppers. The reserve is also host to a new picnic area, shade sails and landscaping paths. Artwork features on the concrete pipe planters with a detailed mosaic.



# VALUING NATURE

## VALUING NATURE KEY ACHIEVEMENTS

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.

### IRRIGATION AND WETLANDS PROGRAM

Council continued its collaboration with the Cities of Charles Sturt and Port Adelaide Enfield to enable all three Councils to replace and upgrade irrigation systems using an internal irrigation construction team. The tripartite arrangement delivers a cost-effective solution whilst retaining staff in-house. The team have delivered over \$1.6 million in capital works during 2019/20 across the three Councils.

The City of Marion continues to invest in the Environment. The construction, rehabilitation and maintenance program covers Oaklands, Warriparinga, Glade Crescent and Lucretia Way wetlands. Capital work upgrades have occurred at both Oaklands and Warriparinga during 2019/20. A new wetland is proposed at Lucretia Way with construction due to commence early 2021.

### CLIMATE CHANGE POLICY AND PLAN (RESILIENT SOUTH PROGRAM) IMPLEMENTATION

During 2019/20 City of Marion has continued to collaborate regionally to deliver Resilient South priorities. The focus during this period has been on:

- Partnering with the Australian Red Cross to deliver community training as part of the Climate Ready Communities Program
- Progressing exploration of embedding climate risk considerations into asset management systems and processes.

### REGIONAL COASTAL MANAGEMENT PLAN

City of Marion was successful in securing funding from the Department for Environment and Water for the Coastal Climate Change Monitoring Plan during 2019/20 for implementation in 2020/21. Monitoring activities include regular inspections of the coastline using drones for early detection of coastal change along with sea level and wave modelling to help inform management approaches.

### RENEWABLES AND ENERGY EFFICIENCY MEASURES

Carbon Inventory: an inventory of carbon emissions generated from Council's operational activities was developed for 2019/20 in Trellis online software. Next steps include improving the inventory to comply with Climate Active, the national carbon accounting standard. ESD Guidelines: 'ESD Guidelines: New Buildings and Refurbishments' and 'Sustainable Building Maintenance Guide' were developed to support achievement of environmental outcomes in Council buildings and facilities. These are being tested with the Mitchell Park Sports and Community Centre project. During 2020/21 they will be trialled on a number of projects with the view to embedding them in our internal project and facility management systems and processes.

### VALUING MARION'S NATURE PROGRAM

The program provides opportunities for the community to connect with nature and learn about the natural environments in the City of Marion. 721 people attended 17 events in 2019/20; recent events have included: Spring Wildflower Walk (Sept 2019) Family Nature Day (Oct 2019) Native Bees and Wild Pollinators Workshop (Nov 2019) Snorkel Hallett Cove Beach and Reef (Feb 2020).

### ENVIRONMENT EDUCATION PROGRAMS

During 2019/20 Environmental Education Programs remained a key focus. Members of the community engaged in the following Educational programs designed to share information with the community on responsibly disposing of recyclable, organic and general waste:

- Common Thread - a monthly sustainability program had 303 people attend physical events; recent topics include: Preparing for Climate Change (Aug 2019), Summer Ready Gardens (Nov 2019), Food Matters (March 2020)
- Online sustainability workshops during COVID-19 (March - June 2020) delivered in partnership with Resilient South Councils have reached 13,033 people.
- 1,208 participants from schools, kindergartens and community groups attended Educational Presentations and Workshops
- Bin monitors at Council's major community events raising awareness about disposing of compostable food and drinkware lifted recycling rates to 93%
- 620 free kitchen caddies distributed to households
- The 'Recycle Right' Bin Tagging Campaign with 1,300 households resulted in 595 of those households disposing food scraps to the organics bin
- Community Gardens - Oaklands Community Garden was established to total seven community gardens in City of Marion.

### COMMENCE THE DEVELOPMENT OF A CARBON NEUTRAL PLAN

A Carbon Neutral Plan setting out how the City of Marion will achieve carbon neutrality for its operations by 2030 has commenced development. The Draft Plan will be available for public comment in October/November 2020.

### NRM EDUCATION PROGRAM

During 2019/20 the NRM Education (now Green Adelaide) program, hosted 46 events involving 16 schools, with 180 staff engaged, 682 students, and 62 parents or community members. Of those events, there were 19 individual school visits, which entailed the provision of resources to educators, working with youth environment groups, conducting bin audits, professional development, and project assistance.





**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.

### SOCIAL MEDIA PLAN 2019-2023

A four-year plan was developed with the aim of embedding Council's platforms into the heart of the community and supporting the organisation's digital transformation. Council's social media community has doubled to 8,719 followers over the past year. The plan outlines a new practical, integrated and coordinated approach comprising of five outcomes:

1. Using social media to increase positive engagement
2. Improving the way social media is used as a 'channel of choice' for customers
3. Enhancing the quality of Council's social media content
4. Increasing the reach and following on Council's social media channels
5. Support Council Members and City of Marion staff to serve the community better and deliver results

The next steps will involve implementing the plan.

### DISABILITY, CULTURAL AND LINGUISTIC DIVERSE (CALD) AND ABORIGINAL TRAINEESHIPS

The traineeships, through Maxima, were approved by Council for three years. This increased our diversity and inclusion in the workplace by attracting three trainees to our workforce. The three trainees have valued the experience they gained from Council. The opportunity to engage trainees in the workforce will continue until at least 30 June 2022.

### DISABILITY, ACCESS AND INCLUSION PLAN

The Disability Access and Inclusion Plan (DAIP) will be implemented in 2020/21.

The City of Marion DAIP will:

- Demonstrate and guide annual actions the City of Marion will deliver to reduce access and inclusion barriers for people living with a disability
- Reflect Marion's Equity, Access and Social Inclusion Policy

### COMMUNITY LEADERSHIP PROGRAM

Community members aged from 20 to 61, who live, work and / or play within the City of Marion have been part of this year's Community Leadership Program (CLP). They included people involved in local charities and organisations, those in full-time, part-time work and those that are retired. A variety of cultural backgrounds and abilities were prominent as well as varying community project ideas. The CLP aims to increase people in the community's confidence to become leaders in their community, to bring about change.

### COMMUNITY GRANTS

The Community Grants Program assists local not-for-profit organisations to establish and undertake projects or activities. Each year the Community Grant fund distributes \$100,000 to community groups undertaking projects of benefit to the City of Marion community. Projects and activities are required to be inclusive and as

accessible as possible for all groups, including people of various genders, ages, sexuality, cultural backgrounds, religious beliefs and those living with disability.

### COMMUNITY EVENTS AND PROJECTS

The following events and projects were delivered during 2019/20:

Reconciliation Week: held in June 2020, was live streamed from the Marion Cultural Centre. Jack Buckskin presented a session on Kurna language and Kurna Kinship system. The event reached 4391 MCC Facebook Friends and had a total of 1100 views.

SALA Festival 2019: The City of Marion supported several local artists and artist groups in exhibiting across the City. The City of Marion also hosted a staff exhibition, #ARfTer5. The exhibition was a culmination of artistic pursuits by 17 City of Marion staff members.

First Avenue Reserve – Mural: The Art of Respect program contributed a colourful mural at the reserve, with community members working alongside Aerosol Artist - Adam 'Tarns' Poole-Mottishaw.

Refugee Week: Filmed in 2019 as part of a public event, it reached 488 people and included interviews about community belonging through sport. The discussion focused on connecting to community, and the resilience of migrants and how stories from people with refugee backgrounds are relevant and inspiring for the broader community.

### YOUTH IN MARION

The following projects contributed to the 'Youth in Marion Program' during 2019/20":

#### Grants and Partnerships:

The City of Marion Youth Development Program is delivered through an annual grants and partnership model valued at \$193,500. The grants are designed to support organisations to deliver diverse, innovative and inclusive opportunities for local young people aged 12-25 years.

#### Voice It! Create It! Do It! Youth Engagement Project:

During 2019 a city-wide consultation and engagement was conducted with over 445 young people. The data and information gathered has been collated into the *Youth Engagement and Consultation Report 2019-2023* and has been provided to the Youth Collective Committee.

### NEIGHBOURHOOD CENTRES – EXTENDED HOURS TRIAL

Three neighbourhood centres, Cooina, Glandore and Trott Park opened one evening a week each during daylight savings months from October 2019 to March 2020. This allowed people to visit the centres who may not have the opportunity during the day. Programs, activities and community BBQs were offered and created space for people to connect, learn, and engage with their local centre. Data and outcomes indicated that extended operating hours was a success.





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.

### PLANNING AND DESIGN CODE

Council submitted a submission to the State Planning Commission regarding the City of Marion's views on the Draft Planning and Design Code (P&D Code). The P&D Code will replace Council's development plan with a state-wide electronic planning system.

To gain additional community input, in February 2020, a letterbox drop of all residents was conducted (the 'Save our Streets' campaign). The pamphlet sought community support to voice concern to the State Government about (in particular) the replacement of the Marion Plains Policy Area with the General Neighbourhood Zone. Council received over 680 submissions from the community on this matter. The P&D Code is scheduled for release in late-2020.

### SEACLIFF PARK DEVELOPMENT PLAN AMENDMENT

The Seaclyff Park DPA looks to rezone 13 hectares of brownfield land on Ocean Boulevard to residential and retail. The long-vacant site is where the former cement works were located and is also known as Cement Hill. City of Marion, along with the City of Holdfast Bay, conducted Community Engagement for the Seaclyff Park DPA and held a public meeting with 150 attendees. Following consideration by both Councils, the DPA was submitted to the Minister for Planning for approval. The DPA remains under active consideration and Council remains supportive of the transformation of this landmark site.

### REVITALISATION OF EDWARDSTOWN EMPLOYMENT PRECINCT

The Edwardstown Employment Precinct is host to over 4,500 jobs, over 1,700 businesses and provides \$1billion into our economy. During 2019/20 the following deliverables were achieved:

- 2019/20 Action Plan
- Urban Design Framework
- Economic Activation Plan

Greening of Edwardstown Part 1 is due for completion in April 2021 and will see the planting of 176 trees and installation of 75 tree inlets and 10 educational totems.

### SOUTHERN BUSINESS MENTORING PROGRAM

The Southern Business Mentoring Program was launched in 2019/20, providing independent one-on-one support across a range of disciplines:

- General Business
- Strategic Marketing
- Digital Marketing
- COVID-19 Support
- HR, WHS and Workforce Planning
- Mental Health and Wellbeing
- Retail Business Support
- Innovation and Transformation, and
- Export and International Trade

The cross-council collaboration with the Cities of Holdfast Bay and Onkaparinga provided 318 appointments to businesses and start-ups across the region.

### DIGITAL ECONOMY PROGRAMS - COVE BUSINESS HUB

The Cove Business Hub is a place for businesses to thrive and an ideal place for local businesses to meet, network and acquire new skills. During 2019/20 the following was achieved:

- A co-working incubator space for up to 10 businesses / desks per day
- Transformed the Cove Business Hub to a digital service, providing support to its co-workers during COVID-19.
- Celebrated the first year of co-working operation
- A program of workshops, webinars and networking events at the Cove Business Hub - 60 activations delivered to over 1,000 participants.

Digital marketing advice was also provided to businesses by the Southern Business Mentoring Program.

### BUSINESS ASSOCIATIONS

The City of Marion's two business associations, Southern Business Connections and the Hallett Cove Business Association, provide invaluable independent support and networking opportunities for the Marion business community. During 2019/20, the City of Marion delivered a review and a new three-year plan to continue the support of our business associations.

### IRRIGATION CONSTRUCTION

The City of Marion has worked together with the Cities of Charles Sturt and Port Adelaide Enfield to improve service, cost and quality to carry out Irrigation Construction projects. The cross-Council team delivered 15 Irrigation projects across the three Councils on time and with a saving to the City of Marion of 40% compared to contracted rates.

### ADULT COMMUNITY EDUCATION PROGRAM

The Adult Community Education (ACE) program provides a number of courses in our neighbourhood centres to support community members with foundation and employability skills such as job readiness skills, literacy and numeracy, small business knowledge in addition to practical skill development such as barista skills. These courses, delivered in a non-traditional environment are successful due to the small class size, low cost, and enable individuals to build their local community network. From April 2020, to ensure continuation of ACE courses, the program was delivered virtually. Tutors and students were supported to adapt to the online realm and continue their learning activities. Digital literacy of both tutors and students was greatly enhanced and improved.





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.

### BUSINESS SYSTEMS ENHANCEMENTS

In 2019/20 the City of Marion commenced or delivered the following Information Technology Enhancements:

- Introduced a Cloud First Principle, incorporating the transition from on-premise to cloud based services including Microsoft Office 365
- Commenced transition of (mapping/GIS/spatial) solution to industry leading platform
- As part of the digital transformation program, City of Marion started the selection of new business Apps including:
  - Customer Relationship Management (CRM) supporting a Single View of the Customer
  - Human Resources and Information System (HRIS)
- Microsoft PowerBI was implemented to support data driven reporting and decision-making
- Enabled flexibility of remote/office work through transition to mobile devices
- Commenced a Digital Literacy and Cybersecurity project to uplift organisational capability and cybersecurity awareness

### ONLINE BOOKING SYSTEM PHASE II

The online booking system project allows residents to hire space in Council-owned facilities via the corporate website. Five new locations were added to the booking system, taking the total to 13 since the project began in 2018. Public access to the system was temporarily disabled in March 2020 as Council chose not to offer bookings in line with government health advice during COVID-19. The Eventbrite integration with the corporate website was also completed during this period.

### SMART CITIES

The Smart City of Marion Strategic Plan was endorsed for public consultation in 2019/20. The Plan outlines a set of initiatives against the prioritised 4-year Business Plan projects and the strategic objectives to be delivered over the next three years. It is aligned to the seven foundational principles and three smart goals aimed to accelerate transformation to achieve 'Innovative' community vision.

### PUBLIC LIGHTING GUIDELINES AND ACTION PLAN

The Public Lighting Guideline and Action Plan were endorsed in June 2020. The Public Lighting Guideline is designed to be used by project managers, developers, contractors and staff when either new lighting is installed or when we maintain existing lights. The Guideline outlines responsibilities and processes to manage public lighting for community facilities (including car parks), open space lighting, sports lighting and street lights. The Lighting Action Plan identifies a number of projects to understand existing lighting data, address non-

compliance, improve energy efficiency and improve operational effectiveness through smart technology.

### COVID-19 RESPONSE

The City of Marion continued to deliver services to support the community during COVID-19. Thousands of residents benefited from a raft of services that were quickly and efficiently launched from staff who were enabled to work from home through an enhanced Information Technology roll-out. Some statistics include:

- 135,343 views of live streaming entertainment and education programs from the Domain Theatre
- 4,734 wellbeing calls made to vulnerable residents and 5,238 frozen meals delivered
- 571 activity packs with exercise tips delivered
- 129 Adult Community Education classes delivered online
- 70 business advisory sessions delivered online
- 29,550 e-Books and eAudio books loaned

As restrictions eased, a mixture of online and in person activities continued, to support the community as confidence rebuilds.

### DIGITAL LITERACY

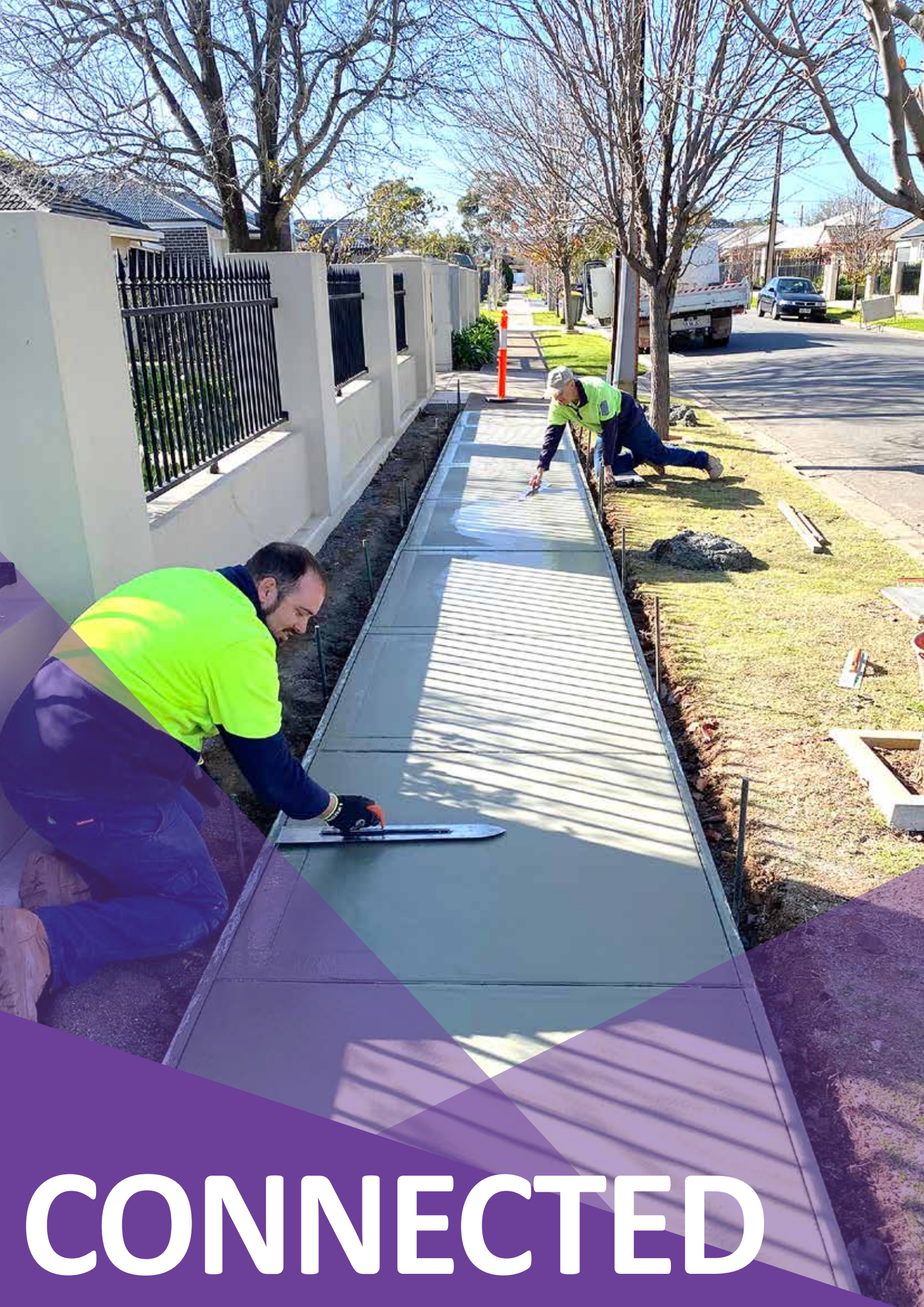
A wide variety of digital literacy programs were delivered from our libraries and neighborhood centres during 2019/20. These programs were provided by both staff and volunteers together with some funding supplied by Be Connected (\$19.5k) and the Department of Human Services (\$20k). Grant funding assisted in the purchase of digital devices to be loaned to vulnerable members of the community supporting digital inclusion and access. All programs were adapted in response to the COVID-19 pandemic. Creativity, flexibility and innovation was demonstrated with the launch of a series of online programs including:

- Library through the Lens – a series of webinars and author talks
- apART Online facebook group – a virtual art class that inspired and shared artistic tips and tricks
- Digital Literacy sessions – either online or over the phone, connecting people to online resources available from the library
- Bricks n Bytes – provided young people with an opportunity to develop their lego skills and lots more.

### OAKLANDS SMART PRECINCT

The City of Marion began design work for a new park, footpaths and streetscapes adjacent to Oaklands Crossing. The project seeks to combine with new technology to better connect the new station to Marion's Regional Centre. The 'Smart Precinct' will include new technology that could include digital signs, wi-fi and interactive play equipment as well as improved streetscapes, paths for pedestrians and cyclists and a larger public part at Dwyer Road Reserve with a new playground.





**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.

### LED TRANSITION

During 2019/20, 7,395 old and inefficient streetlights were replaced with new LED streetlights. An additional 930 old streetlights are to be replaced during the 2020/21 financial year. This initiative is expected to reduce energy costs by 75% and reduce carbon emissions by 1600 tonne per year.

### CITY-WIDE TRANSPORT PLAN

To address changing community expectations, an overarching city-wide Transport Plan is being developed. This will enable a holistic approach that considers future transport elements and provides directions for what will be a different transport future. It is proposed the scope of the Plan be limited to those elements of the transport system for which the City of Marion has direct responsibility, as well as where advocate or partner roles could lead to better outcomes for our community. Key principles and goals have been developed in conjunction with the Council Members. The Transport Plan is scheduled to be completed by June 2021.

### FOOTPATH BLITZ CAMPAIGN

The Footpath Blitz campaign kicked off in March 2020 in response to feedback we received from the community through the Community Satisfaction Survey which found a 29% dissatisfaction rating with the maintenance of footpaths and kerbs in the city.

Community feedback was sought on broken, cracked and unsafe footpaths. 355 responses were received over a 4-week period. Responses were prioritised and work will progress over 2020 to repair the footpaths.

### STREETSCAPE PROGRAM

#### Bray Street

The streetscape of Bray Street was completed, except for planting a few trees. The main feature of this project is the enhancement of the local shopping precinct incorporating a raised pavement section to encourage slower vehicle speeds in the vicinity.

#### Sturt Road

Construction of the streetscape along the section of Sturt Road, from the DPTI project at South Road to Marion Road, continued during 2019/20 and is due to be completed by October 2020. This project includes, new footpaths, Water Sensitive Urban Design (WSUD), tree planting and landscaping of the median. Design has commenced for the next segment of Sturt Road between Marion Road and Diagonal Road.

#### Alawoona Avenue

Council obtained funding for undergrounding of power lines along Alawoona Avenue as part of the Power Line Environment Committee (PLEC) scheme. Due to the cost of the project, delivery is scheduled to occur over two

financial years, commencing in the second half of 2020/21 and being completed in the 2021/22. Design of the streetscape project has commenced.

#### Birch Crescent

During 2019/20 work progressed on the design for the Birch Crescent streetscape, incorporating the Tonsley Greenway, which is 75% complete. Community consultation has been undertaken and construction is scheduled to commence in January 2021. This project has been developed in-conjunction with Renewal SA and DPTI.

### DARLINGTON UPGRADE PROJECT

The Darlington Project is nearing completion with full operation of the motorway due August 2020. The project is an important stage in the delivery of Adelaide's North-South Corridor and will deliver an upgrade of approximately 3.3 kilometres of the existing Main South Road. Landscape and surface road treatments are to be complete September 2020. Significant public artworks will be installed September 2020.

### FLINDERS LINK

The Flinders Link Project will extend the existing Tonsley rail line to Flinders Medical Centre, creating new connections to the health precinct and Flinders University. During 2019/20 the Flinders Link project design reviews and integration with Birch Crescent streetscape progressed to 70% designs. Public art tender for a mural in the pedestrian culvert was administered and awarded with works to commence in August 2020. Flinders Link construction commenced with completion of piers, and structural steel. Trains are due to be operational by December 2020.

### COASTAL WALKWAY

In November 2019, Council endorsed a \$4.8 million plan to reopen the gullies and extend the walkway to the Field River mouth. Since this time, the State Government has provided \$2.4 million in grant funding to match Council's \$2.4 million capital contribution. Design of the gullies and Field River connection is now underway with Aspect Studios engaged as lead Landscape Architects. Since closing 2.5kms of the 8km structure as a safety precaution in June 2019, we have worked to repair the boardwalk. Work has included geotechnical investigations, assessing the condition of footings, installing new timber bracing and inserting metal rods to improve stability. Additionally, Council has developed a long-term plan to completely rebuild the structure for an estimated \$14.5 million over 10 years.

# City of Marion

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2020

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## City of Marion

### General Purpose Financial Statements

for the year ended 30 June 2020

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## City of Marion

### General Purpose Financial Statements

for the year ended 30 June 2020

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#### Certification of Financial Statements

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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2020 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Tony Lines  
Acting Chief Executive Officer

Date: 27/10/20



Kris Hanna  
Mayor

Date: 27/10/20

## City of Marion

### Statement of Comprehensive Income for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Income</b>			
Rates Revenues	2a	79,471	77,175
Statutory Charges	2b	2,114	2,277
User Charges	2c	2,233	2,468
Grants, Subsidies and Contributions	2g	7,163	10,917
Investment Income	2d	946	1,214
Reimbursements	2e	1,146	641
Other income	2f	559	732
Net Gain - Equity Accounted Council Businesses	19(a)	183	213
<b>Total Income</b>		<b>93,815</b>	<b>95,637</b>
<b>Expenses</b>			
Employee costs	3a	36,487	34,861
Materials, Contracts and Other Expenses	3b	34,967	33,157
Depreciation, Amortisation and Impairment	3c	15,542	15,018
Finance Costs	3d	423	467
<b>Total Expenses</b>		<b>87,419</b>	<b>83,503</b>
<b>Operating Surplus / (Deficit)</b>		<b>6,396</b>	<b>12,134</b>
Physical Resources Received Free of Charge	2i	2,283	5,320
Asset Disposal & Fair Value Adjustments	4	(1,099)	(2,149)
Amounts Received Specifically for New or Upgraded Assets	2g	175	4,639
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>7,755</b>	<b>19,944</b>
<b>Other Comprehensive Income</b>			
<b>Amounts which will not be reclassified subsequently to operating result</b>			
Changes in Revaluation Surplus - I,PP&E	9a	(9,131)	2,055
Changes in Revaluation Surplus - Equity Accounted Council Businesses	19	367	—
<b>Total Other Comprehensive Income</b>		<b>(8,764)</b>	<b>2,055</b>
<b>Total Comprehensive Income</b>		<b>(1,009)</b>	<b>21,999</b>

(1) Transferred to Statement of Changes in Equity

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



## City of Marion

### Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & Cash Equivalent Assets	5a	17,831	11,784
Trade & Other Receivables	5b	6,000	8,312
Other Financial Assets	5c	36,400	34,800
Inventories	5d	331	243
<b>Total current assets</b>		<b>60,562</b>	<b>55,139</b>
<b>Non-current assets</b>			
Equity Accounted Investments in Council Businesses	6a	6,454	6,028
Other Non-Current Assets	6b	4,489	4,146
Infrastructure, Property, Plant & Equipment	7a	1,149,808	1,151,989
<b>Total non-current assets</b>		<b>1,160,751</b>	<b>1,162,163</b>
<b>TOTAL ASSETS</b>		<b>1,221,313</b>	<b>1,217,302</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	17,231	6,248
Borrowings	8b	1,245	1,170
Provisions	8c	6,305	5,765
Lease Liabilities	8d	153	—
<b>Total Current Liabilities</b>		<b>24,934</b>	<b>13,183</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	4,390	5,635
Provisions	8c	610	614
Lease Liabilities	8d	64	—
<b>Total Non-Current Liabilities</b>		<b>5,064</b>	<b>6,249</b>
<b>TOTAL LIABILITIES</b>		<b>29,998</b>	<b>19,432</b>
<b>Net Assets</b>		<b>1,191,315</b>	<b>1,197,870</b>
<b>EQUITY</b>			
Accumulated surplus		396,604	397,167
Asset revaluation reserves	9a	753,528	762,292
Other reserves	9b	41,183	38,411
<b>Total Equity</b>		<b>1,191,315</b>	<b>1,197,870</b>

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

## City of Marion

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

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
<b>2020</b>					
Balance at the end of previous reporting period		397,167	762,292	38,411	1,197,870
Adjustments (due to compliance with revised Accounting Standards) - not retrospective	24b	(5,546)	—	—	(5,546)
<b>Net Surplus / (Deficit) for Year</b>		<b>7,755</b>	<b>—</b>	<b>—</b>	<b>7,755</b>
<b>Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	(9,131)	—	(9,131)
- Share of Gain (Loss) on Revaluation - Equity Accounted Council Businesses	19	—	367	—	367
<b>Other comprehensive income</b>		<b>—</b>	<b>(8,764)</b>	<b>—</b>	<b>(8,764)</b>
<b>Total comprehensive income</b>		<b>7,755</b>	<b>(8,764)</b>	<b>—</b>	<b>(1,009)</b>
Transfers between Reserves		(2,772)	—	2,772	—
<b>Balance at the end of period</b>		<b>396,604</b>	<b>753,528</b>	<b>41,183</b>	<b>1,191,315</b>
<b>2019</b>					
Balance at the end of previous reporting period		380,504	760,237	35,130	1,175,871
<b>Net Surplus / (Deficit) for Year</b>		<b>19,944</b>	<b>—</b>	<b>—</b>	<b>19,944</b>
<b>Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	2,055	—	2,055
- Share of Gain (Loss) on Revaluation - Equity Accounted Council Businesses	19	—	—	—	—
<b>Other comprehensive income</b>		<b>—</b>	<b>2,055</b>	<b>—</b>	<b>2,055</b>
<b>Total comprehensive income</b>		<b>19,944</b>	<b>2,055</b>	<b>—</b>	<b>21,999</b>
Transfers between Reserves		(3,281)	—	3,281	—
<b>Balance at the end of period</b>		<b>397,167</b>	<b>762,292</b>	<b>38,411</b>	<b>1,197,870</b>

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

## City of Marion

### Statement of Cash Flows

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Rates Receipts		79,813	76,887
Statutory Charges		2,123	2,305
User Charges		2,355	2,715
Grants, Subsidies and Contributions (operating purpose)		8,192	11,375
Investment Receipts		946	1,214
Reimbursements		1,244	701
Other Receipts		7,057	3,818
<u>Payments</u>			
Payments to Employees		(35,961)	(34,991)
Payments for Materials, Contracts & Other Expenses		(38,513)	(39,842)
Finance Payments		(423)	(467)
<b>Net cash provided by (or used in) Operating Activities</b>	11b	<u>26,833</u>	<u>23,715</u>
<b>Cash flows from investing activities</b>			
Amounts Received Specifically for New/Upgraded Assets		3,514	4,639
Sale of Replaced Assets		300	2,233
Sale of Surplus Assets		26	132
Distributions Received from Equity Accounted Council Businesses		124	—
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(9,246)	(19,412)
Expenditure on New/Upgraded Assets		(12,372)	(12,582)
Net Purchase of Investment Securities		(1,600)	(7,350)
<b>Net cash provided (or used in) investing activities</b>		<u>(19,254)</u>	<u>(32,340)</u>
<b>Cash flows from financing activities</b>			
<u>Payments</u>			
Repayments of Borrowings		(1,170)	(1,100)
Repayment of Finance Lease Liabilities		(362)	—
<b>Net Cash provided by (or used in) Financing Activities</b>		<u>(1,532)</u>	<u>(1,100)</u>
<b>Net Increase (Decrease) in Cash Held</b>		<u>6,047</u>	<u>(9,725)</u>
plus: Cash & Cash Equivalents at beginning of period		11,784	21,509
<b>Cash and cash equivalents held at end of period</b>	11a	<u>17,831</u>	<u>11,784</u>
 Additional Information:			
plus: Investments on hand – end of year	6b	36,400	34,800
<b>Total Cash, Cash Equivalents &amp; Investments</b>		<u>54,231</u>	<u>46,584</u>

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

## City of Marion

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

#### Contents of the Notes accompanying the General Purpose Financial Statements

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# City of Marion

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 1. Summary of Significant Accounting Policies

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

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

#### (1) Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 31 May 2018

##### 1.2 Critical Accounting Estimates

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

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

##### 1.3 Rounding

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

#### (2) The Local Government Reporting Entity

City of 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
2017/18	\$3,399,489	\$3,269,242	+ \$130,247
2018/19	\$4,416,029	\$3,380,264	+ \$1,035,765
2019/20	\$2,980,238	\$3,452,091	- \$471,853

continued on next page ...

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## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies (continued)

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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.

##### **Construction Contracts**

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues are recognised over time using the input method, with costs incurred compared to total expected costs used as a measure of progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

##### **(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, except for trade receivables from a contract with a customer, which are measured at the transaction price. 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.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 1. Summary of Significant Accounting Policies (continued)

#### 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	\$10,000
Land	n/a
Land Improvements	\$5,000
Buildings	\$10,000
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.

Category	Aggregate Threshold
<b>Infrastructure</b>	
Reserve Lighting	\$250,000
Reserve Pathways	\$500,000
<b>Buildings</b>	
Bus Shelters	\$1,000,000
Shelters/Gazebos	\$250,000
Fencing	\$500,000
<b>Furniture and Fittings</b>	\$25,000
<b>Equipment</b>	
Irrigation	\$1,000,000
LED Lighting	\$1,000,000
<b>Other</b>	
BBQs	\$250,000
Reserve Furniture	\$500,000
Drink Fountains	\$50,000
Reserve Bollards	\$250,000
Reserve Bins	\$100,000
City Band Instruments	\$100,000
Council Artwork	\$100,000

#### 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 valuers are provided at Note 7.

#### 6.4 Depreciation of Non-Current Assets

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

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.



## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies (continued)

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
<b>Furniture &amp; Equipment</b>		
Office Equipment	3 to 10	n/a
Office Furniture	15	n/a
Vehicles and Heavy Equipment	3 to 15	n/a
Other Plant & Equipment	7 to 25	n/a
LED Lighting	50	n/a
Irrigation – Equipment	10	n/a
Irrigation - Pipework	60	n/a
<b>Buildings</b>		
Sub Structure	n/a	80 to 200
Super Structure	40 to 80	n/a
Roofing	40	n/a
Services	40 to 50	n/a
Fitout	30	n/a
<b>Infrastructure</b>		
Sealed Roads – Surface	25 to 40	n/a
Road Base	60 to 100	200
Road Formation	200	n/a
Kerb	70 to 105	200
Footpath – Bitumen/Rubber	20 to 40	60 to 100
Footpath – Concrete	50 to 85	n/a
Footpath – Paved	50 to 85	n/a
Other Road Structures	20 to 100	40 to 80
Traffic Signs	15 to 20	n/a
Bridges	80 to 140	200
Stormwater Pipes Concrete	100 to 175	200
Stormwater Pipes PVC	60 to 100	n/a
Stormwater Pipes Ribloc	60 to 100	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
<b>Other Infrastructure</b>		
Wetland Assets	15 to 100	250
Car Parks	25 to 40	n/a
Lighting	15 to 25	n/a
Recreation Pathways	30 to 40	n/a
Sports Floodlights	25	n/a
<b>Other Assets</b>		
Playground Equipment	20	n/a
Reserve Furniture	25	n/a
Band Instruments	30	n/a
Civic Art Structures	15 to 80	n/a

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# City of Marion

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 1. Summary of Significant Accounting Policies (continued)

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#### 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 initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

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.

#### 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.

## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (10) Leases

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

##### Council as a Lessee

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

##### i) Right-of-use assets

Council recognises the right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of the costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight line basis over lease term.

The right-of-use asset is also subject to impairment.

##### ii) Lease Liabilities

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

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

Council applies the short-term lease recognition exemption to its short term leases (i.e. a lease term less than 12 months from commencement date). Council also applies the low-value assets recognition exemption to leases that do not meet the underlying asset capitalisation threshold. These leases are recognised as an expense on a straight line basis over the lease term.

##### (11) Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, 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 UIG interpretations

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

Council applied AASB 15 and AASB 1058 for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These standards supersede the NFP income recognition requirements previously in AASB 1004 *Contributions* (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance AASB *Revenue*, AASB 111 *Construction Contracts* and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in Note 1 Significant Accounting Policies. Council has elected to adopt the modified retrospective method on transition to the new standards with an application date of 1 July 2019. The cumulative effect of initially applying AASB 1058 and AASB 15 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus.

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## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies (continued)

Therefore the comparative information was not re-stated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related Interpretations.

Council has determined the impact of the new standards will mainly impact the timing of revenue recognition in relation to special purpose grants. The grants are provided to Council to construct or acquire an asset to be controlled by Council. They are accounted for under AASB 1058 and as such, amounts received in relation to these grants are recorded as a liability 'Grants in Advance' and recorded in revenue as the asset is constructed. The impact of adopting the new standards at 1 July 2019 was an increase to liabilities of \$5.546M and a decrease to Accumulated Surplus of \$5.546M.

Set out below are the amounts by which each financial statement is affected as at, and for the year ended, 30 June 2020 as a result of the adoption of AASB 1058 and AASB 15.

The first column shows amounts under AASB15/1058 and the second column shows what the amounts would have been had AASB 15/1058 not been adopted.

#### Amounts prepared under

	AASB 15/1058	Previous AAS
	\$'000	\$'000
Grants, Subsidies and Contributions	7,163	7,675
Amounts Received Specifically for New or Upgraded Assets	175	3,511
Accumulated Surplus	396,604	405,987
Trade and Other Payables	17,231	7,837

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

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

#### **The standards that are expected to have a material impact upon Council's future financial statements are:**

- nil

#### **The standards are not expected to have a material impact upon Council's future financial statements are:**

#### **Effective for annual reporting periods beginning on or after 1 January 2021**

- AASB 17 Insurance Contracts
- AASB 17 Insurance Contracts (Appendix D)

#### **(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 the Financial Statements for the year ended 30 June 2020

#### Note 2. Income

\$ '000	2020	2019
<b>(a) Rates Revenues</b>		
<b>General Rates</b>		
General Rates	79,174	76,747
Less: Mandatory Rebates	(1,899)	(1,718)
Less: Discretionary Rebates, Remissions & Write Offs	(72)	(87)
<b>Total General Rates</b>	<b>77,203</b>	<b>74,942</b>
<b>Other Rates (Including Service Charges)</b>		
Natural Resource Management Levy	1,973	1,933
<b>Total Other Rates (Including Service Charges)</b>	<b>1,973</b>	<b>1,933</b>
<b>Other Charges</b>		
Penalties for Late Payment	295	300
<b>Total Other Charges</b>	<b>295</b>	<b>300</b>
<b>Total Rates</b>	<b>79,471</b>	<b>77,175</b>
<b>(b) Statutory Charges</b>		
Development Act Fees	783	821
Town Planning Fees	109	71
Animal Registration Fees & Fines	588	558
Parking Fines / Expiation Fees	634	827
<b>Total Statutory Charges</b>	<b>2,114</b>	<b>2,277</b>
<b>(c) User Charges</b>		
Hall & Equipment Hire	191	252
Sales - General	539	524
Sundry	772	898
Admission Fees	420	502
Rental Income	311	292
<b>Total User Charges</b>	<b>2,233</b>	<b>2,468</b>
<b>(d) Investment Income</b>		
Interest on Investments		
- Local Government Finance Authority	923	1,201
- Banks & Other	23	13
<b>Total Investment Income</b>	<b>946</b>	<b>1,214</b>

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## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 2. Income (continued)

\$ '000	2020	2019
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#### (e) Reimbursements

Private Works	200	248
Other	946	393
<b>Total Reimbursements</b>	<b>1,146</b>	<b>641</b>

#### (f) Other income

Sundry	10	97
Donations & Contributions income	214	548
Labour Recovery	238	31
Insurance & Other Recoupments - Infrastructure, IPP&E	97	56
<b>Total Other income</b>	<b>559</b>	<b>732</b>

#### (g) Grants, Subsidies, Contributions

Amounts Received Specifically for New or Upgraded Assets	175	4,639
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>	<b>175</b>	<b>4,639</b>
Other Grants, Subsidies and Contributions	5,543	8,360
Individually Significant Item - Additional Grants Commission Payment (refer below)	1,620	2,557
<b>Total Other Grants, Subsidies and Contributions</b>	<b>7,163</b>	<b>10,917</b>
<b>Total Grants, Subsidies, Contributions</b>	<b>7,338</b>	<b>15,556</b>

The functions to which these grants relate are shown in Note 12.

#### (i) Sources of grants

Commonwealth Government	3,095	5,254
State Government	4,152	9,329
Other	91	973
<b>Total</b>	<b>7,338</b>	<b>15,556</b>

#### (ii) Individually Significant Items

Grants Commission - Financial Assistance Grant recognised as income	1,620	1,594
Grants Commission - Supplementary Road Grant recognised as income	—	963

2020: In June 2020, Council received part payment for the 2020/21 Grants Commission Financial Assistance Grants. This payment was adjusted for minor reconciling amounts relating to the 2019/20 Grants Commission payment received in June 2019.

2019: In June 2019, Council also received payment of the 2019/20 and 2020/21 Grants Commission Supplementary Road Grant. This had a material affect on council's operating result in the 2018/19 financial year.



## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 2. Income (continued)

\$ '000	2020	2019
<b>(h) Conditions over Grants &amp; Contributions</b>		
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:		
<b>Unexpended at the close of the previous reporting period</b>	7,414	4,028
<b>Less:</b>		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Other	(1,867)	(1,632)
<b>Subtotal</b>	(1,867)	(1,632)
<b>Plus:</b>		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Other	1,620	5,018
<b>Subtotal</b>	1,620	5,018
<b>Unexpended at the close of this reporting period</b>	7,167	7,414
<b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>	(247)	3,386
<b>(i) Physical Resources Received Free of Charge</b>		
Roads, Bridges & Footpaths	2,283	5,207
Buildings	–	20
Other	–	93
<b>Total Physical Resources Received Free of Charge</b>	2,283	5,320

## City of Marion

### Notes to the Financial Statements for the year ended 30 June 2020

#### Note 3. Expenses

\$ '000	Notes	2020	2019
<b>(a) Employee costs</b>			
Salaries and Wages		30,681	29,425
Employee Leave Expense		3,116	2,858
Superannuation - Defined Contribution Plan Contributions	18	2,813	2,693
Workers' Compensation Insurance		764	701
Less: Capitalised and Distributed Costs		(887)	(816)
<b>Total Operating Employee Costs</b>		<b>36,487</b>	<b>34,861</b>
Total Number of Employees (full time equivalent at end of reporting period)		358	365
<b>(b) Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		39	37
Bad and Doubtful Debts		1	6
Elected Members' Expenses		352	344
Operating Lease Rentals - Cancellable Leases		400	613
<b>Subtotal - Prescribed Expenses</b>		<b>792</b>	<b>1,000</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		17,108	14,502
Energy		1,556	1,831
Maintenance		3,276	3,532
Legal Expenses		271	281
Levies Paid to Government - NRM levy		1,972	1,918
Levies - Other		199	230
Parts, Accessories & Consumables		3,999	3,497
Professional Services		1,423	959
Sundry		2,307	3,502
Insurance		591	520
Fringe Benefits Tax		169	182
Advertising		127	109
Printing & Postage		297	286
Memberships & Subscriptions		325	259
Bank Fees & Charges		169	166
Telecommunication Charges		187	182
Library Materials		199	201
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>34,175</b>	<b>32,157</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>34,967</b>	<b>33,157</b>

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## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 3. Expenses (continued)

\$ '000	2020	2019
<b>(c) Depreciation, Amortisation and Impairment</b>		
<b>(i) Depreciation and Amortisation</b>		
Buildings & Other Structures	3,627	3,507
Infrastructure	8,762	8,642
- Other	1,136	1,051
Right-of-use Assets	162	—
Plant & Equipment	1,287	1,233
Furniture & Fittings	79	79
Intangible Assets	42	59
Other Assets	580	534
<b>Subtotal</b>	<b>15,675</b>	<b>15,105</b>
Less: Capitalised and Distributed costs	(133)	(87)
<b>Total Depreciation, Amortisation and Impairment</b>	<b>15,542</b>	<b>15,018</b>
<b>(d) Finance Costs</b>		
Interest on Loans	423	467
<b>Total Finance Costs</b>	<b>423</b>	<b>467</b>

#### Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	2020	2019
<b>Infrastructure, Property, Plant &amp; Equipment</b>		
<b>(i) Assets Renewed or Directly Replaced</b>		
Proceeds from Disposal	300	2,299
Less: Carrying Amount of Assets Sold	(1,410)	(4,452)
<b>Gain (Loss) on Disposal</b>	<b>(1,110)</b>	<b>(2,153)</b>
<b>(ii) Assets Surplus to Requirements</b>		
Proceeds from Disposal	26	66
Less: Carrying Amount of Assets Sold	(15)	(62)
<b>Gain (Loss) on Disposal</b>	<b>11</b>	<b>4</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>	<b>(1,099)</b>	<b>(2,149)</b>

## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 5. Current Assets

\$ '000	2020	2019
<b>(a) Cash &amp; Cash Equivalent Assets</b>		
Cash on Hand at Bank	3,031	684
Short Term Deposits & Bills, etc.	14,800	11,100
<b><u>Total Cash &amp; Cash Equivalent Assets</u></b>	<b><u>17,831</u></b>	<b><u>11,784</u></b>

#### **(b) Trade & Other Receivables**

Rates - General & Other	2,261	2,576
Rates Postponed for State Seniors	159	186
Accrued Revenues	180	208
Debtors - General	2,377	4,130
GST Recoupment	561	680
Prepayments	462	532
<b><u>Total Trade &amp; Other Receivables</u></b>	<b><u>6,000</u></b>	<b><u>8,312</u></b>

#### **(c) Other Financial Assets**

Other Financial Assets (Term Deposits with over 90 days to maturity)	36,400	34,800
<b><u>Total Other Financial Assets</u></b>	<b><u>36,400</u></b>	<b><u>34,800</u></b>

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	331	243
<b><u>Total Inventories</u></b>	<b><u>331</u></b>	<b><u>243</u></b>

## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 6. Non-Current Assets

\$ '000	Notes	2020	2019
<b>(a) Equity Accounted Investments in Council Businesses</b>			
Southern Region Waste Resource Authority	19(a)i	6,454	5,890
Council Solutions	19(a)i	—	138
<b><u>Total Equity Accounted Investments in Council Businesses</u></b>		<b><u>6,454</u></b>	<b><u>6,028</u></b>
<b>(b) Other Non-Current Assets</b>			
<b>Other</b>			
Capital Works-in-Progress		4,489	4,146
<b><u>Total Other Non-Current Assets</u></b>		<b><u>4,489</u></b>	<b><u>4,146</u></b>

# City of Marion

## Notes to the Financial Statements for the year ended 30 June 2020

### Note 7. Infrastructure, Property, Plant & Equipment

#### (a) Infrastructure, Property, Plant & Equipment

		as at 30/06/19				Asset movements during the reporting period										as at 30/06/20		
	Fair Value Level	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Transition adjustment - AASB 16	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	WIP Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	
\$ '000																		
Land	2	351,330	489	-	351,819	-	355	-	(154)	-	-	-	-	351,177	844	-	352,021	
Buildings & Other Structures	3	166,292	12,253	(67,036)	111,509	-	6,151	1,790	(808)	(3,627)	567	-	-	164,554	20,194	(69,734)	115,014	
Infrastructure	3	778,466	2,055	(152,514)	628,007	-	6,143	5,330	-	(8,762)	122	(9,131)	-	775,795	2,570	(156,779)	621,586	
- Other	3	41,637	7,151	(12,624)	36,164	-	861	1,011	(7)	(1,136)	339	-	-	41,618	9,023	(13,747)	36,894	
Right-of-Use Assets		-	-	-	-	362	-	-	-	(162)	-	-	-	-	714	(514)	200	
Plant & Equipment		-	22,792	(8,466)	14,326	-	209	999	(381)	(1,287)	(705)	-	-	-	23,236	(9,370)	13,866	
Furniture & Fittings		-	1,865	(1,046)	819	-	12	36	(2)	(79)	-	-	-	-	1,910	(1,123)	787	
Intangible Assets		-	1,215	(1,071)	144	-	-	-	-	(42)	(13)	-	-	1,215	-	(1,113)	102	
Other Assets		10,964	1,851	(3,614)	9,201	-	668	119	(72)	(580)	(653)	-	-	10,798	2,638	(4,098)	9,338	
Total Infrastructure, Property, Plant & Equipment		1,348,689	49,671	(246,371)	1,151,989	362	14,399	9,285	(1,424)	(15,675)	(343)	(9,131)	-	1,345,157	61,129	(256,478)	1,149,808	
Comparatives		1,330,943	31,801	(230,212)	1,132,532	-	13,824	22,993	(4,513)	(15,046)	-	-	2,055	1,348,689	49,671	(246,371)	1,151,989	

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## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 7. Infrastructure, Property, Plant & Equipment (continued)

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

###### 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

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

###### 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.

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## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 7. Infrastructure, Property, Plant & Equipment (continued)

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#### 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.

#### 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 comprehensive revaluation was carried out by independent valuation for the previous reporting period, 30 June 2018.

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 comprehensive revaluation was carried out by independent valuation for the reporting period, 30 June 2018.

#### 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 2020.

A comprehensive revaluation was carried out by independent valuation for the reporting period, 30 June 2018 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, Equipment & Equipment

These assets are recognised on the cost basis.

#### All other Assets

A comprehensive revaluation was carried out by independent valuation for the reporting period, 30 June 2018.

## City of Marion

### Notes to the Financial Statements for the year ended 30 June 2020

#### Note 8. Liabilities

\$ '000	2020 Current	2020 Non Current	2019 Current	2019 Non Current
<b>(a) Trade and Other Payables</b>				
Goods & Services	6,544	—	5,332	—
Payments Received in Advance	22	—	22	—
- Grants, Subsidies, Contributions - Operating	512	—	—	—
- Grants & Contributions - Capital	8,882	—	—	—
Accrued Expenses - Employee Entitlements	1,081	—	742	—
Accrued Expenses - Other	104	—	14	—
Other	86	—	138	—
<b><u>TOTAL Trade and Other Payables</u></b>	<b><u>17,231</u></b>	<b><u>—</u></b>	<b><u>6,248</u></b>	<b><u>—</u></b>
<b>(b) Borrowings</b>				
Loans	1,245	4,390	1,170	5,635
<b><u>TOTAL Borrowings</u></b>	<b><u>1,245</u></b>	<b><u>4,390</u></b>	<b><u>1,170</u></b>	<b><u>5,635</u></b>
All interest bearing liabilities are secured over the future revenues of the Council				
<b>(c) Provisions</b>				
Employee Entitlements (including oncosts)	6,305	610	5,765	614
<b><u>TOTAL Provisions</u></b>	<b><u>6,305</u></b>	<b><u>610</u></b>	<b><u>5,765</u></b>	<b><u>614</u></b>
<b>(d) Lease Liabilities</b>				
Lease Liabilities	153	64	—	—
<b><u>TOTAL Other Liabilities</u></b>	<b><u>153</u></b>	<b><u>64</u></b>	<b><u>—</u></b>	<b><u>—</u></b>

## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 9. Reserves

	as at 30/06/19				as at 30/06/20
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
<b>(a) Asset Revaluation Reserve</b>					
Land	250,696	—	—	—	250,696
Buildings & Other Structures	84,875	—	—	—	84,875
Infrastructure	5,061	(2,171)	—	—	2,890
- Stormwater Drainage	97,742	(1,585)	—	—	96,157
- Other	298	—	—	—	298
- Roads, Bridges, Footpaths	318,547	(5,375)	—	—	313,172
Other Assets	5,073	—	—	—	5,073
JV's / Associates - Other Comprehensive Income	—	367	—	—	367
<b>Total Asset Revaluation Reserve</b>	<b>762,292</b>	<b>(8,764)</b>	<b>—</b>	<b>—</b>	<b>753,528</b>
Comparatives	760,237	2,055	—	—	762,292

	as at 30/06/19				as at 30/06/20
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
<b>(b) Other Reserves</b>					
Open Space Reserve	2,186	10	(141)	—	2,055
Grants/Carry Forward Projects Reserve	17,436	16,221	(12,775)	—	20,882
Asset Sustainability Reserve	18,258	4,834	(5,459)	—	17,633
Water Reserve	531	375	(293)	—	613
<b>Total Other Reserves</b>	<b>38,411</b>	<b>21,440</b>	<b>(18,668)</b>	<b>—</b>	<b>41,183</b>
Comparatives	35,130	20,243	(16,962)	—	38,411

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## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 9. Reserves (continued)

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##### 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).

###### 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. Interest revenues earned on contributions provided by developers are transferred to the Fund.

###### Grants and Carryovers 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.

###### 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.

###### Water Reserve

*Purpose* - this reserve is established to quarantine revenue received and savings identified from the sale and use of treated stormwater from Oaklands Wetland to further develop third party supply opportunities.

*Use of Fund* - Reserve transfers require approval at Executive level.



## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 10. Assets Subject to Restrictions

\$ '000	2020	2019
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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

Total Cash & Financial Assets

Total Assets Subject to Externally Imposed Restrictions

7,167	7,414
<u>7,167</u>	<u>7,414</u>
<u>7,167</u>	<u>7,414</u>

## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2020	2019
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##### (a) Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	17,831	11,784
<b>Balances per Statement of Cash Flows</b>		<b>17,831</b>	<b>11,784</b>

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

<b>Net Surplus/(Deficit)</b>		<b>7,755</b>	<b>19,944</b>
<b>Non-Cash Items in Income Statements</b>			
Depreciation, Amortisation & Impairment		15,542	15,018
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(183)	(213)
Non-Cash Asset Acquisitions		(2,283)	(5,320)
Grants for capital acquisitions treated as Investing Activity		(175)	(4,639)
Net (Gain) Loss on Disposals		1,099	2,149
		<b>21,755</b>	<b>26,939</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		2,312	(2,434)
Net (Increase)/Decrease in Inventories		(88)	(16)
Net (Increase)/Decrease in Other Assets		–	22
Net Increase/(Decrease) in Trade & Other Payables		2,101	(1,053)
Net Increase/(Decrease) in Unpaid Employee Benefits		536	257
Net Increase/(Decrease) in Other Liabilities		217	–
<b>Net Cash provided by (or used in) operations</b>		<b>26,833</b>	<b>23,715</b>

\$ '000	Notes	2020	2019
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##### (c) Non-Cash Financing and Investing Activities

###### Acquisition of assets by means of:

Physical Resources Received Free of Charge	2i	2,283	5,320
<b>Amounts recognised in Income Statement</b>		<b>2,283</b>	<b>5,320</b>
<b>Total Non-Cash Financing and Investing Activities</b>		<b>2,283</b>	<b>5,320</b>

##### (d) Financing Arrangements

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

Corporate Credit Cards	111	75
LGFA Cash Advance Debenture Facility	11,000	11,000

Council has immediate access to a short-term cash advance debenture facility at variable interest rate borrowings from the Local Government Finance Authority of SA.

## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).										
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Functions/Activities</b>										
Development Assessment	973	981	4,199	3,646	(3,226)	(2,665)	7	9	—	—
Crime Prevention	2	2	353	353	(351)	(351)	1	1	—	—
Community Support & Development	3,798	6,675	11,724	10,548	(7,926)	(3,873)	2,200	4,833	126,105	121,809
Public & Environment Health	122	105	912	897	(790)	(792)	74	58	—	—
General Inspection	1,276	1,422	1,848	1,680	(572)	(258)	1	1	—	—
Public Infrastructure	3,172	3,522	20,133	19,502	(16,961)	(15,980)	2,256	2,879	679,954	686,220
Open Space	618	606	14,009	14,091	(13,391)	(13,485)	341	185	292,220	291,518
Public Conveniences	3	4	612	608	(609)	(604)	1	1	3,375	3,402
Strategic Projects	115	106	1,489	1,329	(1,374)	(1,223)	7	6	43	47
Asset Management	—	—	—	—	—	—	—	—	15,627	15,765
Neighbourhood Centres	624	749	2,666	2,600	(2,042)	(1,851)	445	492	7,558	7,749
Cultural Development	326	401	3,283	3,400	(2,957)	(2,999)	19	9	14,525	14,638
Libraries	480	412	7,230	7,113	(6,750)	(6,701)	348	313	14,217	14,485
Waste & Recycling	147	118	9,392	8,468	(9,245)	(8,350)	25	34	6,454	5,890
Trees	—	—	1,864	1,722	(1,864)	(1,722)	2	3	—	—
Economic Development	115	139	1,047	912	(932)	(773)	86	121	—	—
Governance	4	—	3,974	3,997	(3,970)	(3,997)	—	25	—	—
Service Quality	1	—	101	93	(100)	(93)	—	—	473	507
Treasury	81,856	80,182	2,583	2,544	79,273	77,638	1,350	1,947	60,762	55,272
<b>Total Functions/Activities</b>	<b>93,632</b>	<b>95,424</b>	<b>87,419</b>	<b>83,503</b>	<b>6,213</b>	<b>11,921</b>	<b>7,163</b>	<b>10,917</b>	<b>1,221,313</b>	<b>1,217,302</b>

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.

## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 12(b). Components of Functions

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The activities relating to Council functions are as follows:

##### **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

##### **CRIME PREVENTION**

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

##### **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

##### **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

##### **COMMUNITY SAFETY 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 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

##### **OPEN SPACE**

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

##### **PUBLIC CONVENIENCES**

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

##### **STRATEGIC PROJECTS**

Delivery of Major Projects across the city aimed at providing improved services and facilities for the Community

##### **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

##### **NEIGHBOURHOOD CENTRES**

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

##### **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 Kaurna Cultural Centre providing cultural and artistic experiences for the community

##### **LIBRARIES**

Three libraries and a delivery service providing opportunities for learning and social activities for all ages and interests

##### **WASTE & RECYCLING**

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

##### **TREES**

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

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## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 12(b). Components of Functions (continued)

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##### **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

##### **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.

##### **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 2040 and its strategic social, cultural, and economic and environmental sustainability goals in a transparent and accountable manner, working with our Local, State, and Commonwealth Government partners

###### **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 Experience**

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

##### **TREASURY**

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



## City of Marion

### Notes to the Financial Statements for the year ended 30 June 2020

#### Note 13. Financial Instruments

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##### Recognised Financial Instruments

##### Bank, Deposits at Call, Short Term Deposits

**Accounting Policy:**

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

**Terms & Conditions:**

Deposits are returning fixed interest rates between 0.50% and 1.40% (2019: 1.75% and 2.38%). Short term deposits have an average maturity of 110 days and an average interest rate of 1.55% (2019: 86 days and 2.28%).

**Carrying Amount:**

Approximates fair value due to the short term to maturity.

##### Receivables - Rates & Associated Charges

**Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**Terms & Conditions:**

Secured over the subject land, arrears attract interest of 2% (2019: 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:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**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).

##### Receivables - Other Levels of Government

**Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**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.

## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 13. Financial Instruments (continued)

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##### 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:**

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

**Terms & Conditions:**

Secured over future revenues, borrowings are repayable over 10 to 15 years; interest is charged at fixed rates between 5.8% and 6.85% (2019: 5.8% and 6.85%).

**Carrying Amount:**

Approximates fair value.

##### Liabilities - Leases

**Accounting Policy:**

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

## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2020</b>					
<b>Financial Assets</b>					
Cash & Equivalents	17,831	—	—	17,831	17,831
Receivables	5,437	—	—	5,437	5,437
Other Financial Assets	36,400	—	—	36,400	36,400
<b>Total Financial Assets</b>	<b>59,668</b>	<b>—</b>	<b>—</b>	<b>59,668</b>	<b>59,668</b>
<b>Financial Liabilities</b>					
Payables	17,231	—	—	17,231	17,231
Borrowings	1,245	3,657	1,659	6,561	5,635
<b>Total Financial Liabilities</b>	<b>18,476</b>	<b>3,657</b>	<b>1,659</b>	<b>23,792</b>	<b>22,866</b>
<b>2019</b>					
Cash & Equivalents	11,784	—	—	11,784	11,784
Receivables	7,627	—	—	7,627	7,627
Other Financial Assets	34,800	—	—	34,800	34,800
<b>Total Financial Assets</b>	<b>54,211</b>	<b>—</b>	<b>—</b>	<b>54,211</b>	<b>54,211</b>
<b>Financial Liabilities</b>					
Payables	6,248	—	—	6,248	6,248
Borrowings	1,570	4,812	2,074	8,456	6,805
<b>Total Financial Liabilities</b>	<b>7,818</b>	<b>4,812</b>	<b>2,074</b>	<b>14,704</b>	<b>13,053</b>

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

\$ '000	2020		2019	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	6.11%	5,635	6.14%	6,805
		<b>5,635</b>		<b>6,805</b>

#### 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.

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## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 13. Financial Instruments (continued)

##### Risk Exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. 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. Capital Expenditure and Investment Property Commitments

\$ '000	2020	2019
---------	------	------

##### Capital Commitments

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

Land	—	1
Buildings	1,646	1,212
Infrastructure	1,409	2,041
Plant & Equipment	805	1,411
Other	1,456	63
	<u>5,316</u>	<u>4,728</u>

**These expenditures are payable:**

Not later than one year	<u>5,316</u>	<u>4,728</u>
	<u>5,316</u>	<u>4,728</u>

## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 15. Financial Indicators

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

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

##### 1. Operating Surplus Ratio

Operating Surplus	6,396	6.8%	12.7%	12.0%
Total Operating Income	93,815			

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

##### 2. Net Financial Liabilities Ratio

Net Financial Liabilities	(30,233)	(32)%	(37)%	(33)%
Total Operating Income	93,815			

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

##### Adjusted Operating Surplus Ratio

Operating Surplus	6,852	7.2%	10.3%	10.0%
Total Operating Income	94,727			

##### Adjustments to Ratios

*In recent years the Commonwealth Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.*

##### Adjusted Net Financial Liabilities Ratio

Net Financial Liabilities	(30,233)	(32)%	(37)%	(33)%
Total Operating Income	94,727			

##### 3. Asset Renewal Funding Ratio

Net Asset Renewals	8,946	58%	114%	75%
Depreciation Expense	15,542			

*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.*



## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 16. Uniform Presentation of Finances

\$ '000	2020	2019
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	93,815	95,637
less Expenses	(87,419)	(83,503)
<b>Operating Surplus / (Deficit)</b>	<b>6,396</b>	<b>12,134</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(9,246)	(19,412)
add back Depreciation, Amortisation and Impairment	15,542	15,018
add back Proceeds from Sale of Replaced Assets	300	2,233
	<b>6,596</b>	<b>(2,161)</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets	(12,372)	(12,582)
add back Amounts Received Specifically for New and Upgraded Assets	3,514	4,639
add back Proceeds from Sale of Surplus Assets	26	132
	<b>(8,832)</b>	<b>(7,811)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>4,160</b>	<b>2,162</b>

## City of Marion

### Notes to the Financial Statements for the year ended 30 June 2020

#### Note 17. Leases

##### (i) Council as a lessee

##### Terms and conditions of leases

##### Computer and Office Equipment

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

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

##### Right of use assets

\$ '000	Ready to use	Total
<b>2020</b>		
Adoption of AASB 16 at 1 July 2019	362	362
Depreciation charge	(161)	(161)
<b>Balance at 30 June 2020</b>	<b>201</b>	<b>201</b>

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

\$ '000	2020	2019
Balance at 1 July	373	—
Accretion of interest	27	—
Payments	(183)	—
<b>Balance at 30 June</b>	<b>217</b>	<b>—</b>

##### Classified as:

Current	153	—
Non Current	64	—

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

Council had total cash outflows for leases of \$583,000.

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	161	—
Interest expense on lease liabilities	26	—
Expense relating to short term leases	6	—
Expense relating to leases of low-value assets	365	—
Other	28	—
<b>Total amount recognised in profit or loss</b>	<b>586</b>	<b>—</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 18. Superannuation

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

#### **Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2019/20; 9.50% in 2018/19). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

#### **Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2018/19) of "superannuation" salary.

In addition, Council makes a separate contribution of 3.2% 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, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

#### **Contributions to Other Superannuation Schemes**

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

## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 19. Interests in Other Entities

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

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2020	2019	2020	2019
<b>Council's Share of Net Income</b>				
Joint Ventures	183	213	6,454	6,028
<b>Total Council's Share of Net Income</b>	<b>183</b>	<b>213</b>	<b>6,454</b>	<b>6,028</b>

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

##### (a) Carrying Amounts

\$ '000	Principal Activity	2020	2019
Southern Region Waste Resource Authority (SRWRA)	Waste Disposal	6,454	5,890
Council Solutions	Procurement	—	138
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>6,454</b>	<b>6,028</b>

##### **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 2020, the net assets of SRWRA total \$21,513,000. The City of Marion interest, totalling \$6,454,000 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 was established for the purposes of providing a centre of excellence in procurement and to provide services to the Constituent Councils.

The City of Marion had a 16.67% interest in the assets and liabilities of Council Solutions. Council Solutions was wound up on 28 February 2020. For the period ended 28 February 2020, Council Solutions operating result was a deficit of \$86,000 and net assets totaled \$743,000. City of Marion received a final distribution of \$124,000 as final settlement of its interest in Council Solutions.

##### (b) Relevant Interests

\$ '000	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2020	2019	2020	2019	2020	2019
Southern Region Waste Resource Authority (SRWRA)	30.00%	30.00%	30.00%	30.00%	33.00%	33.00%
Council Solutions	16.67%	16.67%	16.67%	16.67%	16.67%	16.67%

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## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 19. Interests in Other Entities (continued)

##### (c) Movement in Investment in Joint Venture or Associate

\$ '000	Southern Region Waste Resource Authority (SRWRA)		Council Solutions	
	2020	2019	2020	2019
Opening Balance	5,890	5,739	138	76
Share in Operating Result	197	151	(14)	62
Share in Other Comprehensive Income	367	—	—	—
Distributions Received	—	—	(124)	—
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>6,454</b>	<b>5,890</b>	<b>—</b>	<b>138</b>

##### (d) Joint Operations Expenditure Commitments

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

\$ '000	2020	2019
<b>(i) Capital Expenditures Payable</b>		
Committed Projects	12,580	—
	<b>12,580</b>	<b>—</b>
<b>Operating Expenditures Payable</b>		
Not later than one year	—	19
Later than one year and not later than 5 years	—	—
Later than 5 years	—	—
	<b>—</b>	<b>19</b>

#### 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 the Financial Statements

for the year ended 30 June 2020

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

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

#### 1. LAND UNDER ROADS

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

#### 2. POTENTIAL INSURANCE LOSSES

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

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

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

#### 3. BANK GUARANTEES

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

#### 4. LEGAL EXPENSES

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 9 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.

### Note 22. Events after the Balance Sheet Date

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Events that occur after the reporting date of 30 June 2020, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

On 11 March 2020, the World Health Organisation declared the health crisis sparked by the COVID-19 outbreak a pandemic. In order to address this health crisis, the Government of Australia implemented restrictions on the free movement of persons or the temporary cessation of certain business activities. This situation is having a significant effect on the Australian economy.

The impacts of this health crisis on the Council's activities in 2021 will depend on its duration and the effect of the measures adopted in this regard. At the date on which the annual accounts were authorised for issue, there has been no significant impact on the Council's financial position or equity.

Council continues to monitor the situation and to take action as required to mitigate the ongoing potential impact on their operation.

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 27 October 2020.

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



## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 23. Related Party Transactions

##### 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, 20 persons were paid the following total compensation:

\$ '000	2020	2019
<b>The compensation paid to Key Management Personnel comprises:</b>		
Salaries, Allowances & Other Short-Term Employee Benefits	1,272	1,232
Post-Employment Benefits	76	79
<b>Total</b>	<b>1,348</b>	<b>1,311</b>

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.

#### Note 24. Equity - Retained Earnings and Revaluation Reserves Adjustments

##### Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

Amounts Received Specifically for New or Upgraded Assets

During the year ended 30 June 2020, the Council has adopted AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-profit Entities* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions* and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

##### (i) AASB 15 and AASB 1058

###### Comparison of financial statement line items under AASB 15 and AASB 1058 compared to previous standards for the current year

The following tables show the impact of adopting AASB 15 and AASB 1058 on the Council's financial statements for the year ended 30 June 2020.

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## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 24. Equity - Retained Earnings and Revaluation Reserves Adjustments

##### Statement of Financial Position

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Carrying amount under previous revenue standards	Notes
<b>Current assets</b>					
Cash & Cash Equivalents	17,831	—	—	17,831	
Trade & Other Receivables	6,000	—	—	6,000	
Other Financial Assets	36,400	—	—	36,400	
Inventories	331	—	—	331	
<b>Subtotal</b>	<b>60,562</b>	<b>—</b>	<b>—</b>	<b>60,562</b>	
<b>Total current assets</b>	<b>60,562</b>	<b>—</b>	<b>—</b>	<b>60,562</b>	
<b>Current Liabilities</b>					
Trade & Other Payables	17,231	(9,394)	—	7,837	
Borrowings	1,245	—	—	1,245	
Provisions	6,305	—	—	6,305	
Other Current Liabilities	153	—	—	153	
<b>Subtotal</b>	<b>24,934</b>	<b>(9,394)</b>	<b>—</b>	<b>15,540</b>	
<b>Total current liabilities</b>	<b>24,934</b>	<b>(9,394)</b>	<b>—</b>	<b>15,540</b>	
<b>Non-current assets</b>					
Equity Accounted Investments in Council Businesses	6,454	—	—	6,454	
Infrastructure, property, plant and equipment	1,149,808	—	—	1,149,808	
Other Non-Current Assets	4,489	—	—	4,489	
<b>Total non-current assets</b>	<b>1,160,751</b>	<b>—</b>	<b>—</b>	<b>1,160,751</b>	
<b>Non-Current Liabilities</b>					
Borrowings	4,390	—	—	4,390	
Provisions	610	—	—	610	
Other Non-Current Liabilities	64	—	—	64	
<b>Total Non-Current Liabilities</b>	<b>5,064</b>	<b>—</b>	<b>—</b>	<b>5,064</b>	
<b>Net Assets</b>	<b>1,191,315</b>	<b>9,394</b>	<b>—</b>	<b>1,200,709</b>	
<b>Equity</b>					
Accumulated Surplus	396,604	9,394	—	405,998	
Asset Revaluation Reserves	753,528	—	—	753,528	
Other Reserves	41,183	—	—	41,183	
<b>Total Equity</b>	<b>1,191,315</b>	<b>9,394</b>	<b>—</b>	<b>1,200,709</b>	

Under previous revenue standards grant funds received for a specified purpose were included as income in the period they were received. The extent to which they remained unearned (and potentially returnable to the funding provider) was reported as revenue and transferred to the Accumulated Surplus at the end of the reporting period. Under AASB 1058 the extent to which these funds are unearned at the end of the reporting period must be measured and recognised as a liability. An adjustment was made to the opening balance of Accumulated Surplus and Revenue Received in Advance to recognise the total of unearned grant funds at the beginning of the period.

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## City of Marion

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 24. Equity - Retained Earnings and Revaluation Reserves Adjustments

##### Income Statement for the year ended 30 June 2020

\$ '000	Income Statement and comprehensive income under AASB 15 and AASB 1058	Reclassification	Remeasurement	Income Statement and comprehensive income under previous revenue standards	Notes
Grants, Subsidies and Contributions	7,163	512	—	7,675	
Amounts Received Specifically for New or Upgraded Assets	175	3,336	—	3,511	
<b>Profit / (Loss) for the year</b>	<b>7,755</b>	<b>3,848</b>	<b>—</b>	<b>11,603</b>	
<b>Total comprehensive income</b>	<b>(1,009)</b>	<b>3,848</b>	<b>—</b>	<b>2,839</b>	

Under AASB 1058 grant funds received during the period for a specified purpose and unearned at the end of the period must be measured and recorded as a liability. Council measured \$5.546m of grant funds received in 2018-19 as unearned at 1 July 2019.

##### Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Contract assets	—	—	—
<b>Total assets</b>	<b>1,217,302</b>	<b>—</b>	<b>1,217,302</b>
Contract liabilities	—	—	—
Trade & Other Payables	—	5,546	5,546
<b>Total liabilities</b>	<b>19,432</b>	<b>5,546</b>	<b>24,978</b>
Accumulated surplus	—	(5,546)	(5,546)
<b>Total equity</b>	<b>1,197,870</b>	<b>(5,546)</b>	<b>1,192,324</b>

## 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 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and declaration by the Chief Executive Officer.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Council's financial position as at 30 June 2020 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Other Information

The Chief Executive Officer is responsible for the other information. The other information comprises the information included in the Council's annual report for the year ended 30 June 2020, 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.

### Responsibilities of the Chief Executive Officer for the Financial Report

The Chief Executive Officer is responsible for the preparation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2001* and for such internal control as the Chief Executive Officer determine 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, management is responsible for assessing the ability of the Council to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

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


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

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 Council'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 Council'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 Council 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 Chief Executive Officer 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

  
Lee Girolamo  
Partner  
Chartered Accountants  
Adelaide, 27 October 2020

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

### **Opinion**

We have undertaken a reasonable assurance engagement on the Corporation of the City of Marion (the "Council")'s compliance, in all material respects, with the requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions, as evaluated against Section 125 of the Local Government Act 1999, for the period from 1 July 2019 to 30 June 2020.

In our opinion, the Council has complied, in all material respects, with the requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions, as evaluated against Section 125 of the Local Government Act 1999, for the period from 1 July 2019 to 30 June 2020.

### **Basis for Opinion**

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 Compliance Engagements ("ASAE 3100") issued by the Auditing and Assurance Standards Board.

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

### **The Council's Responsibilities**

The Council is responsible for:

- (a) The compliance activity undertaken to meet Section 125 of the Local Government Act 1999 in relation to the design and implementation of internal controls;
- (b) Identifying risks that threaten compliance with Section 125 of the Local Government Act 1999 in relation to the design and implementation of internal controls identified above being met;
- (c) Identifying suitable compliance requirements as specified by Section 125 of the Local Government Act 1999 in relation to the design and implementation of internal controls; and
- (d) Identifying, designing and implementing controls to enable Section 125 of the Local Government Act 1999 to be met and to monitor ongoing compliance.

### **Our Independence and Quality Control**

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



## **Assurance Practitioner's Responsibilities**

Our responsibility is to express an opinion on the Council's compliance, in all material respects, with the requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions, as evaluated against Section 125 of the Local Government Act 1999, for the period from 1 July 2019 to 30 June 2020. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether the Council has complied, in all material respects, with the requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions, as evaluated against Section 125 of the Local Government Act 1999, for the period from 1 July 2019 to 30 June 2020.

An assurance engagement to report on the Council's compliance with the requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance requirements. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions, as evaluated against Section 125 of the Local Government Act 1999.

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 the implementation of internal controls on a sample basis based on the assessed risks.

## **Inherent Limitations**


Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with compliance requirements may occur and not be detected.

A reasonable assurance engagement for the period from 1 July 2019 to 30 June 2020 does not provide assurance on whether compliance with requirement to design and implement internal controls to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities are in accordance with legislative provisions will continue in the future.

## **Restricted Use**

This report has been prepared for use by the members of the Council in accordance with Section 129 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 person other than the members of the Council, or for any purpose other than that for which it was prepared.

Deloitte Touche Tohmatsu  
DELOITTE TOUCHE TOHMATSU



Lee Girolamo  
Partner  
Chartered Accountants  
Adelaide, 27 October 2020

## City of Marion

### General Purpose Financial Statements

for the year ended 30 June 2020

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#### 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 2020, 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



---

Emma Hinchey  
PRESIDING MEMBER  
FINANCE AND AUDIT COMMITTEE

Date: 13.10.2020

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

27 October 2020

Dear Members

## **Auditor's Independence Declaration to the 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 2020 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, 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.

Yours faithfully

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU



Lee Girolamo  
Partner  
Chartered Accountants

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# ANNUAL REPORT

**2019 *to* 2020**

SRWRA is a regional subsidiary established by the Cities of Onkaparinga, Marion and Holdfast Bay, pursuant to Section 43 of the Local Government Act, 1999.

Under our Charter, SRWRA is responsible for providing and operating waste management services on behalf of our constituent Councils.

At a practical level, our core business activity is the management of our wholly-owned SRWRA Landfill and Recycling Operation employing innovative resource recovery approaches in managing all products and materials as valuable and finite resources. SRWRA is one of the State's major landfill operations currently receiving over 100,000 tonnes of waste annually.

SRWRA's joint venture operation with Integrated Waste Services (IWS) has developed through 2019–2020 with significant improvements in the recycling programme through the jointly operated Southern Recycling Centre (SRC) realising significant improvements in the reduction of waste to landfill.

SRWRA CONSTITUENT  
COUNCILS



JOINT VENTURE  
PARTNER







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## CHAIRPERSON'S MESSAGE

It gives me great pleasure to present to you the FY2020 Annual Report.

It is somewhat of an understatement to say that the past few years have been a period of profound change for the waste management sector. The bans on the import of contaminated recycling by China and other Asian countries have forced government and industry to look inwards to find solutions to meet the ever growing waste management needs of our community.

The Council of Australian Governments' (COAG) ban on the export of waste glass, mixed plastics, tyres, paper and cardboard over the next two years is certainly galvanising industry to reduce waste to landfill while we look to maximise domestic capability to reuse and recover recyclable commodities.

Over the past 12 months we completed an extensive planning process and late in the financial year we moved into the implementation phase for the construction of a large scale Materials Recovery Facility that will have the capability to receive, separate and prepare recyclable materials for marketing to end-use manufacturers both in Australia and to the new export standard. Our Constituent Councils are to be congratulated for their support and commitment to this bold initiative. This is an important part of the

journey to support the development of new circular economy industries on the SRWRA landholdings to create a fully integrated vibrant waste management precinct which generates economic activity and employment in southern Adelaide. This will be a significant expansion of our business activity and will present its own challenges but I am confident we are well prepared to meet them.

Our landfill activities continue to focus on the diversion, recovery, and productive use of materials. Over the past twelve months the Southern Recycling Centre (SRC) has successfully diverted 23,256 tonnes of material from landfill which is an increase of 5,793 tonnes over the previous year. Given the substantial investment we made in FY2020 to increase the size of the SRC facility we are confident that this level of diversion will only increase over time.

Our financial performance over the past twelve months was again very sound and, while we continued to maintain highly competitive waste disposal costs, we recorded an Operating Surplus of \$0.658 million for the year ended 30 June 2020. This surplus will assist us to provide for our future post closure costs and to invest in future opportunities to enhance the operations of SRWRA as they arise.



FY2020 has been an extraordinary one, marked firstly by devastating bushfires and then by the health and economic effects of the COVID-19 pandemic, the effects of which will continue to be felt for some time to come. Waste management is of course very much an essential service and I am pleased to say our staff continued to provide the same high level of service as always.

I would like to thank my fellow Board members for their unfailing dedication to guiding SRWRA and in doing so recognise the contribution made by Adrian Skull whose second term as a Board member ended this year. On behalf of the Board I also wish to thank our dedicated team, led ably by CEO Chris Adams, for it is their efforts that ensure our success.

In closing while much was achieved in FY2020 it was also a year in which the foundations were put in place for a further step change in the scope of the waste management activities undertaken by SRWRA . These are undoubtedly exciting and challenging times to be in the waste industry and I am very much looking forward to the journey ahead.

Mark Booth  
**CHAIRPERSON**



## CHIEF EXECUTIVE OFFICER'S MESSAGE

SRWRA has embarked on a significant period of transformation and growth. Over the last 12 months a new strategic plan capitalising on and promoting the circular economy has been adopted, the first wave of key projects delivered, and fundamental internal change to ensure we are leaders in delivering innovative and sustainable waste management solutions for the benefit of our southern Adelaide communities and the environment has commenced.

A new enterprise structure has been implemented with a key focus on operational delivery and improving governance, risk management, business and IT systems. The new structure supports the delivery of the Board's strategy to improve and increase the diversity of materials accepted at SRWRA and maximise waste avoidance, re-use, recycling and recovery opportunities prior to landfill disposal by operating a financially sustainable, well managed and appropriately governed enterprise. The changes will continue to be embedded into our practices during the new financial year.

The Authority has continued to provide a financially sustainable, cost effective and environmentally responsible waste management solution for its Constituent Councils and their communities. Our focus on our operations resulted in a full-year Operating Surplus of \$0.658 million. The Authority is in a strong financial position with net assets of \$21.513 million ensuring that we can meet all current and future landfill liabilities without the need for additional funding from our Constituent Councils.

During the second half of the year we implemented a response to the threat of COVID-19 which included a raft of arrangements to ensure our staff are protected and the site can continue to operate for the benefit of our Constituent Councils and their communities. The pace and professionalism of implementation of these arrangements is a testament to the commitment and positive attitude of the SRWRA staff and I acknowledge their contribution and thank them for their efforts.



The SRWRA site is changing rapidly with several key projects delivered during the year, including:

- Construction of a 3MW Biogas facility that converts landfill methane gas into energy, providing power to 3,000 houses. This facility commenced operation in December 2019 and is owned and operated by LMS Energy.
- Construction of 600ML Recycled Water Dam by Willunga Basin Water Company on land leased from SRWRA. The recycled water from this dam will be used to service the McLaren Vale area.
- Extension of the Southern Recycling Centre Shed to support resource recovery activities and diversion of waste from landfill.
- Completion of Stages 1 & 2 of the Western Sideliner Project to better manage our landfill operations.
- Purchase of a new landfill compactor equipped with GPS technology that will provide improved data on the management of our landfill.

Key projects that have completed their planning and approval phase this year and are scheduled for delivery in 2020-2021 include:

- Materials Recovery Facility for the processing of kerbside comingled recycling.
- 600KW Solar Farm, the largest to be constructed on a capped landfill in South Australia.

Over the last 12 months, the Authority invested in the education of schoolchildren within our communities through the Les Perry Memorial Grants Program. This year, 11 schools from our three Constituent Council areas received a total of \$6,877 in grant funding to support them learning about environmentally responsible waste management.

The outcomes achieved this year are a testament to the commitment and focus of our Board, Audit Committee, staff and Joint Venture Partners. I look forward to the next 12 months as we continue to deliver innovative and sustainable waste management solutions for the benefit of our southern Adelaide communities and the environment.

Chris Adams  
CHIEF EXECUTIVE OFFICER



# BOARD OF MANAGEMENT

AS AT JUNE 30<sup>TH</sup> 2020



**CHAIRPERSON**  
Mark Booth

## MEMBERS



**CITY OF ONKAPARINGA**  
Kirk Richardson



**CITY OF ONKAPARINGA**  
Richard Peat



**CITY OF MARION**  
Adrian Skull



**CITY OF MARION**  
Ian Crossland



**CITY OF HOLDFAST BAY**  
Roberto Bria



**CITY OF HOLDFAST BAY**  
John Smedley

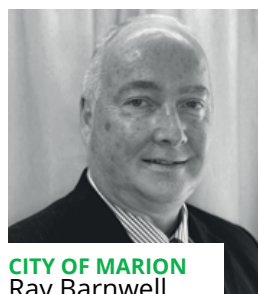
## DEPUTY MEMBERS



**CITY OF ONKAPARINGA**  
Heidi Greaves



**CITY OF MARION**  
Bruce Hull



**CITY OF MARION**  
Ray Barnwell



**CITY OF HOLDFAST BAY**  
Clare Lindop



# FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020



## SOUTHERN REGION WASTE RESOURCE AUTHORITY

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## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2020

#### 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 2020 and the results of its operations and cashflows for the financial year.

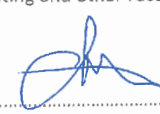
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable throughout the financial year.

- the financial statements accurately reflect the Authority's accounting and other records.



.....  
Mark Booth  
Chairman

Dated the 7th day of September 2020



.....  
Chris Adams  
Chief Executive Officer

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### STATEMENT OF COMPREHENSIVE INCOME for the financial year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>INCOME</b>			
User charges	2	10,746	10,578
Investment income	2	501	647
Other Income	2	493	464
Net gain - equity accounted Joint Venture	15	745	437
<b>Total Income</b>		<b>12,485</b>	<b>12,126</b>
<b>EXPENSES</b>			
Employee costs	3	1,248	1,301
Materials, contracts & other expenses	3	9,719	9,445
Depreciation, amortisation & impairment	3	860	868
Other Expenses	3	-	-
Net loss - equity accounted Joint Venture	15	-	-
<b>Total Expenses</b>		<b>11,827</b>	<b>11,614</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>658</b>	<b>512</b>
Net gain (loss) on disposal of assets	4	-	(9)
Amounts received specifically for new or upgraded assets		-	-
<b>NET SURPLUS / (DEFICIT)</b>		<b>658</b>	<b>503</b>
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - property, plant & equipment		1,222	-
<b>Total Other Comprehensive Income</b>		<b>1,222</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,880</b>	<b>503</b>

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 2020

	Notes	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	15,506	17,497
Trade & other receivables	5	2,230	1,666
Inventories	5	-	-
		<u>17,736</u>	<u>19,163</u>
<b>Total Current Assets</b>		<b>17,736</b>	<b>19,163</b>
<b>Non-current Assets</b>			
Equity Accounted Joint Venture	15	677	832
Property, Plant & Equipment	6	19,319	15,440
		<u>19,996</u>	<u>16,272</u>
<b>Total Non-current Assets</b>		<b>19,996</b>	<b>16,272</b>
<b>Total Assets</b>		<b>37,732</b>	<b>35,435</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7	2,339	2,201
Provisions	7	145	126
		<u>2,484</u>	<u>2,327</u>
<b>Total Current Liabilities</b>		<b>2,484</b>	<b>2,327</b>
<b>Non-current Liabilities</b>			
Provisions	7	13,735	13,475
		<u>13,735</u>	<u>13,475</u>
<b>Total Non-current Liabilities</b>		<b>13,735</b>	<b>13,475</b>
<b>Total Liabilities</b>		<b>16,219</b>	<b>15,802</b>
<b>NET ASSETS</b>		<b>21,513</b>	<b>19,633</b>
<b>EQUITY</b>			
Accumulated Surplus		20,291	19,633
Asset Revaluation Reserve		1,222	-
<b>TOTAL EQUITY</b>		<b>21,513</b>	<b>19,633</b>

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 2020

2020	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
Balance at end of previous reporting period		19,633	-	19,633
Net Surplus/ (Deficit) for Year		658		658
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment			1,222	1,222
Transfers between reserves			-	
Distributions to Member Councils				
<b>Balance at end of period</b>		<b>20,291</b>	<b>1,222</b>	<b>21,513</b>

2019	Notes	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
Balance at end of previous reporting period		19,130		19,130
Net Surplus/ (Deficit) for Year		503		503
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment				-
Transfers between reserves				
Distributions to Member Councils				
<b>Balance at end of period</b>		<b>19,633</b>	<b>-</b>	<b>19,633</b>

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 2020

		2020	2019
	Notes	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts			
Operating receipts		11,743	12,337
Investment receipts		501	647
Payments			
Operating payments to suppliers & employees		(11,886)	(11,965)
<b>Net Cash provided by (or used in) Operating Activities</b>	8 (b)	<b>358</b>	<b>1,019</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipts			
Amounts specifically for new or upgraded assets		-	-
Sale of surplus assets		-	21
Distributions received from equity accounted Joint Venture	15	900	490
Payments			
Expenditure on renewal/replacement of assets		(759)	(256)
Expenditure on new/upgraded assets		(2,490)	(120)
Capital contributed to equity accounted Joint Venture	15	-	-
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(2,349)</b>	<b>135</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments			
Distribution to Member Councils		-	-
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in cash held</b>		<b>(1,991)</b>	<b>1,154</b>
Cash & cash equivalents at beginning of period		17,497	16,343
<b>Cash &amp; cash equivalents at end of period</b>	8 (a)	<b>15,506</b>	<b>17,497</b>

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 2020

## Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

### 1 Basis of Preparation

#### 1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian 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 9.

6

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 1 - Significant Accounting Policies (cont)

#### 5 Infrastructure, Property, Plant & Equipment

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

##### 5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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

##### 5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by 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 are shown below. Depreciation of Landfill Construction and Future Capping, Rehabilitation and Restoration costs 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 estimated.

Plant, Furniture & Equipment	3-10 years
Buildings	30-50 years
Waste Facility	10-15 years
Landfill construction	Amortised proportionately to rate of filling
Future capping costs	Amortised proportionately to rate of filling
Future rehabilitation and restoration costs	Amortised proportionately to rate of filling

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 1 - Significant Accounting Policies (cont)

#### 6 Payables

##### 6.1 Goods & Services

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

#### 7 Employee Benefits

##### 7.1 Salaries, Wages & Compensated Absences

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

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

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 2019/20 (9.5% in 2018/19). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.*

###### Salarylink (Defined Benefit Fund) Members

*Defined benefit scheme is 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. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial. The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to 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.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 1 - Significant Accounting Policies (cont)

#### 8 Provisions for Landfill Capping, Rehabilitation and Restoration Costs

The Authority's provision for landfill capping, post closure rehabilitation costs and restoration costs are calculated based on the net present value of the future cash outflows expected to be incurred to remediate the landfill which will include the costs of capping, rehabilitating and restoring the landfill site. The measurement of the provisions requires significant estimates and assumptions such as discount rate, inflation rate, assessment of the requirements of the Environment Protection Authority (EPA) or other government authorities, the timing, extent and costs of activities required and the area of the landfill to be remediated, which is determined by volumetric aerial surveys. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Expenditure relating to ongoing rehabilitation and restoration will reduce any provision previously established.

The Authority monitors the remaining airspace, the airspace consumption efficiency (compaction) ratio, the discount rate and the inflation rate used to calculate the net present value of the future landing capping, rehabilitation and restoration costs on an annual basis and makes adjustments to the liability as required to ensure an accurate projected cost of the liability is showing in the balance sheet.

A complete review of all future capping, rehabilitation and restoration costs including a review of all the key assumptions and estimates in relation to the measurement of these costs is performed on a regular basis with the assistance of external consultants to ensure all projected costs have been independently verified.

The dates of the last review of the key assumptions and estimates in relation to the measurement of the future capping, rehabilitation and restoration costs are shown below:

Costs	Effective Date	Independent Assessor
Capping costs	30 June 2019	Golder Associates
Restoration costs	30 June 2018	Golder Associates
Rehabilitation costs	30 June 2016	Katalyse Pty Ltd

#### 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.

#### 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.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 1 - Significant Accounting Policies (cont)

#### 12 New Accounting Standards

As a result of the introduction of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income of Not-for-Profit Entities* which came into effect as from 1 July 2019 for the Authority, an assessment of these new accounting standards determined that these standards do not have an impact on the existing accounting policies of the Authority. The Authority has no deferred revenue arrangements nor entered into any long-term lease arrangements.

#### 13 Valuation of Land and Building Assets

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 highest and best use. All purchases made post 30 June 2014 have been recorded at cost.

Land assets held by the Authority were valued by AssetVal with an effective valuation date of 30 June 2020 applied for financial reporting purposes. Where there is an active and liquid market as evidenced by sales transactions of similar property types, a Market approach by way of Direct Comparison or Income methods were utilised. Some parcels of land are subject to restrictions as to use and sale and the value of these land assets has been determined after considering suitable market evidence and making necessary adjustment to account for these restrictions.

#### 14 Valuation of Landfill Assets

Landfill assets comprise the acquisition of landfills, cell development costs, landfill improvements costs and the assets related to future landfill capping, rehabilitation and restoration costs.

Assets related to future landfill capping, rehabilitation and restoration costs are valued based on the net present value of the future cash outflows expected to remediate the landfill which will include the costs of capping, rehabilitating and restoring the landfill asset. The assumptions used to estimate these costs and details of their regular review are described in item 8 – Provision for Landfill Capping, Rehabilitation and Restoration Costs.

All landfill assets are amortised proportionately to the rate of filling as described in item 5.3 Depreciation of Non-Current Assets.

#### 15 COVID-19

Given the nature of the business activities undertaken by the Authority, there has been no restrictions imposed on waste processing operations of the Authority due to government enforced restrictions introduced as a result of the COVID-19 pandemic event.



## SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 2 - INCOME

	Notes	2020 \$'000	2019 \$'000
<b>USER CHARGES</b>			
Landfill Operations		10,746	10,578
		<u>10,746</u>	<u>10,578</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		249	421
Banks & other		12	18
Investment property rental income		240	208
		<u>501</u>	<u>647</u>
<b>OTHER INCOME</b>			
Other Income		204	63
Southern Recycling Centre		289	401
		<u>493</u>	<u>464</u>

### Note 3 - EXPENSES

<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,151	1,146
Employee leave expense		10	12
Superannuation		102	95
Workers' Compensation Insurance		58	48
Less: Capitalised and distributed costs		(73)	-
<b>Total Operating Employee Costs</b>		<u>1,248</u>	<u>1,301</u>
Total Number of FTE Employees		13	13
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
Prescribed Expenses			
Auditor's Remuneration		19	19
Board Expenses		39	41
Subtotal - Prescribed Expenses		<u>58</u>	<u>60</u>
Other Materials, Contracts & Expenses			
Contractors		271	418
Fuel		161	132
Equipment Hire		18	-
Maintenance		217	270
Legal Expenses		32	16
Levies paid- EPA Levy		8,542	8,010
Professional services		12	36
Southern Recycling Centre		183	255
Sundry		225	248
Subtotal - Other Materials, Contracts & Expenses		<u>9,661</u>	<u>9,385</u>
		<u>9,719</u>	<u>9,445</u>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

#### Note 3 - EXPENSES (cont)

	Notes	2020 \$'000	2019 \$'000
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Landfill Construction		439	374
Buildings & Waste Facility		138	143
Plant & Equipment		283	351
Impairment	6	-	-
		<b>860</b>	<b>868</b>
<b>OTHER EXPENSES</b>			
Transfer to Provision of Cell 3-1 & 3-2 Capping		-	-
		<b>-</b>	<b>-</b>

#### Note 4 - ASSET DISPOSALS

<b>PROPERTY, PLANT &amp; EQUIPMENT</b>			
Proceeds from disposal		-	21
Less: Carrying amount of assets sold		-	(30)
<b>Gain (Loss) on disposal</b>		<b>-</b>	<b>(9)</b>

#### Note 5 - CURRENT ASSETS

<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		1,601	1,755
Short Term Deposits & Bills, etc		13,905	15,742
		<b>15,506</b>	<b>17,497</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Accrued Revenues		23	37
Debtors - general		2,207	1,626
Prepayments		-	3
		<b>2,230</b>	<b>1,666</b>
<b>INVENTORIES</b>			
Stores & Materials		-	-
		<b>-</b>	<b>-</b>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 6 - PROPERTY, PLANT & EQUIPMENT

	2019			2020		
	AT FAIR VALUE	AT COST	ACCUM DEP'N \$'000	CARRYING AMOUNT	AT FAIR VALUE	AT COST \$'000
Land	1,427	2,556	-	3,983	5,205	-
Buildings	560	4,044	(634)	3,970	560	4,081
Plant & Equipment	-	4,600	(2,980)	1,620	-	5,350
Office Equipment	-	153	(123)	30	-	160
Super Cell	-	7,565	(5,195)	2,370	-	8,202
Super Cell Capping	5,269	-	(2,183)	3,086	5,426	-
Post Closure Rehabilitation	6,064	-	(5,774)	290	6,143	-
Future Restoration Costs	4,196	-	(4,161)	35	4,228	-
Work in Progress	-	56	-	56	-	1,871
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>17,516</b>	<b>18,974</b>	<b>(21,050)</b>	<b>15,440</b>	<b>21,562</b>	<b>19,664</b>
<b>Comparatives</b>	<b>1,987</b>	<b>33,787</b>	<b>(20,194)</b>	<b>15,580</b>	<b>17,516</b>	<b>18,974</b>
						<b>15,440</b>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

#### Note 6 - PROPERTY, PLANT & EQUIPMENT

	2019 \$'000 CARRYING AMOUNT	CARRYING AMOUNT MOVEMENTS DURING YEAR							2020 \$'000 CARRYING AMOUNT
		\$'000							
		Additions		Disposals	Depreciation	Revaluation	Adjustments	Transfer	
Capital	Renewals								
Land	3,983	-	-	-	-	1,222	-	-	5,205
Buildings	3,970	37	-	-	(138)	-	-	-	3,869
Plant, Equipment & Motor Vehicles	1,620	-	752	-	(274)	-	-	-	2,098
Office Equipment	30	-	7	-	(9)	-	(1)	-	27
Super Cell	2,370	637	-	-	(196)	-	-	-	2,811
Super Cell Capping	3,086	157	-	-	(215)	-	3	-	3,031
Post Closure Rehabilitation	290	79	-	-	(24)	-	(1)	-	344
Future Restoration Costs	35	32	-	-	(4)	-	-	-	63
Work in Progress	56	1,851	-	-	-	-	1	(37)	1,871
TOTAL PROPERTY, PLANT & EQUIPMENT	15,440	2,793	759	-	(860)	1,222	2	(37)	19,319
Comparatives	15,580	629	256	(30)	(868)	-	(127)	-	15,440

This Note continues on the following pages.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

#### Note 7 - LIABILITIES

		2020 \$'000		2019 \$'000	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		2,323	-	2,139	-
Payments received in advance		16	-	16	-
Accrued expenses - other		-	-	46	-
		<b>2,339</b>	<b>-</b>	<b>2,201</b>	<b>-</b>
PROVISIONS					
Annual Leave		80	-	66	-
Long Service Leave		65	17	60	25
Super Cell Capping		-	7,980	-	7,823
Post Closure Rehabilitation		-	4,064	-	3,985
Future Restoration Costs		-	1,674	-	1,642
		<b>145</b>	<b>13,735</b>	<b>126</b>	<b>13,475</b>

Movements in Provisions	Opening Balance	Additional Amounts Recognised/ (Derecognised)	Transfers	Closing Balance
Super Cell Capping	7,823	157	-	7,980
Post Closure Rehabilitation	3,985	79	-	4,064
Future Restoration Costs	1,642	32	-	1,674
<b>Total</b>	<b>13,450</b>	<b>268</b>	<b>-</b>	<b>13,718</b>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

#### 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 Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	Notes	2020 \$'000	2019 \$'000
Total cash & equivalent assets	5	15,506	17,497
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>15,506</u>	<u>17,497</u>

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

<b>Net Surplus (Deficit)</b>		<b>658</b>	<b>503</b>
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		860	868
Net (Gain) loss in Equity Movement Joint Venture		(745)	(437)
Movement in Landfill Provisions		-	-
Work in Progress Write-Off		-	127
Net (Gain) Loss on Disposals		-	9
		<u>773</u>	<u>1,070</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(564)	173
Net increase (decrease) in trade & other payables		138	(235)
Net increase (decrease) in other provisions		11	11
<b>Net Cash provided by (or used in) operations</b>		<u><b>358</b></u>	<u><b>1,019</b></u>

##### (c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge
- Non-cash grants & contributions

Amounts recognised in Income Statement

- Finance Leases

	-	-
	-	-
	-	-
	-	-

##### (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 2020

#### Note 9 - FINANCIAL INSTRUMENTS

##### Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.  <b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates of 0.25 - 1.15% (2019: 1.25 - 2.25%). Short term deposits have an average maturity of 90 days (2019: 90 days).  <b>Carrying amount:</b> approximates fair value due to the short term to maturity.
<b>Receivables - Gate Fees &amp; Associated Charges</b>	<b>Accounting Policy:</b> 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.  <b>Carrying amount:</b> approximates fair value (after deduction of any allowance).
<b>Liabilities - Creditors and Accruals</b>	<b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.  <b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.  <b>Carrying amount:</b> approximates fair value.

##### 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 2020

#### Note 9 (cont) - FINANCIAL INSTRUMENTS

##### Liquidity Analysis

	≤ 1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2020</b>					
<b>Financial Assets</b>					
Cash & Equivalents	15,506	-	-	-	<b>15,506</b>
Receivables	-	-	-	2,230	<b>2,230</b>
<b>Total</b>	<b>15,506</b>	<b>-</b>	<b>-</b>	<b>2,230</b>	<b>17,736</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	2,339	<b>2,339</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,339</b>	<b>2,339</b>

	≤ 1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2019</b>					
<b>Financial Assets</b>					
Cash & Equivalents	17,497	-	-	-	<b>17,497</b>
Receivables	-	-	-	1,666	<b>1,666</b>
<b>Total</b>	<b>17,497</b>	<b>-</b>	<b>-</b>	<b>1,666</b>	<b>19,163</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	2,201	<b>2,201</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,201</b>	<b>2,201</b>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

#### Note 10 - COMMITMENTS FOR EXPENDITURE

	2020 \$'000	2019 \$'000
<b>Capital Commitments</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Committed Projects	12,580	-
	<u>12,580</u>	<u>-</u>
<b>Other Expenditure Commitments</b>		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	-	19
	<u>-</u>	<u>19</u>
These expenditures are payable:		
Not later than one year	-	19
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>19</u>

#### Note 11 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF

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 2020 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 2020

#### 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.

	2020 \$'000	2019 \$'000
Income	12,485	12,126
less Expenses	(11,827)	(11,614)
Operating Surplus / (Deficit)	<u>658</u>	<u>512</u>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	(759)	(256)
Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	860	868
Proceeds from Sale of Replaced Assets	-	-
	<u>101</u>	<u>612</u>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets	(2,490)	(120)
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	-	21
	<u>(2,490)</u>	<u>(99)</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<u><u>(1,731)</u></u>	<u><u>1,025</u></u>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

#### 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*. The following payments were made to Key Management Personnel during the year:

	2020 \$'000
Salaries, allowances & other short term benefits	404
Post-employment benefits	-
Long term benefits	-
Termination Benefits	37
<b>TOTAL</b>	<b>441</b>

#### 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	5,329	747	Provision of waste disposal services
City of Holdfast Bay	969	101	Provision of waste disposal services
City of Marion	2,409	339	Provision of waste disposal services
Southern Recycling Centre	7,030	591	Provision of waste disposal services

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

The Authority has a total amount outstanding of \$0.303m to the Southern Recycling Centre as at 30 June 2020

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 2020

#### 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.

	2020 \$'000	2019 \$'000
<b>The Authority's respective interests are:</b>		
- interest in operating result:	50.00%	50.00%
- ownership of equity	49.99%	49.99%
- the proportion of voting power	50.00%	50.00%
<b><u>Movement in Investment in Joint Operation:</u></b>		
Opening Balance	832	885
New Capital Contributions	-	-
Share in Operating Result	745	437
Equity Adjustment	-	-
Distributions Received	(900)	(490)
<b>Share in Equity of Joint Operation</b>	<b>677</b>	<b>832</b>

##### 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 2020

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**

### **Audit Committee – Auditor Independence**

#### **Presiding Member Certification**

I, Greg Connor, the person occupying the position of Presiding Member of the Southern Region Waste Resource Authority's Audit Committee, do hereby certify (for the purposes of Regulation 21 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the Southern Region Waste Resource Authority, Galpins, has not been engaged by the Southern Region Waste Resource Authority to provide services to the Southern Region Waste Resource Authority outside the scope of the audit functions under the Local Government Act 1999.

  
.....  
Greg Connor  
Presiding Member  
Southern Region Waste Resource Authority Audit Committee

26/8/2020  
.....  
Dated

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



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## Mount Gambier

233 Commercial Street West  
PO Box 246, Mount Gambier SA 5290  
P: (08) 8725 3068  
F: (08) 8734 9553  
E: admin@galpins.com.au

## Stirling

Unit 4, 3-5 Mount Barker Road  
PO Box 727, Stirling SA 5152  
P: (08) 8339 1255  
F: (08) 8339 1266  
E: stirling@galpins.com.au

## Norwood

3 Kensington Road, Norwood SA 5067  
PO Box 4067, Norwood South SA 5067  
P: (08) 8332 3433  
F: (08) 8332 3466  
E: norwood@galpins.com.au

W: www.galpins.com.au

ABN: 30 630 511 757

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under Professional Standards Legislation

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2020

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

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

#### GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

**Simon Smith** FCPA, Registered Company Auditor

Partner

08 / 09 / 2020

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renee Nicholson CA  
Tim Muhlhäusler CA  
Aaron Coonan CA  
Luke Williams CA, CPA  
Daniel Moon CA



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## Mount Gambier

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P: (08) 8725 3068  
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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

#### Opinion

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 2019 to 30 June 2020 have been conducted properly and in accordance with law.

In our opinion, the Authority has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to internal controls established by the Authority in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Authority have been conducted properly and in accordance with law for the period 1 July 2019 to 30 June 2020.

#### Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2019 to 30 June 2020. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

#### The Authority's Responsibility for Internal Control

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.

#### Our Independence and Quality Control

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

### Auditor's responsibility

Our responsibility is to express an opinion on the Authority's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Authority to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2019 to 30 June 2020. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

### Limitations of Controls

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

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

### Limitations 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.

### GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



**Simon Smith** FCPA, Registered Company Auditor

Partner

08 / 09/ 2020

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Rena Nicholson CA  
Tim Muhlhausler CA  
Aaron Coonan CA  
Luke Williams CA, CPA  
Daniel Moon CA



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F: (08) 8724 9553  
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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 2020, 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 2020, 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 (including Independence Standards)* (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 of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the 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 of the financial report in order to design procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

## GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



**Simon Smith** FCPA, Registered Company Auditor

Partner

08 / 09 / 2020



**Southern Region Waste Resource Authority  
Board Chairperson – Auditor Independence**

I, Mark Booth, the person occupying the position of Chairperson of the Southern Region Waste Resource Authority's Board, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the Southern Region Waste Resource Authority, Galpins, has not been engaged by the Southern Region Waste Resource Authority to provide services to the Southern Region Waste Resource Authority outside of the scope of the audit functions under the Local Government Act 1999.

  
.....  
Mark Booth  
Chairperson  
Southern Region Waste Resource Authority Board

7 / 9 / 20  
.....  
Dated

## Chief Executive Officer's Certificate of Compliance Auditor Independence Southern Region Waste Resource Authority

I, Scott Ashby the person for the time being occupying the position of Chief Executive Officer of the City of Onkaparinga, being a Constituent Council of the Southern Region Waste Resource Authority, do hereby certify (for the purposes of Regulation 22 (3) of the *Local Government (Financial Management) Regulations 2011*), that the auditor of the subsidiary, Galpins, has not been engaged by the subsidiary to provide services to the subsidiary outside of the scope of the audit functions under the *Local Government Act 1999*.



Scott Ashby  
Chief Executive Officer  
City of Onkaparinga

15/9/20  
Dated



City of Onkaparinga  
PO Box 1  
Noarlunga Centre  
South Australia 5168  
[www.onkaparingacity.com](http://www.onkaparingacity.com)

Noarlunga office  
Ramsay Place  
Noarlunga Centre  
Telephone (08) 8384 0666  
Facsimile (08) 8382 8744

Aberfoyle Park office  
The Hub  
Aberfoyle Park  
Telephone (08) 8384 0666  
Facsimile (08) 8382 8744

Willunga office  
St Peters Terrace  
Willunga  
Telephone (08) 8384 0666  
Facsimile (08) 8382 8744

Woodcroft office  
175 Bains Road  
Morphett Vale  
Telephone (08) 8384 0666  
Facsimile (08) 8382 8744

**Chief Executive Officer's Certificate of Compliance  
Auditor Independence  
Southern Region Waste Resource Authority**

I, Adrian Skull, the person for the time being occupying the position of Chief Executive Officer of the City of Marion, being a Constituent Council of the Southern Region Waste Resource Authority, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the subsidiary, Galpins, has not been engaged by the subsidiary to provide services to the subsidiary outside of the scope of the audit functions under the Local Government Act 1999.



.....  
Adrian Skull  
Chief Executive Officer  
City of Marion

3/9/2020  
.....  
Dated

The City of Marion acknowledges it is part of Kaurna land and recognises the Kaurna people as the traditional and continuing custodians of the land.



[holdfast.sa.gov.au](http://holdfast.sa.gov.au)

Brighton Civic Centre 24 Jetty Road, Brighton SA 5048

PO Box 19 Brighton SA 5048

P 08 8229 9999 F 08 8298 4561

Glenelg Customer Service Centre and Library

2 Colley Terrace, Glenelg SA 5045

**Chief Executive Officer's Certificate of Compliance  
Auditor Independence  
Southern Region Waste Resource Authority**

I, Roberto Bria, the person for the time being occupying the position of Chief Executive Officer of the City of Holdfast Bay, being a Constituent Council of the Southern Region Waste Resource Authority, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the subsidiary, Galpins, has not been engaged by the subsidiary to provide services to the subsidiary outside of the scope of the audit functions under the Local Government Act 1999.

Roberto Bria  
Chief Executive Officer  
City of Holdfast Bay

4.9.2020  
Dated

# ATTENDANCE AT BOARD MEETINGS

BOARD MEMBERS	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
<b>CHAIRMAN</b> Mark Booth	8	7
<b>CITY OF ONKAPARINGA</b> Kirk Richardson	8	8
<b>CITY OF ONKAPARINGA</b> Richard Peat	8	5
<b>CITY OF MARION</b> Adrian Skull	8	3
<b>CITY OF MARION</b> Ian Crossland	8	4
<b>CITY OF HOLDFAST BAY</b> Roberto Bria	8	8
<b>CITY OF HOLDFAST BAY</b> John Smedley	8	7
<b>DEPUTY BOARD MEMBERS</b>		
Please Note: Deputy Members are only required to attend a Meeting when the Member is an apology		
<b>CITY OF ONKAPARINGA</b> Heidi Greaves	8	2
<b>CITY OF MARION</b> Bruce Hull	8	1
<b>CITY OF MARION</b> Ray Barnwell	8	4
<b>CITY OF MARION</b> Sorana Dinmore <i>Proxy Representative for Adrian Skull</i>	3	3
<b>CITY OF HOLDFAST BAY</b> Clare Lindop	8	5



# ATTENDANCE AT AUDIT COMMITTEE MEETINGS

	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
Please Note: Deputy Members are only required to attend a Meeting when the Member is an apology		
<b>PRESIDING MEMBER</b> Greg Connor	4	4
David Powell	4	4
Sam Spadavecchia	4	4
Mark Booth	4	4
John Smedley <i>Deputy SRWRA Representative</i>	4	0

# PERFORMANCE AGAINST BUSINESS PLAN

Each year SRWRA prepares an Annual Business Plan that is submitted to the Constituent Councils detailing its aims and objectives.

AIMS, OBJECTIVES AND KEY MEASURES	STATUS
<b>RESOURCE RECOVERY OBJECTIVES</b>	
Complete recycling shed extension	Achieved
Progress Materials Recovery Facility and Solar Farm	Achieved
Identify and assess the feasibility of advanced waste treatments opportunities as they arise	Achieved
Assess the feasibility of a bio-pad for either 'organics' from SRC or clean greens	Achieved
Identify and support potential markets/business opportunities for recovered resources	Achieved
Seek expert advice regarding the impact of planning and zoning to determine the best use of the buffer land	Achieved
<b>RESOURCE RECOVERY KEY MEASURES</b>	
Diversion of incoming waste material from landfill >25%	Achieved 39%
Future landfill airspace = 30 years	Achieved
Carbon emission offset >100,000 tonnes pa	Achieved
Deliver agreed projects on time and on budget	Achieved
<b>STAKEHOLDER RELATIONSHIPS OBJECTIVES</b>	
Establish and maintain consistent communication with stakeholders and communities to ensure SRWRA's role and capabilities are understood	Achieved
Provide information to Constituent Councils to support them with waste avoidance and positive waste behaviours and initiatives	Achieved
Identify industry initiatives and outcomes that are locally relevant and provide to Constituent Councils	Achieved



AIMS, OBJECTIVES AND KEY MEASURES	STATUS
<b>STAKEHOLDER RELATIONSHIPS KEY MEASURES</b>	
One presentation to Elected Members in each Constituent Council per annum	Achieved
Bi-monthly communication with Constituent Councils	Achieved
<b>OPERATIONAL EXCELLENCE OBJECTIVES</b>	
EPA Licence is renewed by 31 July 2019	Achieved
Update LEMP to reflect new EPA Licence	In Progress
Conduct review of Charter (due 2019)	In Progress
Review and update Governance Manual	In Progress
Review and update Policies and Procedures	Achieved
Implement 2019 Risk Evaluation Action Plan (WHS&IM)	Achieved
Future landfill rehabilitation and capping is assessed and funded over the lifetime of the site	Achieved
Deliver operating surplus	Achieved
Review fill plan and program supercell construction	Achieved
Establish strategic and operational KPI's	In Progress
<b>OPERATIONAL EXCELLENCE MEASURES</b>	
Maintain EPA Licence	Achieved
Reduction in the number of lost time injuries from the previous year	Achieved
Achieve or surpass operating surplus budget	Achieved



# WORK HEALTH AND SAFETY

## LOST TIME INJURIES

At SRWRA safety is part of our culture, a value considered with each decision made by management and staff. SRWRA is committed to providing a healthy and safe work environment that minimises the risk of injury or illness arising from work activities.

SRWRA's Key Measure for lost time injuries for 2019-2020 is a reduction in the number of lost time injuries from the previous year.

SRWRA recorded zero lost time injuries in 2019-2020 which represents a 100% reduction over the previous twelve months which meets the Annual Business Plan Key Measure for 2019-2020.

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### ANNUAL LOST TIME INJURIES

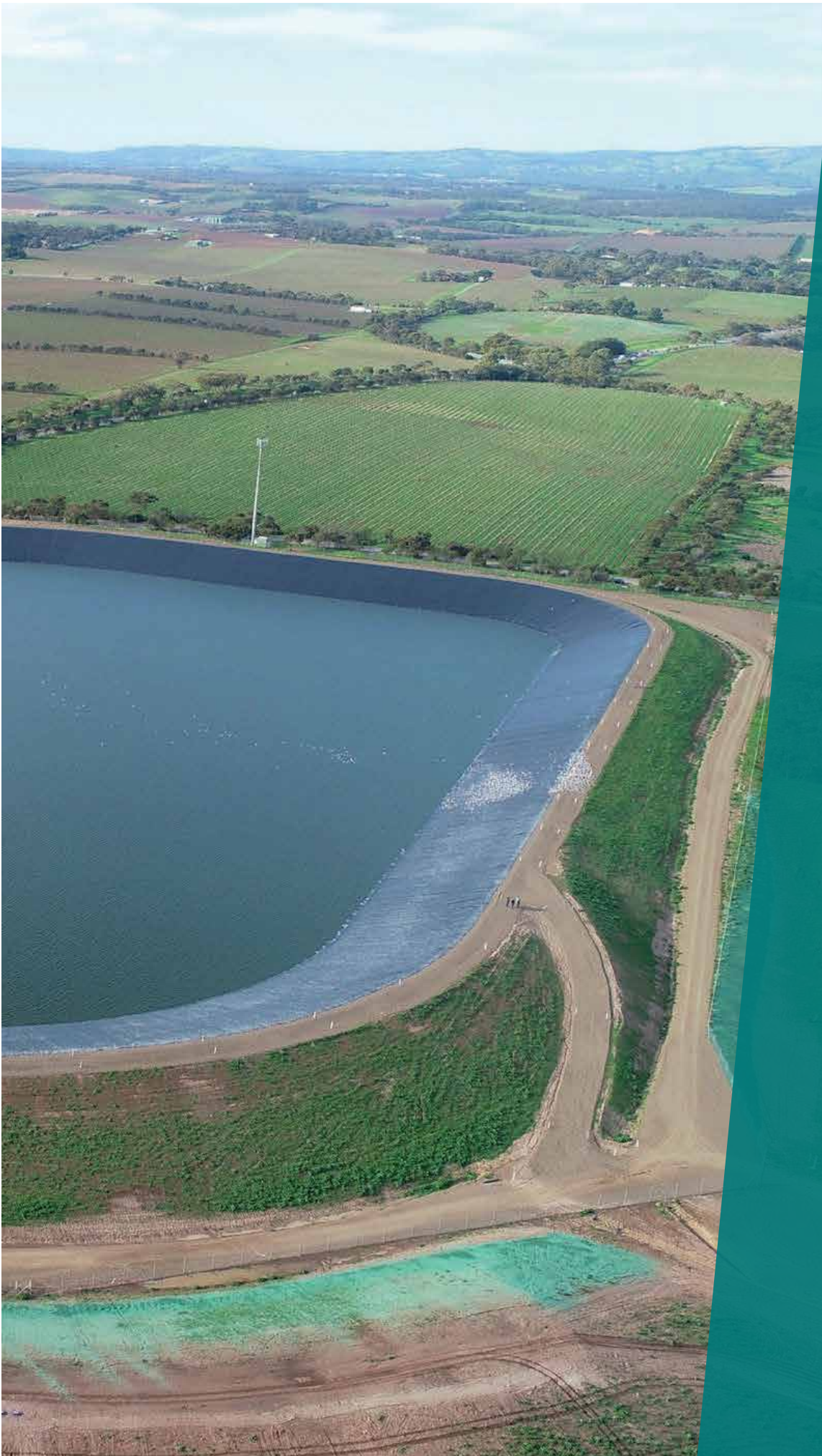
(Lost time injuries represent one complete shift or more of lost time)

2018-2019	2019-2020
1	0

## INJURY MANAGEMENT

SRWRA received one new workers compensation claim during 2019-2020. This is a 66.67% decrease in claims lodged this year compared to the previous year.





# PROCUREMENT

SRWRA is committed to a fair, transparent and accountable process when acquiring goods and services, consistent with Section 49 of the Local Government Act 1999.

Each year goods and services are procured to support the delivery of the Annual Business Plan and Budget. The SRWRA Board has adopted the Procurement Policy to govern all procurement activities, excluding the purchase and disposal of land and other assets owned by the Authority.

In certain circumstances, the Authority may, after approval from its Board, waive application of this Policy and pursue a method which will bring the best outcome for the SRWRA. The Authority must record its reasons in writing for waiving application of this Policy.

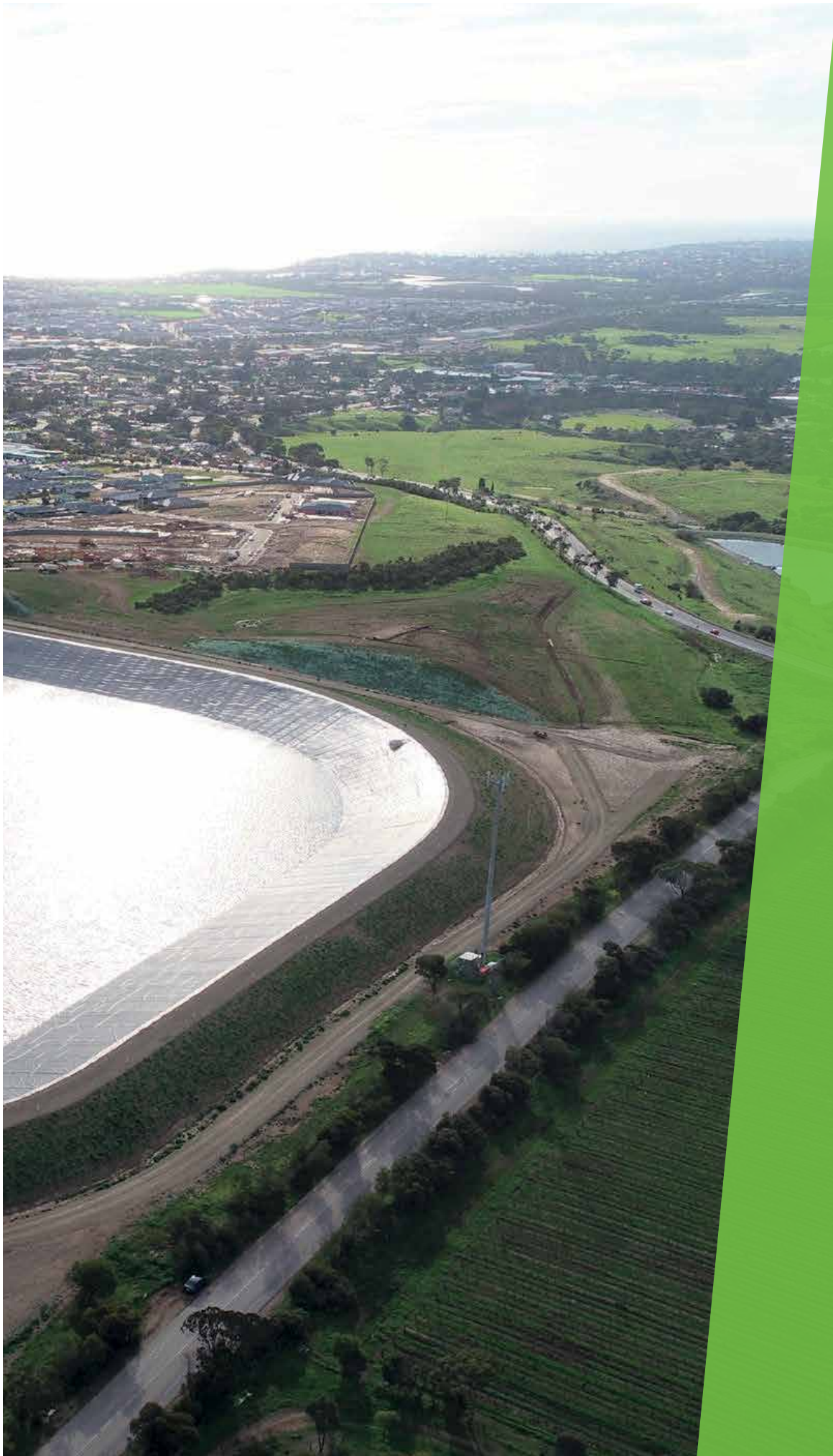
Annual procurement performance:

NUMBER OF PROCUREMENT EVENTS	NUMBER OF PROCUREMENT POLICY WAIVERS
393	5

Key reasons for the granting of Procurement Policy waivers in the last 12 months include:

- the best value for money outcome for SRWRA
- the limited size of the market and the number of credible suppliers
- the proprietary nature of specialised products
- expert knowledge and technical capability in a specific field
- leveraging existing infrastructure owned by third parties







---

**SRWRA** CONSTITUENT  
COUNCILS



---

**SRWRA**

112 Bakewell Drive  
Seaford Heights SA 5169

---

**T** 08 8327 0304

---

**E** [info@srwra.com.au](mailto:info@srwra.com.au)

---

**W** [srwra.com.au/contact](http://srwra.com.au/contact)



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

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

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

- The accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- The financial statements present a true and fair view of the Council Solutions Regional Authority's financial position at 28 February 2020 and the results of its operations and cash flows for the period 1 July 2019 to 28 February 2020.
- Internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- The financial statements accurately reflect the Council Solutions Regional Authority's accounting and other records.



.....  
Jeff Tate  
**Chair of The Board**

Date: 17 February 2020

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

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

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

**COUNCIL SOLUTIONS REGIONAL AUTHORITY**  
**BALANCE SHEET**  
as at 28 February 2020

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

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



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

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

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

## COUNCIL SOLUTIONS REGIONAL AUTHORITY

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

#### Note 1 - Significant Accounting Policies

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

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

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

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

##### 1 Basis of Preparation

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

##### 2 Income recognition

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

##### 3 Cash, Cash Equivalents and other Financial Instruments

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

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

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

##### 4 Infrastructure, Property, Plant & Equipment

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

##### 5 Employee Benefits

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

## **COUNCIL SOLUTIONS REGIONAL AUTHORITY**

### **Notes to and forming part of the Financial Statements for the year ending 28 February 2020**

#### **Note 1 - Significant Accounting Policies, con't**

##### **6 GST Implications**

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

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

##### **7 Comparative Information**

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

##### **8 Critical Accounting Estimates and Judgements**

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

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

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

##### **9 Pending Accounting Standards**

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

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 16	Leases
AASB 1058	Income of Not-for-Profit Entities

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

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

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

At 28 February 2020, Council has no leases to which this treatment will need to be applied.

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

**Note 2 - INCOME**

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

**Note 3 - EXPENSES**

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

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

**Note 4 - CURRENT ASSETS**

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

**Note 5 - LIABILITIES**

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

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

**Note 6 - RECONCILIATION TO CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

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

	2020	2019
	\$'000	\$'000
Cash at Bank	-	539
<b>Balances per Cash Flow Statement</b>	<b>-</b>	<b>539</b>

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

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



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

**Note 7 - FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

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

2019-20	Weighted Average Interest Rate	Fair Value of 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
<b>Financial Assets:</b>						
Cash	1.9%	-	-	-	-	-
Receivables	0.0%	-	-	-	-	743
<b>Total Financial Assets</b>		-	-	-	-	743
<b>Financial Liabilities:</b>						
Creditors and Provisions	0.0%	-	-	-	-	743
<b>Total Financial Liabilities</b>		-	-	-	-	743

2018-19	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instruments	Fair Value of Fixed Interest rate instruments maturing within One Year	Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs	Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs	Fair Value of Non-Interest Bearing Instruments
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets:</b>						
Cash	1.9%	539	-	-	-	539
Receivables	0.0%	-	-	-	-	342
<b>Total Financial Assets</b>		539	-	-	-	881
<b>Financial Liabilities:</b>						
Creditors and Provisions	0.0%	-	-	-	-	52
<b>Total Financial Liabilities</b>		-	-	-	-	52

**(b) Credit Risk**

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

The Authority's exposure to credit risk is summarised as follows;

Receivables - the Authority's maximum exposure is disclosed in the financial statements net of any provision for doubtful debts

**(c) Net Fair Value**

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

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

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

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

**Note 8 - RELATED PARTY DISCLOSURES**

**KEY MANAGEMENT PERSONNEL**

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

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

The following qualifying related party disclosures have been identified:

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

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

Council Solutions provides procurement services to the above listed entities.

## Council Solutions Regional Authority

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

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Council Solutions Regional Authority for the period 1 July 2019 to 28 February 2020, the Council's Auditor, Ian G McDonald FCA, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

  
Jeff Tate  
CHAIR - Council Solutions

Date: 17 February 2020

  
Kirk Richardson  
ACTING CHIEF EXECUTIVE OFFICER  
City of Onkaparinga

Date: 28/01/2020

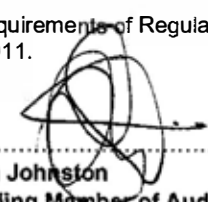
  
Paul Sutton

CHIEF EXECUTIVE OFFICER  
City of Charles Sturt

Date: 24/01/2020

  
John Harry  
CHIEF EXECUTIVE OFFICER  
City of Salisbury

Date: 3/2/2020

  
Tanya Johnston  
Presiding Member of Audit Committee

Date: 06 FEB 2020

  
Mark Goldstone  
CHIEF EXECUTIVE OFFICER  
Adelaide City Council

Date: 29/1/2020

  
Adrian Skull

CHIEF EXECUTIVE OFFICER  
City of Marion

Date: 24 January 2020

  
John Moyle  
CHIEF EXECUTIVE OFFICER  
Tea Tree Gully Council

Date: 24<sup>th</sup> January 2020

Ian G McDonald FCA



## Council Solutions Regional Authority

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

#### STATEMENT BY AUDITOR

We confirm that, for the audit of the financial statements of the Council Solutions Regional Authority for the period ended 28 February 2020, we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* made under that Act.

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

A handwritten signature in blue ink that reads 'Ian McDonald'.

**Ian G McDonald FCA**

Dated this 4th day of February 2020

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[www.creativeauditing.com.au](http://www.creativeauditing.com.au)

Ian 0419 620 906  
[ianmcdonald@creativeauditing.org](mailto:ianmcdonald@creativeauditing.org)

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

Nancy 0408 832 848  
[nancytran@creativeauditing.org](mailto:nancytran@creativeauditing.org)

# Ian G McDonald FCA



## Council Solutions Regional Authority Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of Council Solutions Regional Authority for the period 1/7/2019 to 28/2/2020.

### Opinion

In our opinion, the financial statements of the Authority are properly drawn up:

- a) to present fairly the financial position of the Authority as at the 28 February 2020 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

### Basis for Opinion

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

### Other Information – Basis of Accounting and Restriction on Distribution

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

### Responsibilities of Management for the Financial Report

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

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

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

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

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

A handwritten signature in blue ink that reads 'Ian McDonald'.

Ian G McDonald FCA  
Registered Company Auditor

Dated at Grange this 18<sup>th</sup> day of February 2020

[www.creativeauditing.com.au](http://www.creativeauditing.com.au)

Ian 0419 620 906  
[ianmcdonald@creativeauditing.org](mailto:ianmcdonald@creativeauditing.org)

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

Nancy 0408 832 848  
[nancytran@creativeauditing.org](mailto:nancytran@creativeauditing.org)

## CONNECT WITH US ONLINE



City of Marion



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City of Marion



@CityofMarion

### City of Marion

245 Sturt Rd  
Sturt SA 5047

**Tel** (08) 8375 6600

**Fax** (08) 8375 6699

**Email** [council@marion.sa.gov.au](mailto:council@marion.sa.gov.au)

**[marion.sa.gov.au](http://marion.sa.gov.au)**