

ANNUAL REPORT

2020-21



CONTENTS

PART 1	
MESSAGE FROM THE MAYOR	1
MESSAGE FROM THE CEO	2
OUR PURPOSE, VISION AND VALUES	3
ABOUT THE CITY OF MARION – FAST FACTS	4
STRATEGIC PLANS	5
BRIEF OVERVIEW OF FINANCIAL PERFORMANCE	6
COUNCIL AREA AND WARD BOUNDARIES	7
COUNCIL MEMBERS	8
EXECUTIVE LEADERSHIP TEAM	11
PART 2	GOVERNANCE
	12
PART 3	FINANCIAL PERFORMANCE
	29
PART 4	KEY ACHIEVEMENTS THEMES
	33
PART 5	AUDITED FINANCIAL STATEMENTS
	45
PART 6	SOUTHERN REGION WASTE RESOURCE AUTHORITY
	– AUDITED FINANCIAL STATEMENTS
	99

WELCOME FROM THE MAYOR

Welcome to the City of Marion Annual Report for 2020-21.

We have built a lot this year, in addition to the usual footpaths and kerbs, etc.

In March 2021 construction of the Sam Willoughby International BMX track and the Southern Soccer facility commenced. The State Government helped us substantially with the \$13.05m total budget, which will provide clubrooms for each sport, a BMX track with 5m and 8m hill starts, three turf soccer pitches, and lighting.

Work also started on the \$16.25m Mitchell Park Sports and Community Club facility, to which the Federal Government contributed \$5m. The community will enjoy two indoor multipurpose courts, two outdoor tennis/netball courts, a function space, and a neighbourhood centre.

The final phase of the \$4.8m Marion Outdoor Pool upgrade was also completed in October 2020.

In 2020-21 Council *increased* the community infrastructure budget while *reducing* debt and *not increasing* the average residential rate at all. We recognised many had had a difficult year due to COVID-19 restrictions.

Other major achievements included:

- Beginning to improve the Field River section of the Coastal Walkway at Hallett Cove.
- Spending \$2.6m on upgrading seven playgrounds and several reserves.
- Revitalising the Edwardstown Employment Precinct, with tree planting, launch of a new precinct brand to attract investment, and the installation of murals.
- Using technology to improve the playground and parking near Oaklands Station.

In April 2021, Tony Harrison (former Assistant Police Commissioner and leader of several State Government departments) took the reins as the new Chief Executive Officer, replacing Adrian Skull who served us well for 5 ½ years.

In 2020-21, as required by State law, Council reviewed its representative structure after consultation with the community. The Councillors, who were elected under the current 6 ward structure, decided to keep the same structure.

Thank you to everyone who has worked with us over the past year to improve our city: the community, State and Federal Governments, Council Members, staff, volunteers and many more.

Yours faithfully,

Kris Hanna
Mayor



MESSAGE FROM THE CEO

The City of Marion has continued to deliver vital services to the community, despite the many challenges posed by COVID-19.

Our program of events temporarily shifted with the Glandore Christmas carols going online for the first time in December 2020.

More than 14,700 frozen meals were delivered to the elderly and vulnerable, whilst 5,000 trips were made to support people with their shopping and medical appointments. Almost 1,800 calls were made to check on the wellbeing of our community.

During 2020-21, Council also reaffirmed its commitment to an inclusive community and reconciliation through the development and adoption of new Plans. The Disability Access and Inclusion Plan 2020-21 was endorsed in September, containing 35 actions that aim to promote the rights, and reduce the barriers, of people living with disability. Council also continued its path of reconciliation with our Indigenous community through the Reconciliation Action Plan (RAP), successfully implementing 77 RAP actions. A further 15 actions will be implemented through 2021-22.

Council signed an agreement with Southern Cultural Immersion to provide management of the Living Kurna Culture Centre.

The opening hours of our Neighbourhood Centres also increased, improving residents' accessibility to educational programs, services, and facilities.

Marion has a proud record of environmental management. In April, Council endorsed an increased target of planting 4,300 trees per year while 40,000 kitchen caddies were made available to households free of charge. The caddy initiative, partly funded by Green Industries SA, is expected to save Council about \$200k annually in landfill disposal costs.

Our partnership with the Cities of Charles Sturt and Port Adelaide Enfield continues to improve services and reduce costs for ratepayers. The cross-Council partnership delivered four irrigation projects in the City of Marion while upgrades were undertaken at another six reserves.

So much of what has been achieved in Marion requires a partnership between all tiers of government and the community.

I've had the honour of leading the City of Marion since April 2021. The Council is achieving great things for the community, and our hard-working members of staff have impressed me with the level of care and compassion they demonstrate every day.

Thank you to everyone who has helped shape our city over the past year and I look forward to hearing your ideas about how we can make our city even better.

Regards,

Tony Harrison
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

Location	South-Western suburbs of Adelaide
Land area	56.17 kms ²
Estimated resident population	94,879
Residents born overseas	24,182
Landmarks	Cove Civic Centre Living Kurna Cultural Centre Glenthorne National Park Hallett Cove Conservation Park Marion Coastal Walkway Marion Cultural Centre Marion Outdoor Pool Morphettville Racecourse Oaklands Wetlands and Recreation Plaza SA Aquatic and Leisure Centre Tonsley Innovation District Westfield Marion Shopping Centre
Gross Regional Product	\$3.77 billion
Leading Employment Sectors	Retail, Health, Education & Training, Construction
Council Members	13
Wards	6
Operating Expenditure	\$97.1 million
Revenue	\$97.3 million with \$77.9 million from general rates
Rateable properties	43,999
Average residential rate	\$1,475
Rate increase from 2019-20	0.0%
Library items loaned	598,943
Website visits	732,995
Volunteers	321 contributing 24,870 hours totalling \$1.12 million
Street trees planted	3,578
Development applications	2,073
Value of Development applications	\$237.7 million
Distance of footpaths	864 km
Distance of roads	493 km
Distance of stormwater network (drains)	272 km

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 2020-21 work areas within Council commenced, progressed and/or delivered a significant number of projects including a suite of major infrastructure projects:

- Mitchell Park Sports and Community Centre Redevelopment
- Edwardstown Employment Precinct
- Sam Willoughby International BMX and Southern Soccer Facilities
- Footpath Blitz Campaign
- Marion Outdoor Pool Upgrade
- Coastal Walkway

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

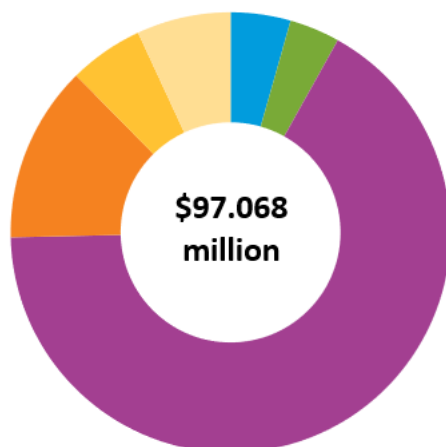
The City of Marion has maintained a strong financial position, providing a sound basis for Council's long-term objectives identified in the Strategic Plan. Below is a synopsis of Council's financial position.

There has been a strong commitment from Council to minimise the financial rate burden while continuing to deliver significant Infrastructure projects. To this end rates were held to a zero average rate increase for 2020-2021.

Council was also able to achieve an operating surplus of \$0.256 million. Maintaining an operating surplus is critical to ensuring all core services are delivered along with maintaining the \$1.13 billion of community facilities, infrastructure and open space assets under Council's control in accordance with our Asset Management Plans. This positive result is also necessary 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.

- Achieved an operating surplus of \$0.256 million while holding the average rates to a zero % increase in 2020-21
- Attracted an additional \$2.656 million in grant funding to support Council's operating activities
- Attracted an additional \$9.367m in grant funding largely linked to new and upgraded community infrastructure and sporting facilities
- Contributed \$1m (50% of Council's contribution) towards the development of a Destination Playspace in Glenthorne National Park
- \$97.324 million operating revenue with 82 per cent coming from rates
- \$97.068 million operating expenditure (see diagram below)

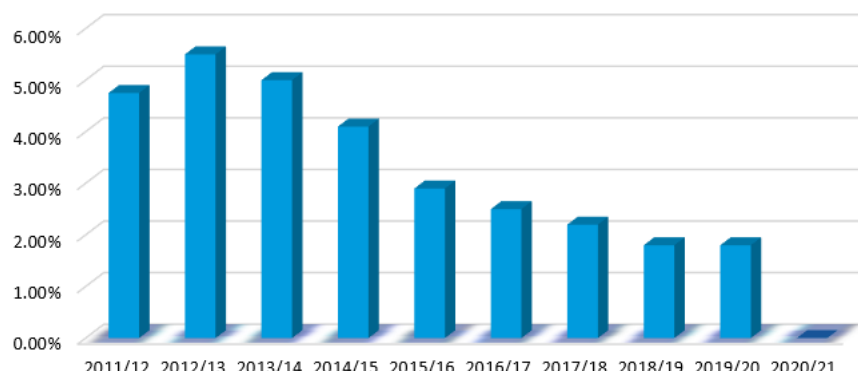
TOTAL OPERATING EXPENDITURE



- Urban Development
- Environmental Sustainability
- Public Infrastructure & Places
- Culture & Recreation
- Community Capacity Building
- Health & Community Care

FUNCTION	Expenses
Development	
Urban Development	\$4.282m
Environment	
Environmental Sustainability	\$3.589m
Infrastructure	
Public Infrastructure & Places	\$64.581m
Community	
Culture & Recreation	\$12.596m
Community Capacity Building	\$5.309m
Health & Community Care	\$6.711m
TOTAL	\$97.068m

AVERAGE RATE INCREASES OVER THE LAST 10 YEARS

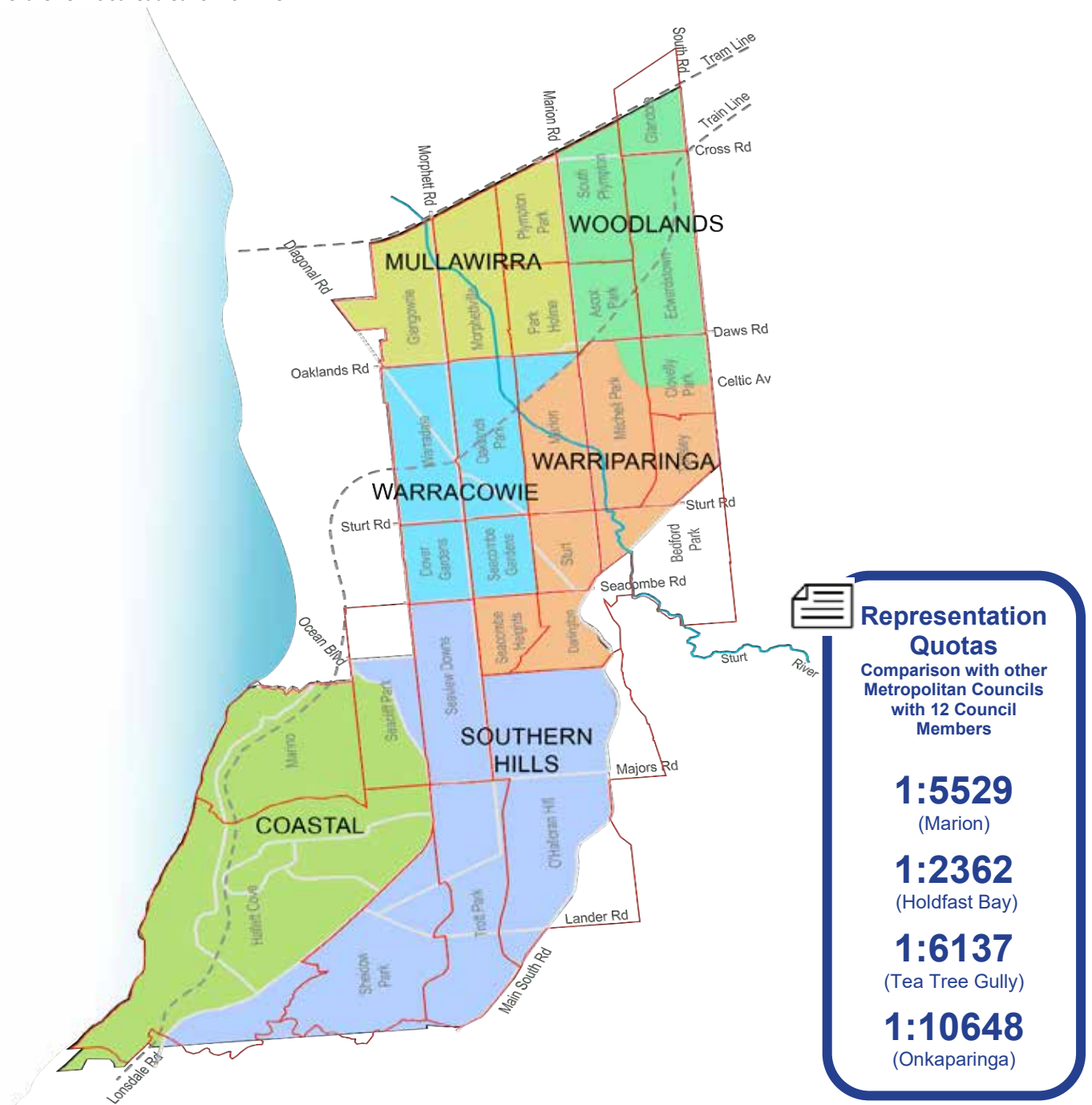


COUNCIL AREA AND WARD BOUNDARIES

The Council comprises of an elected Mayor and 12 Councillors. The city has 28 suburbs, covered by six wards, each ward represented by two Councillors.

In the City of Marion, one Council Member represents (on average) 5,529 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. Chapter 3 of the *Local Government Act 1999 (the Act)* sets out the requirements for a representation review.

The City of Marion last reviewed its structure in 2020. After considering the legislative requirements, the options and information presented in the Representation Review Options Paper and the community consultation, Council adopted to retain the current electoral structure of a community elected Mayor and 12 Councillors. In accordance with legislation, the next review is scheduled for 2027-28.



COUNCIL MEMBERS

MAYOR

Kris Hanna

Review and Selection Committee (Presiding Member)
Urban Planning Committee
Infrastructure and Strategy Committee
Asset and Sustainability Committee
Planning and Development Committee



COASTAL WARD COUNCILLORS

MARINO, SEACLIFF PARK (PART),
HALLETT COVE



COUNCILLOR

Ian Crossland

Jul '20 – Nov '20 Urban Planning Committee (Presiding Member)
Jul '20 – Nov '20 Finance and Audit Committee
Dec '20 – Jun '21 Asset and Sustainability Committee



COUNCILLOR

Tim Gard

Jul '20 – Nov '20 Finance and Audit Committee
Jul '20 – Nov '20 Infrastructure and Strategy Committee
Dec '20 – Jun '21 – Review and Selection Committee

MULLAWIRRA WARD COUNCILLORS

GLENGOWRIE, PLYMPTON PARK,
PARK HOLME, MORPHETTVILLE



COUNCILLOR

Jason Veliskou

Jul '20 – Nov '20 Infrastructure and Strategy Committee
(Presiding Member)
Dec '20 – Jun '21 Planning and Development Committee



COUNCILLOR

Kendra Clancy

Jul '20 – Nov '20 Review and Selection Committee
Dec '20 – Jun 21 Planning and Development Committee

SOUTHERN HILLS WARD COUNCILLORS

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



COUNCILLOR

Maggie Duncan

*Jul '20 – Nov '20 Urban Planning Committee
Dec '20 – Jun '21 Finance and Audit Committee
Dec '20 – Jun '21 Review and Selection Committee*



COUNCILLOR

Matthew Shilling

*Jul '20 – Nov '20 Deputy Mayor
Jul '20 – Nov '20 Review and Selection Committee
Dec '20 – Jun '21 Asset and Sustainability Committee (Presiding Member)
Jul' 20 – Jun '21 Council Assessment Panel (Deputy Member)*

WARRACOWIE WARD COUNCILLORS

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



COUNCILLOR

Bruce Hull

*Jul '20 – Nov '20 Infrastructure and Strategy Committee
Dec '20 – Jun '21 Asset and Sustainability Committee*



COUNCILLOR

Nathan Prior

*Nov '20 – Jun '21 Deputy Mayor
Jul '20 – Nov '20 Urban Planning Committee
Dec '20 – Jun '21 Asset and Sustainability Committee*

WARRIPARINGA WARD COUNCILLORS

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



COUNCILLOR

Raelene Telfer

*Jul '20 – Nov '20 Infrastructure and Strategy Committee
Dec '20 – Jun '21 Planning and Development Committee
Jul '20 – Jun '21 Council Assessment Committee (Member)*



COUNCILLOR

Luke Hutchinson

*Jul '20 – Nov '20 Review and Selection Committee
Dec '20 – Jun '21 Planning and Development Committee*

WOODLANDS WARD COUNCILLORS

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



COUNCILLOR

Sasha Mason

*Jul '20 – Nov '20 Infrastructure and Strategy Committee
Dec '20 – Jun '21 Planning and Development Committee
(Presiding Member)*



COUNCILLOR

Joseph Masika

*Jul '20 – Nov '20 Urban Planning Committee
Dec '20 – Jun '21 Planning and Development*

EXECUTIVE LEADERSHIP TEAM



CHIEF EXECUTIVE OFFICER

Jul '20 – Mar '21 Adrian Skull

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



CHIEF EXECUTIVE OFFICER

Apr '21 – Jun '21 Tony Harrison

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, URBAN
RENEWAL



GENERAL MANAGER, CORPORATE SERVICES

Sorana Dinmore

FINANCE, INFORMATION
SERVICES, STRATEGIC
PROCUREMENT, CUSTOMER
EXPERIENCE, DATA CROSS
COUNCIL

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 2020 – 30 June 2021, Council's formal decision-making and Committee structure comprised:

- General Council
- Urban Planning Committee (ceased November 2020)
- Finance and Audit Committee
- Infrastructure and Strategy Committee (ceased November 2020)
- Review and Selection Committee
- Council Assessment Panel
- Asset and Sustainability Committee (commenced December 2020)
- Planning and Development Committee (commenced December 2020)

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.

	General Council	Special Council	*Urban Planning	Finance & Audit	Council Assessment Panel	*Infrastructure & Strategy	Review & Selection	**Asset & Sustainability	**Planning & Development
Number of Meetings	18	5	3	7	14	2	7	3	2
Mayor Kris Hanna	18/18	4/5	3/3	-	-	2/2	7/7	1/3	1/2
Cr Kendra Clancy	17/18	4/5	-	-	-	-	4/4	-	2/2
Cr Ian Crossland	15/18	5/5	3/3	2/3	-	-	-	3/3	-
Cr Maggie Duncan	18/18	5/5	3/3	3/4	-	-	3/3	-	-
Cr Tim Gard	14/18	5/5	-	3/3	-	1/2	3/3	-	-
Cr Bruce Hull	18/18	5/5	-	-	-	2/2	-	3/3	-
Cr Luke Hutchinson	12/18	3/5	-	-	-	-	3/4	-	2/2
Cr Joseph Masika	18/18	4/5	3/3	-	-	-	-	-	2/2
Cr Sasha Mason	16/18	5/5	-	-	-	0/2	-	-	2/2
Cr Nathan Prior	17/18	4/5	3/3	-	-	-	-	3/3	-
Cr Matthew Shilling	16/18	5/5	-	-	2/14***	-	3/4	3/3	-
Cr Raelene Telfer	18/18	4/5	-	-	12/14	2/2	-	-	2/2
Cr Jason Veliskou	18/18	4/5	-	-	-	2/2	-	-	2/2

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

* Urban Planning Committee ceased October and Infrastructure & Strategy Committee ceased November 2020

** Asset & Sustainability Committee and Planning & Development Committee commenced December 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, 461 resolutions were made by Council resulting from 159 corporate reports seeking a decision.

The Community made deputations on the following topics:

- Planning and Development Code – Minimum Block Sizes in Warradale (*July '20*)
- Aleppo Pines Rescission Motion (*July '20*)
- Department for Environment and Water – Alternative Water Supply Efficiency Measure Pilot Project: Seaclyff Park Extension (*November '20*)
- 3v3 Basketball at Stanley Street Reserve (*November '20*)
- Edwardstown Bowling Club (*December '20*)
- Edwardstown Football Club (*December '20*)
- South Adelaide Basketball Club (*December '20*)
- Friends of McConnell (*January '21*)
- 5049 Community (*January '21*)
- Dover Estate Street Lighting (*February '21*)
- Mitchell Park Sports and Community Club Management Model (*May '21*)
- Tonsley Northern Vehicle Connector (*May '21*)
- Glandore Oval – *Deputation 1* (*May '21*)
- Glandore Oval – *Deputation 2* (*May '21*)
- Glandore Oval (*June '21*)

Petitions were received on the following matters:

- Planning and Design Code (*July '20*)
- No Stopping Zone – Franklin Court and Edison Court, Sheidow Park (*July '20*)
- Reserve Upgrade – Ludgate Avenue and Phyllis Court, Trott Park (*September '20*)
- Stanley Street Reserve (*24 November '20*)
- McConnell Reserve (*January '21*)
- Street Lighting – Dover Gardens (*January '21*)
- Glandore Oval Cricket Nets (*May '21*)

The following Workshops/Presentations were held in Council meetings:

- Presentation - Independent Member Infrastructure and Strategy Committee (*October '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 for a CPI increase each financial year. The amounts applied in November 2020 were:

Mayor	\$86,484
Deputy Mayor	\$27,026
Council Members	\$21,621

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:

- Planning and Development Code Overview
- ICAC Conflicts of Interest Course and Induction for Public Officers Course
- PDI Refresher Training (*Normal Waterhouse Lawyers*)
- Using SAPP for Development Assessment (*Plan SA*)
- Prevention of Bullying / Harassment in and out of the Chamber (*ALGWA SA*)

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

- Planning and Design Code Training (*Normal Waterhouse Lawyers*)
- ESRI Training
- New Planning System Training

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.

2020	Key decisions	2021	Key decisions
July	<ul style="list-style-type: none"> • Endorsed \$145,000 action plan to revitalise the Edwardstown Employment Precinct. • Privacy Policy to manage the collection, storage, disclosure and use of personal and commercial information was adopted. • Endorsed a five-year licence for Cove Cobras Football Club, commencing 1 October 2020. 	January	<ul style="list-style-type: none"> • Council endorsed to seek 50 per cent of the required funding from State Government Stimulus Grants to match its commitment to eight projects, including Hallett Cove Sea Pool, Marino Hall, the Living Kurna Cultural Centre and Marion Golf Club.
August	<ul style="list-style-type: none"> • Council approved the annual budget increase for the Youth Achievement Grants for \$10,000 to \$20,000. • Council endorsed funding of up to \$143,000 for the 2020-21 financial year for projects aligned to the Smart Goals and Foundational Principles. Projects included: Open Space Monitoring, Smart Lighting and Smart Parking. 	February	<ul style="list-style-type: none"> • A landmark Green Plan was adopted by Council for Marion to become carbon neutral by 2030. The plan aims to make events carbon neutral, switching to renewable energy and transitioning to a zero emissions fleet.
September	<ul style="list-style-type: none"> • Council voted to remove the \$36 permit fee that applies to residents who keep more than the prescribed number of dogs or cats on their premises. • Council will apply for \$382,000 grant in addition to the Council's \$192,000 investment to provide 40,500 kitchen caddies to local households to help divert food scraps from landfill. 	March	<ul style="list-style-type: none"> • A five-year Transport Plan was approved for public consultation. The plan outlines how people can reach Marion's venues and business precincts using a safe and efficient transport network.
October	<ul style="list-style-type: none"> • Council allocated \$5,000 for 2020-21 and a further \$5,000 per year for the following five years to assist the Hallett Cove Lions to deliver the Anzac Day dawn service at Heron Way Reserve. • Endorsed the Disability Access and Inclusion Plan 2020-2024. • Appointed Councillor Nathan Prior as Deputy Mayor from 20 November 2020 to 19 November 2021. • Approved greyhound off-leash event in the Trott Park Dog Park to occur in 2021. 	April	<ul style="list-style-type: none"> • Council considered its Draft Annual Business Plan (ABP) and Budget for 2021-22 and will invite the community to provide feedback. • Endorsed the Youth Collective Committee continuing from July 2021 to June 2023. • Approved the trial of a third community bus for a period of one year with the option for an extension for a further year.
November	<ul style="list-style-type: none"> • Approximately \$4.8 million will be spent on repairing three sections of the coastal walkway, with construction due to start in the first half of 2021. • A lease of up to 40 years will be struck with the State Government to build the Sam Willoughby International BMX track and Southern Soccer Facility on the land on Majors Road. 	May	<ul style="list-style-type: none"> • Separate three-year agreements have been supported for the Galleon Theatre Group, which uses the Marion Cultural Centre, and the Red House Group. • The fee structure for the Marion Outdoor Pool's 2021-22 season was set. Council increased discount for City of Marion residents from 25 per cent to 30 per cent.
December	<ul style="list-style-type: none"> • Following the Representation Review and public consultation, the number of Elected Members and Wards will remain unchanged. Marion will continue to have six Wards with a Mayor and 12 Elected Members. • About \$3.1 million in Federal funding earmarked for Marion is proposed to be spent on upgrading Capella Reserve, lights at sporting facilities, and streetscapes along Diagonal and Sturt roads. 	June	<ul style="list-style-type: none"> • Next year's draft budget invests more than \$50 million in key infrastructure, maintains current service levels and includes an average rate rise of one per cent. • The upgrade of Tarnham Road Reserve received an additional \$635,000 to include development of the whole site which was previously unfunded. • Endorsed concept plans for \$1.6 million upgrade of Hugh Johnson Boulevard Reserve to progress to tender for construction.

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 66 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 S 90 (2) Information the disclosure of which would;	Number of times used
3(a)	<ul style="list-style-type: none"> involve unreasonable disclosure of information concerning the personal affairs of any person (living or dead). 	27
3(b)(i) and (ii)	<ul style="list-style-type: none"> could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the council; on balance, be contrary to the public interest. 	21
3(c)	<ul style="list-style-type: none"> reveal a trade secret 	0
3(d)(i) and (ii)	<ul style="list-style-type: none"> commercial information of a confidential nature (not being a trade secret) the disclosure of which— could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; on balance, be contrary to the public interest. 	28
3(e)	<ul style="list-style-type: none"> matters affecting the security of council, members or employees of the council or council property, or the safety of any person. 	0
3(f)	<ul style="list-style-type: none"> could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial. 	1
3(g)	<ul style="list-style-type: none"> matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty. 	7
3(h)	<ul style="list-style-type: none"> legal advice. 	1
3(i)	<ul style="list-style-type: none"> information relating to actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council; 	0
3(j)(i) and (ii)	<ul style="list-style-type: none"> would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); on balance, be contrary to the public interest. 	1
3(k)	<ul style="list-style-type: none"> tenders for the supply of goods, the provision of services or the carrying out of works. 	2
3(m)	<ul style="list-style-type: none"> relating to a proposed amendment to a Development Plan under the <i>Development Act 1993 (SA)</i> before a Development Plan Amendment proposal relating to the amendment is released for public consultation under that Act. 	0
3(n)	<ul style="list-style-type: none"> relevant to the review of a determination of a council under <i>the Freedom of Information Act 1991 (SA)</i>. 	0

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

Council undertook a rigorous review of its confidential orders in December 2020 resulting in nine confidential reports being released and 11 reports released in part. At the conclusion of the financial year, Council currently has 209 reports with confidential orders remaining in place to be reviewed again December 2021.

Relevant placita of <i>Local Government Act (SA) 1999</i>	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.	62 All to be reviewed Dec 2021 (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 14 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 1999*.

The following occasions detail when additional confidentiality provisions were applied in accordance with the *Local Government Act 1999* to discussion items:

- 21 July 2020: Cats Update 90(8) planning session of a general or strategic nature
- 18 August 2020: Council and Finance and Audit Committee Members – KPI Framework 90(2) and (3)(d)(i) and (ii) commercial information
- 08 September 2020: CEO Annual Performance Review 2019/20 90(8) planning session of a general or strategic nature
- 15 September 2020: Living Kaurna Cultural Centre Management Model 90(8) planning session of a general or strategic nature
- 15 September 2020: Council Effectiveness Survey 90(8) planning session of a general or strategic nature
- 20 October 2020: Marion Golf Course 90(2) 3(b)(i) and (ii) commercial information
- 10 November 2020: Enterprise Agreement Negotiations Report 90(2) 3(a) personal affairs
- 10 November 2020: Neighbourhood Centre Service Review 90(8) planning session of a general or strategic nature
- 10 November 2020: Strategic Procurement Update 90(8) planning session of a general or strategic nature
- 17 November 2020: Tonsley Vehicle Connections 90(2) 3(b)(i) and (ii) commercial information
- 17 November 2020: Discussion with Corey Turner re Kaurna Submission of a LKCC Management Model 90(2) 3(d)(i) and (ii) commercial information
- 30 January 2021: Elected Member Planning Day 90(8) planning session of a general or strategic nature
- 16 February 2021: Lot 707 Update 90(2) 3(b)(i) and (ii) commercial information
- 3 March 2021: CEO Recruitment Panel 90(2) (3)(a) personal affairs
- 9 March 2021: CEO Recruitment Panel 90(2) (3)(a) personal affairs
- 30 March 2021: Animal Pound 90(2) 3(d)(i) and (ii) commercial information
- 30 March 2021: Sports Hub Management Models 90(8) planning session of a general or strategic nature
- 6 April 2021: CEO Recruitment Panel 90(2) (3)(a) personal affairs
- 20 April 2021: Sports Hub Management Models 90(8) planning session of a general or strategic nature
- 18 May 2021: Election Lobbying Initiatives 90(8) planning session of a general or strategic nature
- 18 May 2021: Sports Hub Management Models – Cove & Mitchell Park 90(8) planning session of a general or strategic nature
- 18 May 2021: EB Negotiations 90(8) planning session of a general or strategic nature
- 29 June 2021: 262 Sturt Road 90(8) planning session of a general or strategic nature

Council Member attendance at Informal Gatherings													
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
	1	1	2	1	2	1	1	1	2	1	1	2	16
Mayor Kris Hanna	1	1	2	1	2	0	1	1	2	1	1	2	15/16
Cr Kendra Clancy	1	1	2	1	1	1	1	1	0	1	1	2	13/16
Cr Ian Crossland	1	1	2	1	2	1	1	1	2	1	1	2	16/16
Cr Maggie Duncan	1	1		1	2	1	1	1	2	1	1	2	16/16
Cr Tim Gard	1	1	0	0	2	1	1	1	2	1	1	2	13/16
Cr Bruce Hull	1	1	2	1	2	1	0	1	2	1	1	2	15/16
Cr Luke Hutchinson	1	1	1	0	1	0	1	0	0	1	1	0	7/16
Cr Joseph Masika	1	0	2	1	1	1	0	1	0	1	1	0	9/16
Cr Sasha Mason	1	1	2	1	2	1	1	1	2	0	1	1	14/16
Cr Nathan Prior	1	1	2	1	2	1	1	1	2	1	1	2	16/16
Cr Matthew Shilling	1	1	1	1	2	1	1	1	2	1	1	1	14/16
Cr Raelene Telfer	1	1	2	1	2	1	1	1	2	1	1	2	16/16
Cr Jason Veliskou	1	1	2	1	2	1	1	1	2	1	1	0	14/16

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 per cent loading above their regular annual allowance.

INFRASTRUCTURE AND STRATEGY COMMITTEE - FUNCTION

The Infrastructure and Strategy Committee ceased in November 2020. The Committee had five (5) Council Members and one (1) Independent Member. Meetings were convened monthly on the first Tuesday of the month. The Committee met on 2 occasions in 2020-21. Sitting fees were 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 included:

- Strategic Theme – Environmental Scans
- Service Review of Neighbourhood Centres

URBAN PLANNING - FUNCTION

The Urban Planning Committee ceased in November 2020. The Committee had four (4) Council Members. The Urban Planning Committee met on three occasions in 2020-21.

Established for the purpose of:

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

REVIEW AND SELECTION COMMITTEE - FUNCTION

From July 2020 to November 2020 the Committee had four (4) Council Members – Mayor and three (3) Council Members. From December 2020 the Committee has three (3) Council Members – Mayor and two (2) Council Members. The meetings are convened as required. In 2020-21 the Committee met on seven 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

From July 2020 to November 2020 the Committee had two (2) Council Members (who are not the Mayor) and three (3) Independent Members. From December 2020 the Committee has one (1) Council Member (who is not the Mayor) and three (3) Independent Members. The Finance and Audit Committee met on seven occasions in 2020-21. 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

ASSET AND SUSTAINABILITY COMMITTEE - FUNCTION

The Asset and Sustainability Committee was established in December 2020. The Committee has four (4) Council Members. The Asset and Sustainability Committee met on three occasions in 2020-21.

Established for the purpose of:

- Advising Council on the development, management and monitoring of council's strategic management of council assets and Asset Management Plans
- Aligning council's provision and management of assets and infrastructure to its long-term strategic objectives
- Establishing and monitoring community levels of service to justify assets and infrastructure
- Monitoring the implementation of environmental sustainability initiatives and strategies, to be a sustainable organisation and support the community to reduce its impact on the environment

PLANNING AND DEVELOPMENT COMMITTEE - FUNCTION

The Planning and Development Committee was established in December 2020. The committee has six (6) Council Members. The Planning and Development Committee met on two occasions in 2020-21.

Established for the purpose of:

- Advising Council on matters relating to the development and monitoring of the following areas:
 - Urban planning, development and renewal
 - City growth, economic development and sustainability
 - New project concepts and innovative solutions
- Monitoring and review of new/emerging issues and trends through tools such as environmental scans
- Developing, reviewing and recommending to Council any policy relating to planning and developments

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
- Planning and Development
- Asset and Sustainability

Name of Committee	Finance & Audit (FAC)	Council Assessment Panel (CAP)	Infrastructure & Strategy (ISC)
Total number of meetings	(7)	(14)	(2)
Terry Mosel (Chair – CAP Jul '20 – Jun '21)	-	11/14	-
Gavid Lloyd-Jones (*stand in' member CAP Jul '20 – Jun '21)	-	3/3	-
Bryn Adams (CAP Jul '20 – Jun '21)	-	14/14	-
Yvonne Svensson (CAP Jul '20 – Jun '21)	-	14/14	-
Michael Davis (CAP Jul '20 – Jun '21)	-	14/14	-
Russell Colbourne (ISC Jun '20 – Nov '20)	-	-	2/2
Emma Hinchey (Chair FAC Jul '20 – Jun '21)	7/7	-	-
Natalie Johnstone (FAC Jul '20 – Nov '20)	3/3	-	-
Nicolle Rantanen Reynolds (FAC Dec '20 – Jun '21)	4/4	-	-
David Papa (FAC Jul '20 – Jun '21)	6/7	-	-

COUNCIL ASSESSMENT PANEL - FUNCTION

The Council Assessment Panel (CAP) is an assessment authority established in accordance with the *Planning, Development and Infrastructure Act 2016*.

The CAP has a total of five members. Four members are independent experts in the planning, development or architectural field, whilst one member is an Elected Member appointed by Council.

The CAP considers a wide range of development applications, ensuring that new development proposals are consistent with the Council's Development Plan or the Planning and Design Code. The role of the CAP is to make decisions to either approve or refuse certain types of development applications.

The Panel is presented with a report on every application to be considered. Each report assesses the proposal against the provisions of the Development Plan or Planning and Design Code and includes documentation from the applicant (or their consultant) and copies of representations lodged in respect to the application being considered.

Members of the CAP are required to strictly adhere to the State Government's Code of Conduct.

The Panel met on 14 occasions during the financial year and considered a total of 35 applications. The Presiding Member receives \$500 per meeting; Independent Members receive \$400 per meeting and Council Members \$200 per meeting.

DEVELOPMENT SERVICES

The Development Services Unit comprises Planning, Building, Compliance and Administration support teams.

Each team undertakes functions in accordance with the *Planning, Development and Infrastructure Act 2016* as well as the *Development Act 1993*. Functions include (but are not limited to) assessment, customer service, education and assistance.

ACHIEVEMENTS FOR 2020-21 FINANCIAL YEAR

The total value of applications receiving approval in the 2020-21 financial year equated to approximately \$286.7 million, of which \$238.8 million were applications approved under the *Development Act 1993* and \$47.9 million of applications approved under the *Planning, Development and Infrastructure Act 2016*. This was an approximate increase of \$91 million from 2019-20.

The two largest approvals were for a \$6 million six-level apartment building within the Tonsley Innovation District, and a \$3 million development for alterations and additions at Westminster School for an Inquiry and Innovations and Library and Performing Arts Hub.

The total of 1,479 applications were granted Approval under the *Development Act 1993*. This included 386 new dwellings and 133 dwelling additions, along with 671 approvals for class 10 structures (sheds, pool, verandah's etc). In relation to non-residential development six offices, 30 shops, five warehouses and 18 civic buildings or additions gained approval. A total of 219 demolitions were granted.

NUMBER OF BUILDING CONSENTS AND VALUES^[1]

2016-17	2017-18	2018-19	2019-20	2020-21
1789	1771	1734	1636	1758
\$180.5m	\$221m	\$277m	\$195.7m	\$286.7m

CODE AMENDMENTS (previously referred to as DEVELOPMENT PLAN AMENDMENTS under the Development Act)

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

The DPA facilitated the development of land located in the suburbs of Seacliff, Seacliff 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 approved by the Minister for Planning and subsequently consolidated into Council's (former) Development Plan on 26 November 2020. The Seacliff Park site was rezoned to 'Suburban Neighbourhood Zone'.

On 19 March 2021 all Development Plans within South Australia were revoked and replaced by the Planning and Design Code (the Code). Amendments to the Code are now called Code Amendments.

The Seacliff Park site was transitioned to 'Master Planned Neighbourhood Zone' / 'Emerging Activity Centre Sub-zone' in the Code as part of this transition. This zone/sub-zone provides opportunity for the same type of development to occur on the land.

On 11 May 2021 Council approved the initiation of four new Code Amendments:

URBAN CORRIDOR – MARION ROAD

Amongst other matters, the previous Housing Diversity DPA (HDDPA) sought the creation of an Urban Corridor Zone along much of Marion Road. This Zone was to provide opportunity for multistorey mixed use development (retail/commercial/residential) in appropriate locations and help relieve the pressure for infill development in local streets in the inner suburbs.

The Urban Corridor Zone was not approved by the Minister as part of the Housing Diversity DPA (Part 1) because a number of additional properties had been included within the zone, and changes made to building heights, following consultation, so as a matter of procedural fairness, affected properties required another round of community consultation.

The rezoning of Marion Road to Urban Corridor was not actioned as part of the initial release of the Code, but the State Planning Commission advised that it would be happy to work with Council on a Code Amendment 'as a matter of priority' once Phase Three of the Code was implemented.

^[1] 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 State Commission Assessment Panel.

SOUTHERN SUBURBS RESIDENTIAL POLICY

The Code Amendment seeks that those southern residential areas recently rezoned to the Suburban Neighbourhood Zone (former Southern Policy Area 18 and Cement Hill Policy Area 10) be transitioned to the same zone as the other southern areas (Hills Neighbourhood Zone) and that one set of consistent (and appropriate) slope related policy (gradient/site dimensions, setbacks etc.) is used throughout the southern suburbs that provides opportunity for subdivision/redevelopment to occur in appropriate locations.

CENTRE ZONES

The Code Amendment seeks to address a number of historical zoning anomalies via rezoning and/or realignment of zone boundaries (e.g. site has been redeveloped, misalignment of zone boundary, need for a reduction/increase in zone boundary etc.).

MORPHETTVILLE/GLENGOWRIE RESIDENTIAL STABLES

The former Residential Racecourse Zone, on the southern side of Bray Street in Morphettville and western side of Morphett Road in Glengowrie, provided the opportunity for stabling of horses and residing on the same property. Policy within the zone specifically sought detached dwellings at low densities in association with a range of horse related activities. Under the Code, the area has been rezoned to the Suburban Neighbourhood Zone. The policy within this zone no longer references horse related activities, nor a requirement for only detached dwellings, but it does maintain the minimum 560m² and 15 metre allotment sizes.

The SA Jockey Club (SAJC) proposes to construct additional stables within the racecourse property (corner of Bray Street and Morphett Road). It is anticipated that many of the stable owners on the southern side of Bray Street and western side of Morphett Road may relocate into these new stables. However in order for the sale of their land and relocation to the new stables to be more financially viable, a number of the stable owners have requested that the area be rezoned to an exclusively residential-type zone, allowing residential development at higher densities to be constructed.

The Code Amendment seeks rezoning the area to 'General Neighbourhood Zone', the same as the surrounding residential areas, which will provide opportunity for redevelopment.

COMMUNITY LAND

The community land classification over Travers Street Reserve was revoked and the residential allotment of 679 square metres was sold. The balance of the Reserve has been reinstated as community land. The net proceeds from the sale were paid into the Open Space Reserve Fund for the development of open space as approved by Council.

A request for the revocation of the community land classification over Spinnaker Circuit Reserve East was submitted to the Minister for Planning. The request was declined because the Minister considered that the Section 194 Report giving details of the land and the proposal did not provide enough information for the community to make a decision. A new Section 194 Report was prepared and Council resolved to undertake the community consultation on the new Report.

It is proposed that portion of Spinnaker Circuit Reserve East will be sold to the adjacent school and the balance of the reserve will be sold on the open market with an option to retain a pathway from Berrima Road to Spinnaker Circuit. Should the reserve be sold (subject to Ministerial approval) the net sale proceeds will be paid to the Open Space Reserve Fund.

A development application has been submitted for the division of Ranger Street Reserve Hallett Cove into two residential allotments for sale. The community land classification for this reserve has been revoked.

The Community Land Register and Community Land Management Plans are due to be reviewed. It is intended that these processes will be undertaken during the course of the 2021-22 and 2022-23 financial years.

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.

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 11 people, six Members and four Deputy Members with the 11th 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

GOVERNANCE

The *Local Government Act 1999* (SA) provides the legislative framework for legal and transparent decisions. 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 \$219,883 to \$296,700.

PEOPLE AND CULTURE

The City of Marion had 381.45 full-time equivalent staff as at the 30 June 2021. 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. Nine individuals have benefitted from the program. Endorsement will be sought from Council to continue with the program from 2021 to 2023.
- Learning and development programs returned to predominantly face-to-face delivery and all of our training has continued to adapt with COVID-19 hybrid delivery modes when required. Our compliance and corporate training programs have continued including our City of Marion Grow Your Leadership Program which adapted and continued to support the needs of our people leaders. We have a new emerging leader program in the Open Space Team and our LG Management Challenge Team 'Marion Marvels' competed in April against 13 other councils. We delivered our Leadership Forum online in November 2020 and we were together again at the Cove Civic Centre in June 2021 where over 90 of our current and emerging people leaders continued to build their capabilities.
- During the 2020-21 financial year, council volunteers have given 24,870 hours of time to our community, which given the circumstances compares favorably with 2019-20's 27,138 hours. Surveys undertaken by the ANU Centre for Social Research shows 66 per cent of volunteers Australia-wide were stood down from volunteer roles at some point throughout 2020. We have been lucky to have maintained volunteer engagement throughout this period, with a full volunteer cohort on the community bus and in Libraries and minimal vacancies in both the Neighbourhood Centres and Justice of the Peace programs. There have been a lack of events for our event volunteers, however, numbers of volunteers in this space is dependent on events being run. October 2021 will also see the start of Green Space volunteer programs being managed by council, which will afford us more opportunities for ad hoc volunteering. The 2020-21 Volunteer Survey showed 82 per cent of respondents were very satisfied in their role with Council, which compares positively with the most recent Australia wide survey that had a result of 47 per cent.
Many opportunities exist for volunteering, including creating a Volunteer Reference Group, supporting volunteering in the community, creating more accessible opportunities for 16-18-year-olds and consolidating induction items and WHS training.
- 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 full time work. Other strategic initiatives will be explored for 2021-22.
- 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. We undertook a survey in June 2020 to ascertain how our staff and volunteers experience diversity and inclusion within the workplace and we are looking forward to analysing the data and ascertaining where the opportunities are.
- Reconciliation Action Plan - During 2020-21 the City of Marion continued to demonstrate commitment towards reconciliation, through the successful implementation of 77 RAP actions, with a further 15 actions started and continuing into 2021-22 implementation.
- We continued the delivery of our Aboriginal and Torres Strait Islander Traineeship Program, providing opportunities for three young people from diverse backgrounds. We are proud to have been the winner of the Excellence in Diversity and Inclusion Award at the 2021 Local Government Professionals Leadership Excellence Awards.
- Disability Access and Inclusion Plan (DAIP) - The DAIP demonstrates how the City of Marion promotes the rights of people living with a disability, working towards ensuring all people enjoy the same access and inclusion experience within our community. Thirty-three of the 35 DAIP actions were successfully delivered during 2020-21.
- Public Health Planning and Reporting – business as usual.

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 Contract 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

The Procurement and Contract Management Policy was updated this year to strengthen our commitment to Local Supplier; Sustainable Procurement and use of Recycled Content, to align with key council objectives.

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. During the financial year, the City of Marion undertook 37 open market tenders to support the delivery of goods, services and works for the City of Marion and its residents.

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 2020-21 council received two formal requests to conduct an internal review of decisions of council. The complaints related to the following:

- Christmas Lights (December 2020)
- Driveway Link, Edwardstown (not concluded)

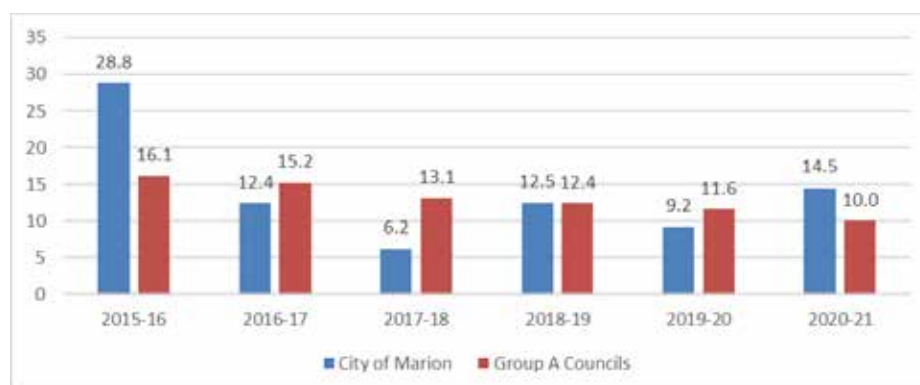
WORK HEALTH AND SAFETY

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 of "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 per cent 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 14.5 in 2020-21 which represents a 57.6 per cent increase over the previous 12 months and did not meet the KPI of 10 per cent reduction on the LTIFR from the previous year. It should be noted that prior to 2016-17, a higher LTIFR was recorded when compared against our industry counterparts being the GAC as indicated by an LTIFR of 28.8 in 2015-16. Programs were implemented which resulted in the recording of significant reductions over the next four years (78.4 per cent reduction from 28.8 LTIFR in 2015-16 to the 2017-18 LTIFR of 6.2). This demonstrates council's commitment to putting the community and safety at the forefront of everything we do.

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

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.

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 2020-21 key improvements include the development of Risks-on-a-page for all risks outside of Council's set risk appetite and the development of a suite of Strategic Risks. Key initiatives in the Risk portfolio 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.

ASSET MANAGEMENT

The City of Marion's Asset Management vision is: 'To maintain the City of Marion's assets to agreed levels of service which maximise community value throughout an asset's life.' Council has developed eight Asset Management Plans which are all funded over the course of the next 10 years throughout the Council Long Term Financial Plan.

A significant portion of Council's annual spend is devoted to the operation, maintenance and renewal of public assets which deliver safe and sustainable services to the community. Council will continue to optimise our spending on these through better asset management to deliver current service levels in the most affordable and efficient way. Council recognises that climate change is likely to affect asset life and functionality. Council is exploring what it can do to build asset resilience in response to climate impacts.

WE OWN AND MANAGE OVER \$1 BILLION OF ASSETS



Artworks, Culture and Heritage



Buildings and Structures



Coastal Walkway



Fleet, Plant and Equipment



Open Space



Stormwater



Transport



Water Treatment and Resources

Our assets enable the provision of services to the community and businesses for current and future generations. Assets play a vital role in the local economy and on residents' quality of life.

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	12	Of the 8 applications determined:	
Withdrawn	2	Full release	1
Determined	8	Partial release	6
Undetermined as at 30 June 2021	2	Refused	1
		Internal Review (Decision Confirmed)	0

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

COMMUNITY HEALTH AND SAFETY

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.

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.

The City of Marion received **723** local nuisance complaints, which is an 11% increase on the previous financial year.

Nature of complaints received:

Dumped Rubbish on Council land and offender known - **175**
Noise - **141**
Unsightly - **124**
Dumped Rubbish on Private Property - **81**
Dust - **66**
Other Animals (poultry, rats, sheep, snakes) - **61**
Odour - **33**
Smoke - **22**
Noisy Bird - **20**

723 local nuisance complaints investigated, resulting in:

Offences Expiated - **2** (litter)
Offences prosecuted - **0**
Number of nuisance abatement notices issued - **10**
Number of litter abatement notices issued - **1**
Number of civil penalties negotiated - **0**

COUNCIL'S BY-LAWS

By-laws are local laws that a Council can create to enable the good rule and government of the local community, and they set out what can and can't be done in a range of situations and under a range of circumstances.

Council enforces the by-laws through a range of measures including advising breaches of the by-laws must be ceased and issuing expiation notices.

Council investigated **25** complaints about the by-laws.

Nature of complaints received:

- Temporary signs and banners - **10**
- Moveable signs – **8**
- By-law breach – **7**

Council's Authorised Officers issued **3** expiations:

- Vehicle on Council land - **1**
- Fail to comply with an order - **1**
- Keeping more than the prescribed number of dogs without permission - **1**

Council commenced a comprehensive legislated review of its existing by-laws. The seven proposed by-laws are:

- Permits and Penalties By-law No. 1
- Moveable Signs By-law No. 2
- Local Government Land By-law No. 3
- Dogs By-law No. 4
- Roads By-law No. 5
- Cats By-law No. 6
- Animal Management By-law No. 7

The Animal Management By-law is a new by-law to prevent and manage nuisance caused by animals or birds. Under the by-law, a rooster or peacock older than 2 months will be prohibited without a permit.

The Cats By-law provides that the owner or person responsible for the control of a cat must ensure that the cat is confined at all times to the premises occupied by that person between the hours of 8pm and 7am daily.

The by-laws are scheduled to come into operation on 27 December 2021 unless disallowed by Parliament.

OTHER COMMUNITY SAFETY ACTIVITY

Community Safety Inspectors are also authorised under other legislation such as the *Local Government Act 1999*, *Dog and Cat Management Act 1995* and the *Australian Road Rules* to enforce a variety of matters within the City of Marion. In 2020-21, in addition to the 723 local nuisance events, the inspectors handled **5,164** customer events and issued **7,173** expiations.

Top 10 categories for customer events in 2020-21:

- Parking Complaints - **1,110**
- Parking Appeals - **647**
- Overhanging Vegetation - **379**
- Abandoned Vehicles - **339**
- Miscellaneous - **263**
- Dogs Not Registered - **263**
- Dogs Wandering - **245**
- Parking Follow Up - **176**
- Dumped Rubbish On Council Property - Offender known to caller - **175**
- Dogs Attack/Harassment - **164**

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 \$0.256m for 2020-21 compared to an operating surplus of \$6.396m for 2019-20.

OPERATING INCOME

Total Operating income for 2020-21 was \$97.324m compared to \$93.815m in 2019-20. The increase of \$3.509m primarily results from an increase in Grant Income of \$2.656m. Council adopted an average rate increase of zero per cent in 2020-21 to support the community during Covid-19, the increase in rate revenue of \$0.708m relates to the underlying growth in rateable properties contributing to the overall increase in total operating income.

OPERATING EXPENSES

Total Operating expenses for 2020-21 were \$97.068m compared to \$87.419m in 2019-20.

The increase of \$9.649m (11.0%) primarily relates to an increase of \$7.565m in 'Materials Contracts and Other' expenses due largely to Council's contribution to infrastructure development, investment in streetscapes, the commencement of the Sam Willoughby International BMX track and Southern Soccer facility in addition to increased costs related to digital transformation projects (\$1.017m) and waste charges and levies (\$719k). Council also incurred additional costs related to Covid-19 of (\$247k) and supported the community with Community Club Covid-19 relief (\$246k).

Additionally, employee costs increased \$1.751m in 2020-21. This increase primarily relates to increases stemming from Enterprise Agreements (\$883k), additional Council endorsed positions to support operations (\$671k), increases to fully grant funded positions (\$80k).

CAPITAL REVENUES AND CONTRIBUTED ASSETS

Another key variance reported on the Statement of Comprehensive Income is an increase in 'Amounts Received Specifically for New or Upgraded Assets' of \$9.367m. This relates primarily to the recognition of State and Commonwealth grant funding attracted for three of Council's multi-year major projects – Mitchell Park Sports and Community Centre, Sam Willoughby International BMX Track and the Southern Soccer Facility.

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.

	2021	2020	2019
Operating Surplus Ratio	0.26%	6.83%	12.7%

The Operating Surplus Ratio remains within Council's target but has been impacted by the increase in operating costs of \$9.649m for 2020-21 noted above. The average Operating Surplus Ratio over the last five financial years is 8.9%.

With council's focus on maintaining a balanced or better cash funding position it is necessary that an operating surplus sufficient to support 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 the councils reliance on rates as a revenue source and the need for council to seek alternative sources of income.¹ Councils reliance on rates has decreased by 3% in 2020-21. This is largely due to the receipt and recognition of operating grant revenues up 34% compared to 2019-20.

	2021	2020	2019
Rate Revenue Ratio	82%	85%	81%

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position provides details of Council's assets, liabilities and equity as at 30 June 2021. 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 \$20.322m (1.77%) compared to 2019-20 with the majority of the movement relating to a net revaluation decrease of \$21.408m, Physical Assets Received Free of Charge (including roads, drainage and footpaths) of \$2.0m and other movements after depreciation of (\$0.914m).

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.

	2021 \$'000	2020 \$'000	Increase/ (Decrease) \$'000
Building assets	111,825	115,014	(3,189)
Infrastructure assets	636,496	658,480	(21,984)

WORKING CAPITAL RATIO

This ratio focuses on the liquidity position of Council, adjusting for restricted assets (eg- unspent specific tied grants that would need to be excluded from Council's current assets as Council would be restricted from using this cash to meet short term liabilities). It is calculated by dividing current assets (less restricted assets) by current liabilities (less liabilities associated with restricted assets). Council's target for this ratio is between 1.0 and 1.1.² The utilisation of Council's cash reserves funding multi-year major projects currently in progress and the funding quarantined for planned projects will impact on this ratio in future periods.

	2021	2020	2019
Working Capital Ratio	3.2	2.2	2.9

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 planned asset renewal expenditure. 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. The ratio of 86% achieved in 2020-21 reflects an underspend in vehicle replacement and savings achieved against planned expenditure in some capital programs. Councils Long Term Financial Plan (LTFP) is set to achieve an average Asset Renewal Funding Ratio of 100% over the next three years and over the 10-year term of the LTFP.

	2021	2020	2019
Asset Renewal Funding Ratio	86%	58%	114%

¹ 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.

² 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 ongoing multi-year and 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.

	2021	2020	2019
Asset Consumption Ratio	74%	76%	77%

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 2021 were \$4.391m – a net decrease of \$1.244m over the level of borrowings in June 2020.

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 2021-22 and beyond.³ Council also retains significant cash reserves quarantined for multi-year major projects currently in progress and funding for planned major projects and long-term asset management objectives.

	2021	2020	2019
Net Financial Liabilities Ratio	(34%)	(32%)	(37%)

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 six years reflecting interest revenues being greater than interest expenses.

	2021	2020	2019
Interest Cover Ratio	(0.2%)	(0.5%)	(0.8%)

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 1.6% result is below the maximum target of 5% as illustrated in the table below.

	2021	2020	2019
Debt Servicing Ratio	1.6%	1.7%	1.6%

³ 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 \$1,179.6m as reflected in the Statement of Financial Position.

CASH FLOW STATEMENTS

The Cash Flow Statement details the cash movements for the year and reconciles with *Note 11* of the Annual Financial Statements. The Statement indicates a slight decrease in Cash, Cash Equivalents and Investments of \$0.219m compared to 30 June 2020. As previously mentioned, a sizable portion of the cash position is committed to unexpended grants, carryovers and retimed capital 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: \$23.085m

This consists of grant funded carryover projects and capital works carried over to 2021-22 or retimed to future years as required.

OPEN SPACE RESERVE: \$2.441m

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: \$14.373m

The current balance in this fund is considered 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 multi-year major projects currently in progress such as the Southern Soccer Facility, Sam Willoughby International BMX track, Council's contribution to the Destination Playspace and future planned projects such as the Tarnham Road Reserve redevelopment, the State Heritage Coachhouse restoration and the ongoing renewal of the Coastal Walkway.

ASSET SUSTAINABILITY RESERVE – COMMUNITY FACILITY PARTNERSHIP FUND (CFPP): \$3.537m

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: \$0.859m

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.

MARION OUTDOOR POOL UPGRADE

Council has invested over \$4.8 million (including \$150,000 of State Government funding) towards the multi-year upgrade at the Marion Outdoor Pool which was officially opened on 18 October 2020. The upgrades include an enhanced entrance and foyer, a new multi-function room, kiosk with dual side access and updated change rooms. Outside, there are new pathways throughout the site, a Bali-style hut, family areas with increased shade and bbq facilities as well as a splash pad and water play features. The 2021-22 season opens on 27 September 2021 and runs until 7 April 2022.

SAM WILLOUGHBY INTERNATIONAL BMX COMPLEX AND SOUTHERN SOCCER FACILITIES

Construction is underway of the new \$13.05 million SWBMX and Southern Soccer Facilities on Majors Road, O'Halloran Hill. The SWBMX facility will comprise of:

- UCI BMX track with 5m and 8m start hills
- Pump Track
- 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:

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

Construction commenced in March 2021 with the new builds scheduled for completion late 2021/early 2022.

MITCHELL PARK SPORTS AND COMMUNITY FACILITIES

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 \$16.25 million facility has begun construction and 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

An additional grant of \$250,000 was awarded in June 2021 from the Office of Recreation, Sport and Racing to contribute to the project.

HALLETT COVE FORESHORE

The final stage of the multi-year Hallett Cove Foreshore Redevelopment is now complete. Key improvements

include an amphitheater and commemorative space, reserve and playground upgrades, infrastructure and parking upgrades and an improved pathway connection from Heron Way to the Hallett Cove Conservation Park. The project was partially funded through a Department of Planning, Transport and Infrastructure Open Space Grant and the Department of Veteran Affairs.

RESERVE IMPROVEMENTS

Over \$2.6 million in Reserve upgrades were delivered for the Community. This comprised of seven upgraded playgrounds and several upgrades to reserves. Some of the reserves in the upgrade include:

Glandore Community Centre

The \$520,000 playground upgrade includes a pump track for teenagers, swing, trampoline and birdcage play structure. The improvements include a games and sports plaza with 3-on-3 basketball court, table tennis facilities and lawn area with mini soccer pitch. Funding comprised of \$100,000 from the Australian Government, \$20,000 from the Non-Resident Nepali Association and \$15,000 from ArtsSA.

George Street Reserve

The new \$600,000 playground is themed on the sites brick making history from 1898 to the late 1940's. This includes using some original bricks made on site and information signs. The playground includes a trampoline, swing frame, sandpit and a water play pump. Themed historical cubby houses have been installed, including a village store and a worker's cottage. There's a miniature fireman's pole and slide, and logs for kids to jump on.

Nannigai Drive Reserve

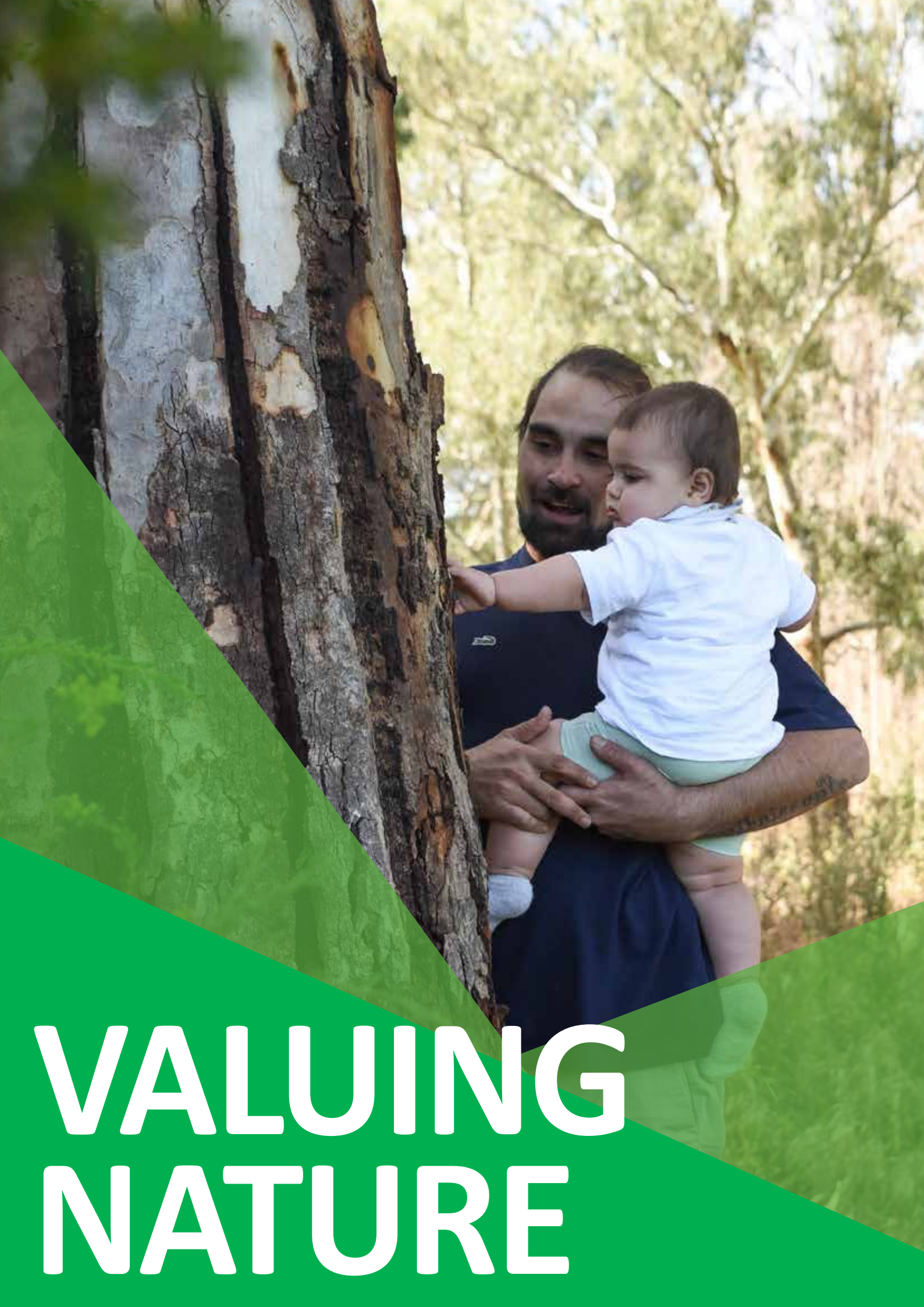
Nannigai Drive Reserve has been transformed into a 'bird' themed wonderland. This upgrade includes a new playground, scooter path and multipurpose sports court for basketball, tennis and soccer. This reserve officially opened in June 2021. Artworks include a timber sculpture, mosaic birdbath and toilet mural, all depicting local birdlife. Featured birdlife includes the rainbow lorikeet and the yellow-tailed black cockatoo. Additional upgrade features are a cubby house, stepping logs and irrigated lawn. Picnic facilities include a barbeque, seating, shelter, a drinking fountain and a toilet.

RECLAIMING STURT RIVER

New public artworks have been installed along Sturt River to activate areas along the river and increase awareness of environmental themes influenced by stories about the community use of the river and linear park. The artworks are located at:

- Marion Leisure and Fitness Centre - mural
- Finnis Street bridge -mural
- Appleby Road Reserve - ground murals
- Everest Avenue Reserve - sculpture
- Maldon Avenue Reserve - sculpture

Five artists were contracted to create and install the artworks which will be launched in September 2021 as part of the Nature Festival.



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.

CLIMATE CHANGE POLICY AND PLAN (RESILIENT SOUTH PROGRAM) IMPLEMENTATION

The City of Marion has continued to collaborate regionally to deliver Resilient South priorities. The focus during this period has been on a benchmarking review of Resilient South, completed by Flinders University, that will inform development of a new Regional Adaptation Plan. A Resilient Asset Management Project (RAMP), focused on embedding climate risk considerations into asset management systems and processes, commenced with funding support from the LGA and SAFECOM. State Government funding was received to employ a part-time Resilient South Regional Coordinator to drive implementation of regional climate change response initiatives.

REGIONAL COASTAL MANAGEMENT PLAN

City of Marion has been implementing a coastal monitoring program to detect changes in coastal land and identify coastal hazards. The program has been part-funded by the Department for Environment and Water through the Coast Protection Fund and is being delivered using a format that is consistent with City of Onkaparinga as our neighbouring council and Resilient South partner. Monitoring activities include regular inspections of the coastline using drones, capturing data on shape of the sea floor and wave conditions, and modelling future sea levels. This information is used for early detection of coastal change and 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 2020-21 in Trellis online software. Next steps include improving the inventory to comply with Climate Active, the national carbon accounting standard. Environmentally Sustainable Design (ESD) Guidelines: 'ESD Guidelines: New Buildings and Refurbishments' and 'Sustainable Building Maintenance Guide' were trialled on a number of projects with the view to embedding them in our internal project and facility management systems and processes.

A Carbon Neutral Plan setting out how the City of Marion will achieve carbon neutrality for its operations by 2030 was endorsed by Council.

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. 226 people attended eight events in 2020-21 and there were 482 online views of recorded events. Recent events have included: Trees for Small Spaces, Backyard Buddies – Lizards, frogs, and snakes, Nature Journaling and the Twilight Discovery Walk. The inaugural 'Marion's Gardening Showcase' was held in November 2020, receiving 24 entries and a total of 61 images of gardens in our community.

ENVIRONMENT EDUCATION PROGRAMS

Members of the community engaged in a number of educational programs designed to share information with the community on responsibly disposing of recyclable, organic and general waste. 84 people attended physical events including the screening of 'Blue The Film' and a plant workshop, 'The Indoor Jungle'. 848 participants from schools, kindergartens and community groups attended recycling presentations and workshops.

GREEN ADELAIDE EDUCATION PROGRAM

The Green Adelaide program hosted 34 events involving 10 schools, with 44 staff, 314 students, and 58 parents and community members engaged. School visits and online communications included the provision of resources to educators, working with youth environment groups, conducting bin audits, professional development, and project assistance.

COMMUNITY GARDENS

There are currently four active community gardens in the City of Marion. In 2020-21, two new community groups formed with the intention of starting community gardens in Hallett Cove and Oaklands Park.

FOOD WASTE RECYCLING PROGRAM

Approximately 40,000 free kitchen caddies will be delivered to all City of Marion households in a bid to reduce the amount of waste going to landfill. By diverting food waste, the project is expected to save Council about \$200,000 in landfill disposal costs each year. The deliveries are scheduled to take place in the 2021-22 financial year. Funding of \$562,950 has been received from Green Industries SA to deliver the project.

TREE PLANTING INITIATIVES

As part of the ongoing implementation of the Tree Management Framework, 3,518 street and reserve trees were planted. This planting was undertaken broadly across all suburbs, including Edwardstown as part of the Greening Edwardstown project. Planting consisted of a number of different native and exotic species including Coral Gums, SA Blue Gums, Yellow Bloodwoods, Chinese Pistacia, Maples and Pyrus trees. In April, Council endorsed an increased target of 4,300 trees per financial year and a seven year planting plan to focus planting in suburbs which have been identified as having low existing tree canopy and exposure to high urban heat.

IRRIGATION CONSTRUCTION

The City of Marion has continued to work 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 four irrigation projects within the City of Marion. Additional irrigation upgrades were undertaken at six reserves in conjunction with reserve upgrades.



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.

DISABILITY, ACCESS AND INCLUSION PLAN

The City of Marion endorsed the first Disability Access and Inclusion Plan 2020-2024 (DAIP), in line with State legislation (Disability Inclusion Act, 2018) in September 2020. The DAIP shows how the City of Marion:

- Promotes the rights of people living with a disability, working towards ensuring all people enjoy the same access and inclusion experience within our community.
- Delivers annual actions to reduce access and inclusion barriers for people living with a disability.
- Puts the Equity, Access and Social Inclusion Policy into practice.

The first year of DAIP implementation is complete, with 33 of the 35 DAIP actions delivered.

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 up to \$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

While COVID-19 restrictions impacted the delivery of our events and programs, we still managed to provide activities for the community to enjoy. The following events and projects were delivered during 2020-21:

Intercultural Forum: held in February 2021, Celebrating Many Cultures, One Earth, explored rituals and ceremonies at weddings and funerals across four diverse cultures. COVID-19 reminded us the importance of key milestones in people's lives and how ceremonies and rituals provide communities with a sense of belonging to something bigger, they unite us through a common identity and shared experiences. The panel presented how different cultures celebrate significant life events.

'Togetherness. In Action' exhibition: held in May 2021, at Gallery M, celebrated the 20-year anniversary of Reconciliation Australia. The exhibition of artworks in various media celebrated and showcased local indigenous artists with group and individual works. The exhibition also reflected two cultural development projects created over 12 months and included partnerships with Warriparinga Men's and Women's groups. Participants in these groups come from many diverse indigenous backgrounds coming together in unity and support.

YOUTH IN MARION

The following projects contributed to the 'Youth in Marion Program' during 2020-21:

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.

Youth Consultative Committee: The group has experienced a successful first year with many highlights including being involved with a project with the Commissioner of Children and Young People. In addition, to many engagement opportunities across council, the YCC partnered with their Holdfast Bay counterparts to hold a Rocket League E-sports Tournament at the Marion Cultural Centre in April 2021 together with DIY PC building workshops.

NEIGHBOURHOOD CENTRES – EXTENDED HOURS TRIAL

After the success of an extended hours trial at our centres, the trial was extended throughout the winter months at Coinda. During daylight savings the extended hours will continue at Coinda, Glandore and Trott Park becoming part of the business-as-usual operating times. Programs, activities, and community BBQ were offered and created space for people to connect, learn, and engage with their local centre.

MOVE IT MARION

Move It Marion is an exercise program tailored for residents aged 65+ and is designed to be offer fun and fitness. Over the past year participants moved and grooved their way through a choice of 18 activities, with an average of 25 people taking part in each activity. The activities included snorkeling, boxing, aqua fitness, tai chi, hip hop, lawn bowls and Zumba Gold. Feedback surveys indicated that participants experienced significant social and physical benefits from the program. 72% of survey respondents reported an increase in their overall sense of wellbeing, 62% reported an increased level of fitness and 69% indicated that they had met someone new that they liked talking to or had become friends with. Move It Marion is a two year program funded through the Commonwealth Government's Move It Aus Better Ageing Grant. Whilst the program formally concludes in September 2021, a number of the weekly activities are planned to continue.

LIVING KAURNA CULTURAL CENTRE AND COACH HOUSE

The City of Marion recently signed an agreement with Southern Cultural Immersion which will provide Kaurna management of the Living Kaurna Cultural Centre (LKCC) site. Through the management of the LKCC and implementation of the City of Marion Reconciliation Action Plan we seek to support significant, tangible and meaningful actions that the organisation and community can achieve together towards a reconciled future. Council was also successful in securing matched funding towards the restoration of Coach House at Warriparinga along with the restoration of the two bridges. The \$1.5 million project will commence in the 2021-22 financial year.



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.

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. Over the past 12 months, achievements across access, amenity and activation include:

- completion of Greening of Edwardstown Part One including planting of 176 advanced trees, 45 tree nets, environmental analysis and installation of eight educational totems
- funding secured for Greening of Edwardstown Part Two
- launch of a new Edwardstown brand to attract investment, increase recognition of local businesses and celebrate the history of Edwardstown
- installation of two murals (Wilfred Street and Conmurra Avenue) and ten stobie pole artworks
- delivery of business upskilling and networking program
- celebration of businesses for service to the area and support for local jobs
- explored opportunities for businesses to engage in circular economy approaches to generate value from waste
- hosted the first Edwardstown International Women's Day networking event
- completion of a transport study looking at movements throughout the precinct and attendance at business community meetings for the North-South Corridor to monitor business community sentiment

SOUTHERN BUSINESS MENTORING PROGRAM

The Southern Business Mentoring Program provides independent one-on-one support across a range of disciplines:

- General Business including COVID-19 Support
- Strategic Marketing
- Digital Marketing
- HR, WHS and Workforce Planning
- Mental Health and Wellbeing
- Retail Business Support
- Social Media

The cross-council collaboration with the Cities of Holdfast Bay, Onkaparinga and Yankalilla has delivered 427 one-on-one appointments in the 2020-21 financial year and 749 appointments since the program launched in 2019. The service is purpose built to respond to current trends faced by businesses and is designed to help businesses and start-ups across the region to connect and share insights for success and growth.

DIGITAL ECONOMY PROGRAMS - COVE BUSINESS HUB

The Cove Business Hub is a place for businesses to meet, network, upskill and thrive. Over the past 12 months the following was achieved:

- launch of the new coworking membership model and online booking system. Since the membership launch in February 2021, the space has achieved an average weekly occupancy of 61%
- 44 individuals have utilised/trialled the coworking space with 14 current members as of June 2021. A program of workshops, and networking events were delivered including 27 activations to over 250 participants
- transformed the Hub to a digital service, providing support to its co-workers during COVID-19. 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 peer to peer support and networking opportunities for the Southern business community. Together the two associations have hosted over 25 events and activations over the last 12 months for the business community. The associations provide over 700 volunteer hours. The City of Marion will continue to provide financial support for the next three years.

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. ACE programming concluded in June 2021 due to changes with the funding model.

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 and to bring about change.



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 FOR IMPROVED CUSTOMER SERVICE

In 2020-21 the City of Marion commenced or delivered the following Information Technology Enhancements that will directly or indirectly improve Customer Service and outcomes:

- significantly progressed our Cloud First Principle, moving key components to cloud and laying the foundations to transition the targeted infrastructure from on-premise to cloud based services this year
- successfully completed our transition of (mapping/GIS/spatial) solution to industry leading platform. This will enable greater services and information for Customers.
- enhanced data driven reporting and decision-making will be enabled by the new systems, integration and skill sets

As part of the digital transformation program, City of Marion is currently implementing Apps including:

- Customer Relationship Management supporting a Single View of the Customer
- Human Resources and Information System
- Asset Management System

These systems will integrate to the Customer Relationship Management system, enabling faster and more accurate customer service

SMART CITIES

The Smart City of Marion Strategic Plan and action plan for 2020-2021 was endorsed in August 2020. The Plan outlines a set of initiatives against the prioritised 4-year Business Plan projects and 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.

Smart CoM Action Plan 2020-2021

The program set out to deliver ten projects against the three goals: Smart Community | Smart Organisation | Smart Places. Seven of the ten projects have been delivered over the past 12 months with key progress on the remaining three. Key areas of focus include:

- Digital Literacy (Smart Community | Smart Organisation)
- Digital Transformation (Smart Organisation)
- Data Management (Smart Organisation | Smart Places)
- Smart Parking (Smart Places)
- Smart Lighting (Smart Places)
- Open Space Asset Management (Smart Places)
- Design and procurement of technologies for major project integration (Smart Places)
- Investigation and coordination of data capture for asset management (Smart Organisation)

OAKLANDS SMART PRECINCT

The City of Marion delivered the first Smart Precinct in South Australia, deploying innovative technology solutions to services within the local reserve and surrounding streetscape. The project included technology to encourage the community to use public transport to connect to Marion's Regional Centre. The technology included solutions such as a digital interactive screen, sensors related to lighting, pedestrian visitation, irrigation, asset use, traffic and parking sensors and wayfinding signs. The reserve includes interactive play equipment as well as improved streetscapes, paths for pedestrians and cyclists and a larger public park at Dwyer Road Reserve with a new playground.

OAKLANDS PARK WETLANDS EDUCATION CENTRE – EXCELLENCE IN RESEARCH AND INNOVATION AWARD

In April 2021, the Oaklands Park Wetlands Education Centre won the Excellence in Research and Innovation Award at the Stormwater Australia Awards for Excellence. The joint initiative between the City of Marion and Flinders University opened in March 2019 and comprises a seminar room and an on-site laboratory. The Centre supports Flinders University teaching, Honours, Masters and PhD research projects relating to wetlands and managed aquifer recharge (MAR) and enables STEM outreach associated with stormwater management to primary and secondary school children. The Centre were also winners of the Stormwater SA Excellence Awards in 2020.

COVID-19 RESPONSE

The City of Marion continued to deliver services to support the community during COVID-19. Modified services provided through 2020-21 included:

Glandore Carols go virtual: 'South Aussie with Cosi' star Andrew Costello hosted the first ever Virtual Glandore Carols event in December 2020. The event, live streamed from the Marion Cultural Centre, included performances by Rachel Leahcar, Michael Griffiths and Jas French. Families downloaded songbooks and sang popular carols performed by the City of Marion Band and the Adelaide Allsorts Chorus. More than 2,500 families clicked to view the carols online and enjoyed a visit from Santa.

Assistance for the elderly and vulnerable: Over 14,700 frozen meals were delivered, over 1,780 wellbeing calls were made, 313 digital literacy visits were made to individual homes and over 5,000 trips were made to support people with their shopping and medical appointments.

Library @ Home service: In 2020-21, 48 new members have been added to the service and can access library materials without needing to leave their home. Not only are we able to provide delivery of library materials, but also act as an informal welfare check and a chance to interact with a person which helps reduce the impacts of social isolation. Over 1,400 visits were made travelling 2,880 kilometres.



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

The City of Marion has continued to transition old and inefficient street lights to new LED street lights. This initiative is expected to reduce energy costs by 75% and reduce carbon emissions by 1600 tonne per year. During 2020-21, 550 old post top lights have been changed over to LED luminaires. Council will continue to work with SA Power Networks to improve street lighting and reduce energy consumption.

CITY OF MARION TRANSPORT PLAN

To address changing community expectations, an overarching city-wide Transport Plan is currently being developed. This will enable a holistic approach that considers future transport elements and provides directions for what will be a different transport future. The plan highlights 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 and community consultation of the draft plan was undertaken in April 2021.

FOOTPATH BLITZ CAMPAIGN

The Footpath Blitz campaign kicked off in March 2020 in response to feedback 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 four-week period. Responses were prioritised and the following has been achieved in the 2020-21 financial year:

- 1,880.4m of concrete footpaths replaced (255 customer requests)
- 1,152m² of paving raised and re-laid (95 customer requests)
- 233 sections of raised footpath ground back (30 customer requests)
- 41.9m of kerb and water tables re-installed (15 customer requests)
- six new kerb ramps installed (three customer requests)
- two new driveways installed

The project was completed at a cost of \$393,000.

STREETSCAPE PROGRAM

Sturt Road

Construction of the streetscape along the section of Sturt Road, from Marion Road to Diagonal Road, continued during 2020-21. This project includes new footpaths, Water Sensitive Urban Design (WSUD), tree planting and landscaping of the median. Design has commenced for the next section of Sturt Road between Diagonal Road and Morphett Road and a new streetscape project along Diagonal Road Between Sturt Road and Crew Street which will both commence construction in 2021-22.

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, which commenced in 2020-21 and being completed in 2021-22. Design of the streetscape project has commenced.

Birch Crescent

During 2020-21 work commenced on Birch Crescent streetscape, incorporating the Tonsley Greenway. This project has been developed in-conjunction with Renewal SA and DIT. Design works commenced on the streetscape upgrade in Messines Avenue, Edwardstown. Stakeholders are being consulted to develop a scope and options for consideration with an expectation to commence works in 2021-22.

JOLT ELECTRIC VEHICLE CHARGING STATIONS

The City of Marion has partnered with JOLT to provide a network of public electric vehicle charging stations at high-use locations across the council area to support greater community uptake of electric vehicles. Three charging stations, which are powered by 100% renewable energy, provide free charging for approximately 15 minutes. The stations are part of a broader \$1.97 million project to be rolled out across several local government areas including the Cities of Charles Sturt and Port Adelaide Enfield. The project is funded by JOLT Charge Pty Ltd and the Australian Renewable Energy Agency.

COASTAL WALKWAY

The \$4.8 million project is being funded equally between Council and the State Government. The boardwalk will deliver on Council's renewal plans for the Coastal Walkway and support the South Australian Government's plan to establish a continuous 70km coastal walk from Sellicks Beach to North Haven.

Field River Update: Construction of the 800m walkway connecting Heron Way Reserve to the Field River mouth has commenced. The works will complement the existing environment and enhance the biodiversity of the area through revegetation of dunes, protection of the Hooded Plover, and simultaneously ensures convenient access for the community and visitors to enjoy. Work is on track to be completed by the end of this year. A new section of boardwalk will connect Grand Central Avenue to River Parade.

Kurnabinna and Grey Gullies Update: The design for the gullies is progressing well with a considerable amount of preliminary works already completed including Flora and Fauna assessment, Aboriginal Cultural examination, Geo technical investigations and Topographic survey with conceptual alignments. The project will use a mixture of materials, including recycled plastics, that aim to complement the natural environment. Construction works for the gullies will commence in December 2021 with works to be completed in the second half of 2022.

City of Marion

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2021



City of Marion

General Purpose Financial Statements

for the year ended 30 June 2021

Contents	Page
Council Certificate	3
Principal Financial Statements	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to and forming part of the Principal Financial Statements	8
Independent Auditor's Report – Financial Statements	47
Independent Auditor's Report – Internal Controls	50
Certificates of Audit Independence	
Council Certificate of Audit Independence	52
Audit Certificate of Audit Independence	53

City of Marion

General Purpose Financial Statements for the year ended 30 June 2021

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 2021 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 Harrison
Chief Executive Officer

Date: 26/10/21



Kris Hanna
Mayor

Date 26/10/21

City of Marion

Statement of Comprehensive Income for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Income			
Rates Revenues	2a	80,179	79,471
Statutory Charges	2b	2,175	2,114
User Charges	2c	2,701	2,233
Grants, Subsidies and Contributions	2g	9,819	7,163
Investment Income	2d	503	946
Reimbursements	2e	872	1,146
Other income	2f	902	559
Net Gain - Equity Accounted Council Businesses	19(a)	173	183
Total Income		97,324	93,815
Expenses			
Employee costs	3a	38,238	36,487
Materials, Contracts and Other Expenses	3b	42,532	34,967
Depreciation, Amortisation and Impairment	3c	15,963	15,542
Finance Costs	3d	335	423
Total Expenses		97,068	87,419
Operating Surplus / (Deficit)		256	6,396
Physical Resources Received Free of Charge	2i	2,001	2,283
Asset Disposal & Fair Value Adjustments	4	(2,102)	(1,099)
Amounts Received Specifically for New or Upgraded Assets	2g	9,542	175
Net Surplus / (Deficit) ¹		9,697	7,755
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	(21,408)	(9,131)
Changes in Revaluation Surplus - Equity Accounted Council Businesses	19	—	367
Total Other Comprehensive Income		(21,408)	(8,764)
Total Comprehensive Income		(11,711)	(1,009)

(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 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	16,712	17,831
Trade & Other Receivables	5b	8,110	6,000
Other Financial Assets	5c	37,300	36,400
Inventories	5d	311	331
Total current assets		62,433	60,562
Non-current assets			
Equity Accounted Investments in Council Businesses	6a	6,627	6,454
Other Non-Current Assets	6b	10,328	4,489
Infrastructure, Property, Plant & Equipment	7a(i)	1,129,486	1,149,808
Total non-current assets		1,146,441	1,160,751
TOTAL ASSETS		1,208,874	1,221,313
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	17,721	17,231
Borrowings	8b	827	1,245
Provisions	8c	6,430	6,305
Lease Liabilities	8d	15	153
Total Current Liabilities		24,993	24,934
Non-Current Liabilities			
Borrowings	8b	3,564	4,390
Provisions	8c	702	610
Lease Liabilities	8d	11	64
Total Non-Current Liabilities		4,277	5,064
TOTAL LIABILITIES		29,270	29,998
Net Assets		1,179,604	1,191,315
EQUITY			
Accumulated surplus		403,189	396,604
Asset revaluation reserves	9a	732,120	753,528
Other reserves	9b	44,295	41,183
Total Council Equity		1,179,604	1,191,315
Total Equity		1,179,604	1,191,315

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 2021

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2021					
Balance at the end of previous reporting period		396,604	753,528	41,183	1,191,315
Net Surplus / (Deficit) for Year		9,697	—	—	9,697
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	(21,408)	—	(21,408)
Other comprehensive income		—	(21,408)	—	(21,408)
Total comprehensive income		9,697	(21,408)	—	(11,711)
Transfers between Reserves		(3,112)	—	3,112	—
Balance at the end of period		403,189	732,120	44,295	1,179,604
2020					
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)
Net Surplus / (Deficit) for Year		7,755	—	—	7,755
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	(9,131)	—	(9,131)
- Share of Gain (Loss) on Revaluation - Equity Accounted Council Businesses		—	367	—	367
Other comprehensive income		—	(8,764)	—	(8,764)
Total comprehensive income		7,755	(8,764)	—	(1,009)
Transfers between Reserves		(2,772)	—	2,772	—
Balance at the end of period		396,604	753,528	41,183	1,191,315

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 2021

\$ '000	Notes	2021	2020
Cash flows from operating activities			
<u>Receipts</u>			
Rates Receipts		80,535	79,813
Statutory Charges		2,193	2,123
User Charges		2,852	2,355
Grants, Subsidies and Contributions (operating purpose)		12,681	8,192
Investment Receipts		503	946
Reimbursements		939	1,244
Other Receipts		4,105	7,057
<u>Payments</u>			
Finance Payments		(335)	(423)
Payments to Employees		(38,172)	(35,961)
Payments for Materials, Contracts & Other Expenses		(47,072)	(38,513)
Net cash provided by (or used in) Operating Activities	11b	<u>18,229</u>	<u>26,833</u>
Cash flows from investing activities			
Amounts Received Specifically for New/Upgraded Assets		5,983	3,514
Sale of Replaced Assets		385	300
Sale of Surplus Assets		416	26
Distributions Received from Equity Accounted Council Businesses		–	124
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(7,530)	(9,246)
Expenditure on New/Upgraded Assets		(16,315)	(12,372)
Net Purchase of Investment Securities		(900)	(1,600)
Net cash provided (or used in) investing activities		<u>(17,961)</u>	<u>(19,254)</u>
Cash flows from financing activities			
<u>Payments</u>			
Repayments of Borrowings		(1,244)	(1,170)
Repayment of Finance Lease Liabilities		(143)	(362)
Net Cash provided by (or used in) Financing Activities		<u>(1,387)</u>	<u>(1,532)</u>
Net Increase (Decrease) in Cash Held		<u>(1,119)</u>	<u>6,047</u>
plus: Cash & Cash Equivalents at beginning of period		17,831	11,784
Cash and cash equivalents held at end of period	11a	<u>16,712</u>	<u>17,831</u>
 Additional Information:			
plus: Investments on hand – end of year	6b	37,300	36,400
Total Cash, Cash Equivalents & Investments		<u>54,012</u>	<u>54,231</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 2021

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	9
2	Income	16
3	Expenses	19
4	Asset Disposal & Fair Value Adjustments	20
5	Current Assets	21
6	Non-Current Assets	22
7	Infrastructure, Property, Plant & Equipment	23
8	Liabilities	26
9	Reserves	27
10	Assets Subject to Restrictions	29
11	Reconciliation to Statement of Cash Flows	30
12(a)	Functions	31
12(b)	Components of Functions	32
13	Financial Instruments	34
14	Capital Expenditure and Investment Property Commitments	37
15	Financial Indicators	38
16	Uniform Presentation of Finances	39
17	Leases	40
18	Superannuation	42
19	Interests in Other Entities	43
20	Non-Current Assets Held for Sale & Discontinued Operations	44
21	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	45
22	Events after the Balance Sheet Date	45
23	Related Party Transactions	46

City of Marion

Notes to the Financial Statements for the year ended 30 June 2021

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 Estimates and assumptions

COVID-19 is not expected to have a significant financial impact on Council operations with the Council. It is expected limited financial impacts will flow into the 2021/22 financial year and these have been largely taken into account during the development of the budget process for 2021/22. The budget assumptions for 2021/22 assume that no further harsher restrictions are put in place by the government. However, Council has determined that there is no material uncertainty that casts doubt on Council's ability to continue as a going concern.

1.4 Rounding

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

(2) The Local Government Reporting Entity

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

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

(3) Income Recognition

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

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

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

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
2018/19	\$4,416,029	\$3,380,264	+ \$1,035,765
2019/20	\$2,980,238	\$3,452,091	- \$471,853
2020/21	\$3,046,589	\$2,995,722	\$50,867

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

continued on next page ...

Page 10 of 53

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

6.2 Materiality

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

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Category	Individual Threshold
Infrastructure	\$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
Infrastructure	
Reserve Lighting	\$250,000
Reserve Pathways	\$500,000
Buildings	
Bus Shelters	\$1,000,000
Shelters/Gazebos	\$250,000
Fencing	\$500,000
Furniture and Fittings	\$25,000
Equipment	
Irrigation	\$1,000,000
LED Lighting	\$1,000,000
Other	
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.

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

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

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

	Short Life Years	Long Life Years
Furniture & Equipment		
Office Equipment	3 to 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
Buildings		
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
Infrastructure		
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
Other Infrastructure		
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
Other Assets		
Playground Equipment	20	n/a
Reserve Furniture	25	n/a
Band Instruments	30	n/a
Civic Art Structures	15 to 80	n/a

continued on next page ...

Page 12 of 53

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

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 from the date 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. Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. 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 2021

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

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Council.

continued on next page ...

Page 14 of 53

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Summary of Significant Accounting Policies (continued)

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

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

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and associated standards.

(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 2021

Note 2. Income

\$ '000	2021	2020
(a) Rates Revenues		
General Rates		
General Rates	79,924	79,174
Less: Mandatory Rebates	(1,959)	(1,899)
Less: Discretionary Rebates, Remissions & Write Offs	(25)	(72)
Total General Rates	77,940	77,203
Other Rates (Including Service Charges)		
Regional Landscape Levy	1,995	1,973
Total Other Rates (Including Service Charges)	1,995	1,973
Other Charges		
Penalties for Late Payment	244	295
Total Other Charges	244	295
Total Rates	80,179	79,471
(b) Statutory Charges		
Development Act Fees	750	783
Town Planning Fees	180	109
Animal Registration Fees & Fines	575	588
Parking Fines / Expiation Fees	670	634
Total Statutory Charges	2,175	2,114
(c) User Charges		
Hall & Equipment Hire	307	191
Sales - General	828	539
Sundry	853	772
Admission Fees	382	420
Rental Income	331	311
Total User Charges	2,701	2,233
(d) Investment Income		
Interest on Investments		
- Local Government Finance Authority	499	923
- Banks & Other	4	23
Total Investment Income	503	946

continued on next page ...

Page 16 of 53

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income (continued)

\$ '000	2021	2020
(e) Reimbursements		
Private Works	357	200
Other	515	946
Total Reimbursements	872	1,146

(f) Other income

Sundry	39	10
Donations & Contributions income	161	214
Labour Recovery	618	238
Insurance & Other Recoupments - Infrastructure, IPP&E	84	97
Total Other income	902	559

(g) Grants, Subsidies, Contributions

Amounts Received Specifically for New or Upgraded Assets	9,542	175
Total Amounts Received Specifically for New or Upgraded Assets	9,542	175
Other Grants, Subsidies and Contributions	8,141	5,543
Individually Significant Item - Additional Grants Commission Payment (refer below)	1,678	1,620
Total Other Grants, Subsidies and Contributions	9,819	7,163
Total Grants, Subsidies, Contributions	19,361	7,338

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

(i) Sources of grants

Commonwealth Government	10,786	3,095
State Government	8,002	4,152
Other	573	91
Total	19,361	7,338

(ii) Individually Significant Items

Grants Commission - Financial Assistance Grant recognised as income	1,678	1,620
---	-------	-------

2021: In May 2021, Council received part payment for the 2021/22 Grants commission Financial Assistance Grants. This payment was adjusted for minor reconciling amounts relating to the 2020/21 Grants Commission payment received in June 2020.

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.

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2. Income (continued)

\$ '000	2021	2020
(h) Conditions over Grants & Contributions		
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:		
Unexpended at the close of the previous reporting period	7,167	7,414
Less:		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Other	(659)	(1,867)
Subtotal	(659)	(1,867)
Plus:		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Other	1,678	1,620
Subtotal	1,678	1,620
Unexpended at the close of this reporting period	8,186	7,167
Net increase (decrease) in assets subject to conditions in the current reporting period	1,019	(247)
(i) Physical Resources Received Free of Charge		
Roads, Bridges & Footpaths	2,001	2,283
Total Physical Resources Received Free of Charge	2,001	2,283

City of Marion

Notes to the Financial Statements for the year ended 30 June 2021

Note 3. Expenses

\$ '000	Notes	2021	2020
(a) Employee costs			
Salaries and Wages		32,086	30,681
Employee Leave Expense		3,007	3,116
Superannuation - Defined Contribution Plan Contributions	18	3,027	2,813
Workers' Compensation Insurance		803	764
Less: Capitalised and Distributed Costs		(685)	(887)
Total Operating Employee Costs		38,238	36,487
Total Number of Employees (full time equivalent at end of reporting period)		370	358
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		39	39
Bad and Doubtful Debts		8	1
Elected Members' Expenses		365	352
Operating Lease Rentals - Cancellable Leases		317	400
Subtotal - Prescribed Expenses		729	792
(ii) Other Materials, Contracts and Expenses			
Contractors		21,118	17,108
Maintenance		4,141	3,276
Parts, Accessories & Consumables		4,116	3,999
Infrastructure Contributions		2,616	120
Sundry		2,373	2,187
Levies Paid to Government - Regional Landscape Levy		1,996	1,972
Levies - Other		226	199
Energy		1,445	1,556
Professional Services		1,430	1,423
Insurance		586	591
Memberships & Subscriptions		367	325
Legal Expenses		300	271
Printing & Postage		276	297
Bank Fees & Charges		202	169
Library Materials		198	199
Telecommunication Charges		176	187
Fringe Benefits Tax		162	169
Advertising		75	127
Subtotal - Other Material, Contracts & Expenses		41,803	34,175
Total Materials, Contracts and Other Expenses		42,532	34,967

continued on next page ...

Page 19 of 53

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Expenses (continued)

\$ '000	2021	2020
(c) Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Buildings & Other Structures	3,708	3,627
Infrastructure	8,858	8,762
- Other	1,178	1,136
Right-of-use Assets	124	162
Plant & Equipment	1,307	1,287
Furniture & Fittings	79	79
Intangible Assets	45	42
Other Assets	664	580
Subtotal	15,963	15,675
Less: Capitalised and Distributed costs	—	(133)
Total Depreciation, Amortisation and Impairment	15,963	15,542
(d) Finance Costs		
Interest on Loans	335	423
Total Finance Costs	335	423

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	2021	2020
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	385	300
Less: Carrying Amount of Assets Sold	(2,465)	(1,410)
Gain (Loss) on Disposal	(2,080)	(1,110)
(ii) Assets Surplus to Requirements		
Proceeds from Disposal	416	26
Less: Carrying Amount of Assets Sold	(438)	(15)
Gain (Loss) on Disposal	(22)	11
Net Gain (Loss) on Disposal or Revaluation of Assets	(2,102)	(1,099)

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 5. Current Assets

\$ '000	2021	2020
---------	------	------

(a) Cash & Cash Equivalent Assets

Cash on Hand at Bank	1,112	3,031
Short Term Deposits & Bills, etc.	15,600	14,800
Total Cash & Cash Equivalent Assets	16,712	17,831

(b) Trade & Other Receivables

Rates - General & Other	1,897	2,261
Rates Postponed for State Seniors	167	159
Accrued Revenues	1,148	180
Debtors - General	3,315	2,377
GST Recoupment	1,051	561
Prepayments	532	462
Total Trade & Other Receivables	8,110	6,000

(c) Other Financial Assets

Other Financial Assets (Term Deposits with over 90 days to maturity)	37,300	36,400
Total Other Financial Assets	37,300	36,400

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	311	331
Total Inventories	311	331

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 6. Non-Current Assets

\$ '000	Notes	2021	2020
(a) Equity Accounted Investments in Council Businesses			
Southern Region Waste Resource Authority	19(a)i	6,627	6,454
<u>Total Equity Accounted Investments in Council Businesses</u>		<u>6,627</u>	<u>6,454</u>
(b) Other Non-Current Assets			
Other			
Capital Works-in-Progress		10,328	4,489
<u>Total Other Non-Current Assets</u>		<u>10,328</u>	<u>4,489</u>

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. Infrastructure, Property, Plant & Equipment

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

		as at 30/06/20					Asset movements during the reporting period							as at 30/06/21			
Fair Value Level		At Fair Value	Accumulated Depreciation	Carrying amount	Transition adjustment t-AASB 16	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	WIP Transfers	Adjustments & Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	
\$ '000																	
Land	2	351,177	844	352,021	-	1,519	-	(408)	-	-	-	-	353,132	-	-	353,132	
Buildings & Other Structures	3	164,554	20,194	115,014	-	1,135	936	(1,553)	(3,708)	-	-	-	183,357	-	(71,532)	111,825	
Infrastructure	3	775,795	2,570	621,586	-	2,859	4,484	-	(8,858)	-	3,238	(21,408)	778,153	-	(176,252)	601,901	
- Other	3	41,618	9,023	36,894	-	1,719	544	(145)	(1,178)	-	(3,238)	-	48,752	-	(14,157)	34,595	
Right-of-Use Assets		-	714	200	-	-	-	-	(124)	-	(56)	-	-	658	(637)	21	
Plant & Equipment		-	23,236	13,866	-	2,482	770	(498)	(1,307)	-	-	-	-	25,207	(9,894)	15,313	
Furniture & Fittings		-	1,910	787	-	-	25	-	(79)	-	-	-	-	1,407	(674)	733	
Intangible Assets		1,215	-	102	-	54	-	-	(45)	-	-	-	1,043	-	(931)	112	
Other Assets		10,798	2,638	9,338	-	3,226	252	(299)	(664)	-	-	-	16,279	-	(4,425)	11,854	
Total Infrastructure, Property, Plant & Equipment																	
		1,345,157	61,129	1,149,808	-	12,994	7,011	(2,903)	(15,963)	-	(56)	(21,408)	1,380,716	27,272	(278,502)	1,129,486	
Comparatives		1,348,689	49,671	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	

continued on next page ...

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

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.

continued on next page ...

Page 24 of 53

Notes to the Financial Statements for the year ended 30 June 2021

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

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 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 2021.

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 2021

Note 8. Liabilities

\$ '000	2021 Current	2021 Non Current	2020 Current	2020 Non Current
(a) Trade and Other Payables				
Goods & Services	8,010	—	6,544	—
Payments Received in Advance	23	—	22	—
- Grants, Subsidies, Contributions - Operating	2,863	—	512	—
- Grants & Contributions - Capital	5,323	—	8,882	—
Accrued Expenses - Employee Entitlements	1,313	—	1,081	—
Accrued Expenses - Other	130	—	104	—
Other	59	—	86	—
<u>TOTAL Trade and Other Payables</u>	<u>17,721</u>	<u>—</u>	<u>17,231</u>	<u>—</u>
(b) Borrowings				
Loans	827	3,564	1,245	4,390
<u>TOTAL Borrowings</u>	<u>827</u>	<u>3,564</u>	<u>1,245</u>	<u>4,390</u>
All interest bearing liabilities are secured over the future revenues of the Council				
(c) Provisions				
Employee Entitlements (including oncosts)	6,430	702	6,305	610
<u>TOTAL Provisions</u>	<u>6,430</u>	<u>702</u>	<u>6,305</u>	<u>610</u>
(d) Lease Liabilities				
Lease Liabilities	15	11	153	64
<u>TOTAL Other Liabilities</u>	<u>15</u>	<u>11</u>	<u>153</u>	<u>64</u>

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 9. Reserves

	as at 30/06/20				as at 30/06/21
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset Revaluation Reserve					
Land	250,696	—	—	—	250,696
Buildings & Other Structures	84,875	—	—	—	84,875
Infrastructure	2,890	—	—	—	2,890
- Stormwater Drainage	96,157	(15,814)	—	—	80,343
- Other	298	—	—	—	298
- Roads, Bridges, Footpaths	313,172	(5,594)	—	—	307,578
Other Assets	5,073	—	—	—	5,073
JV's / Associates - Other Comprehensive Income	367	—	—	—	367
Total Asset Revaluation Reserve	753,528	(21,408)	—	—	732,120
Comparatives	762,292	(8,764)	—	—	753,528

	as at 30/06/20				as at 30/06/21
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other Reserves					
Open Space Reserve	2,055	404	(18)	—	2,441
Grants/Carry Forward Projects Reserve	20,882	20,463	(18,260)	—	23,085
Asset Sustainability Reserve	17,633	3,659	(3,382)	—	17,910
Water Reserve	613	282	(36)	—	859
Total Other Reserves	41,183	24,808	(21,696)	—	44,295
Comparatives	38,411	21,440	(18,668)	—	41,183

continued on next page ...

Page 27 of 53

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 9. Reserves (continued)

PURPOSES OF RESERVES

Asset Revaluation Reserves

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

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 Planning, Development and Infrastructure Act 2016 (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 2021

Note 10. Assets Subject to Restrictions

\$ '000	2021	2020
<p>The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.</p>		
Cash & Financial Assets		
Other	8,186	7,167
Total Cash & Financial Assets	8,186	7,167
Total Assets Subject to Externally Imposed Restrictions	8,186	7,167

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2021	2020
---------	-------	------	------

(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	16,712	17,831
Balances per Statement of Cash Flows		16,712	17,831

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

Net Surplus/(Deficit)		9,697	7,755
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		15,963	15,542
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(173)	(183)
Non-Cash Asset Acquisitions		(2,001)	(2,283)
Grants for capital acquisitions treated as Investing Activity		(9,542)	(175)
Net (Gain) Loss on Disposals		2,102	1,099
		16,046	21,755
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(2,110)	2,312
Net (Increase)/Decrease in Inventories		20	(88)
Net Increase/(Decrease) in Trade & Other Payables		4,049	2,101
Net Increase/(Decrease) in Unpaid Employee Benefits		217	536
Net Increase/(Decrease) in Other Liabilities		7	217
Net Cash provided by (or used in) operations		18,229	26,833

\$ '000	Notes	2021	2020
---------	-------	------	------

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

Physical Resources Received Free of Charge	2i	2,001	2,283
Amounts recognised in Income Statement		2,001	2,283
Total Non-Cash Financing and Investing Activities		2,001	2,283

(d) Financing Arrangements

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

Corporate Credit Cards	125	111
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 2021

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).										
	2021	INCOME 2020	EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
			2021	2020	2021	2020	2021	2020	2021	2020
Functions/Activities										
Development Assessment	1,099	973	4,375	4,199	(3,276)	(3,226)	—	7	—	—
Crime Prevention	5	2	363	353	(358)	(351)	—	1	—	—
Community Support & Development	4,677	3,798	14,669	11,724	(9,992)	(7,926)	2,381	2,200	130,348	126,105
Public & Environment Health	120	122	929	912	(809)	(790)	78	74	—	—
Community Safety Inspection	1,277	1,276	1,869	1,848	(592)	(572)	—	1	—	—
Public Infrastructure	2,961	3,172	20,446	20,133	(17,485)	(16,961)	2,092	2,256	661,170	679,954
Open Space	2,026	618	19,069	14,009	(17,043)	(13,391)	1,463	341	293,244	292,220
Public Conveniences	8	3	633	612	(625)	(609)	—	1	3,304	3,375
Strategic Projects	131	115	1,966	1,489	(1,835)	(1,374)	50	7	66	43
Asset Management	—	—	—	—	—	—	—	—	15,349	15,627
Neighbourhood Centres	401	624	1,675	2,666	(1,274)	(2,042)	357	445	7,487	7,558
Cultural Development	336	326	3,306	3,283	(2,970)	(2,957)	93	19	14,472	14,525
Libraries	602	480	7,731	7,230	(7,129)	(6,750)	317	348	13,935	14,217
Waste & Recycling	757	147	9,945	9,392	(9,188)	(9,245)	573	25	—	6,454
Trees	—	—	2,092	1,864	(2,092)	(1,864)	—	2	—	—
Economic Development	100	115	1,194	1,047	(1,094)	(932)	60	86	—	—
Governance	—	4	4,062	3,974	(4,062)	(3,970)	—	—	—	—
Service Quality	2	1	108	101	(106)	(100)	—	—	411	473
Treasury	82,649	81,856	2,636	2,583	80,013	79,273	2,355	1,350	69,088	60,762
Total Functions/Activities	97,151	93,632	97,068	87,419	83	6,213	9,819	7,163	1,208,874	1,221,313

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 2021

Note 12(b). Components of Functions

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

continued on next page ...

Page 32 of 53

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

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

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 2021

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms & Conditions:

Deposits are returning fixed interest rates between 0.30% and 0.55% (2020: 0.5% and 1.4%). Short term deposits have an average maturity of 110 days and an average interest rate of 0.45% (2020: 110 days and 1.55%).

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 2021

Note 13. Financial Instruments (continued)

Liabilities - Creditors and Accruals

Accounting Policy:

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

Terms & 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% (2020: 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 2021

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
2021					
Cash & Cash Equivalents	16,712	—	—	16,712	16,712
Receivables	7,058	—	—	7,058	7,058
Other Financial Assets	37,300	—	—	37,300	37,300
Total Financial Assets	61,070	—	—	61,070	61,070
Financial Liabilities					
Payables	17,721	—	—	17,721	17,721
Borrowings	827	2,991	1,244	5,062	4,391
Total Financial Liabilities	18,548	2,991	1,244	22,783	22,112
2020					
Cash & Cash Equivalents	17,831	—	—	17,831	17,831
Receivables	5,437	—	—	5,437	5,437
Other Financial Assets	36,400	—	—	36,400	36,400
Total Financial Assets	59,668	—	—	59,668	59,668
Financial Liabilities					
Payables	17,231	—	—	17,231	17,231
Borrowings	1,245	3,657	1,659	6,561	5,635
Total Financial Liabilities	18,476	3,657	1,659	23,792	22,866

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

\$ '000	2021		2020	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	6.08%	4,391	6.11%	5,635
		4,391		5,635

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.

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

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	2021	2020
---------	------	------

Capital Commitments

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

Buildings	10,490	1,646
Infrastructure	2,493	1,409
Plant & Equipment	1,749	805
Other	1,366	1,456
	<u>16,098</u>	<u>5,316</u>

These expenditures are payable:

Not later than one year	16,098	5,316
	<u>16,098</u>	<u>5,316</u>

City of Marion

Notes to the Financial Statements for the year ended 30 June 2021

Note 15. Financial Indicators

\$ '000	Indicator 2021	Indicators 2020	Indicators 2019
Financial Indicators overview			
These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.			
1. Operating Surplus Ratio			
Operating Surplus	0.3%	6.8%	12.7%
Total Operating Income			
This ratio expresses the operating surplus as a percentage of total operating revenue.			
2. Net Financial Liabilities Ratio			
Net Financial Liabilities	(34)%	(32)%	(37)%
Total Operating Income			
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	0.2%	7.2%	10.3%
Total Operating Income			
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	(34)%	(32)%	(37)%
Total Operating Income			
3. Asset Renewal Funding Ratio			
Net Asset Renewals	86%	58%	114%
Targeted Renewal Expenditure (Depreciation Expense 2020 and prior)			
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 2021

Note 16. Uniform Presentation of Finances

\$ '000	2021	2020
<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	97,324	93,815
less Expenses	(97,068)	(87,419)
Operating Surplus / (Deficit)	256	6,396
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(7,530)	(9,246)
add back Depreciation, Amortisation and Impairment	15,963	15,542
add back Proceeds from Sale of Replaced Assets	385	300
	8,818	6,596
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(16,315)	(12,372)
add back Amounts Received Specifically for New and Upgraded Assets	5,983	3,514
add back Proceeds from Sale of Surplus Assets	416	26
	(9,916)	(8,832)
Net Lending / (Borrowing) for Financial Year	(842)	4,160

City of Marion

Notes to the Financial Statements for the year ended 30 June 2021

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:

(a) Right of use assets

\$ '000	Ready to use	Total
2021		
Opening balance	201	201
Adjustments to right-of-use assets due to re-measurement of lease liability	(4)	(4)
Depreciation charge	(124)	(124)
Impairment of right-of-use assets	–	–
Reclassification to Software as a Service	(52)	(52)
Balance at 30 June	21	21
2020		
Opening balance	362	362
Adjustments to right-of-use assets due to re-measurement of lease liability	–	–
Depreciation charge	(161)	(161)
Impairment of right-of-use assets	–	–
Reclassification to Software as a Service	–	–
Balance at 30 June	201	201

(b) Lease liabilities

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

\$ '000	2021	2020
Balance at 1 July	217	373
Accretion of interest	12	27
Payments	(144)	(183)
Reclassification to Software as a Service	(55)	–
Re-measurement of Lease liability	(4)	–
Balance at 30 June	26	217

Classified as:

continued on next page ...

Page 40 of 53

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

Note 17. Leases (continued)

\$ '000	2021	2020
Current	15	153
Non Current	11	64

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

Council had total cash outflows for leases of \$460,332

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	124	161
Interest expense on lease liabilities	12	26
Expense relating to short term leases	—	6
Expense relating to leases of low-value assets	288	365
Other	29	28
Total amount recognised in profit or loss	453	586

Notes to the Financial Statements

for the year ended 30 June 2021

Note 18. Superannuation

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2020/21; 9.50% in 2019/20). 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 2019/20) 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 2021

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	
	2021	2020	2021	2020
Council's Share of Net Income				
Joint Ventures	173	183	6,627	6,454
Total Council's Share of Net Income	173	183	6,627	6,454

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

(a) Carrying Amounts

\$ '000	Principal Activity	2021	2020
Southern Region Waste Resource Authority (SRWRA)	Waste and Recycling	6,627	6,454
Total Carrying Amounts - Joint Ventures & Associates		6,627	6,454

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 2021, the net assets of SRWRA total \$22,091,000. The City of Marion interest, totalling \$6,627,000 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.

(b) Relevant Interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2021	2020	2021	2020	2021	2020
Southern Region Waste Resource Authority (SRWRA)	30.00%	30.00%	30.00%	30.00%	33.00%	33.00%

continued on next page ...

Page 43 of 53

City of Marion

Notes to the Financial Statements

for the year ended 30 June 2021

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	
	2021	2020	2021	2020
Opening Balance	6,454	5,890	—	138
Share in Operating Result	173	197	—	(14)
Share in Other Comprehensive Income	—	367	—	—
Distributions Received	—	—	—	(124)
Council's Equity Share in the Joint Venture or Associate	6,627	6,454	—	—

(d) Joint Operations Expenditure Commitments

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

\$ '000	2021	2020
(i) Capital Expenditures Payable		
Committed Projects	1,250	12,580
	1,250	12,580
Operating Expenditures Payable		
Later than one year and not later than 5 years	—	—
Later than 5 years	—	—
	—	—

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 2021

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

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge 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

Events that occur after the reporting date of 30 June 2021, 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 2021-2022 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 26 October 2021.

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 2021

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	2021	2020
The compensation paid to Key Management Personnel comprises:		
Salaries, Allowances & Other Short-Term Employee Benefits	1,283	1,272
Post-Employment Benefits	83	76
Total	1,366	1,348

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

Receipts from Key Management Personnel comprise:

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

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

Opinion

We have audited the financial report of Corporation of the City of Marion (the "Council") which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the 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 2021 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 2011.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 2021, 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 2011* 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 the directors.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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

A handwritten signature in blue ink, appearing to read 'Lee Girolamo', with a stylized flourish extending from the end.

Lee Girolamo
Partner
Chartered Accountants
Adelaide, 26 October 2021

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 2020 to 30 June 2021.

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 2020 to 30 June 2021.

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 2020 to 30 June 2021. 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 2020 to 30 June 2021.

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 2020 to 30 June 2021 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, 26 October 2021

City of Marion

General Purpose Financial Statements

for the year ended 30 June 2021

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 2021, 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*.



Tony Harrison
CHIEF EXECUTIVE OFFICER



Emma Hinchey
PRESIDING MEMBER
FINANCE AND AUDIT COMMITTEE

Date: 12/10/2021

26 October 2021

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

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.

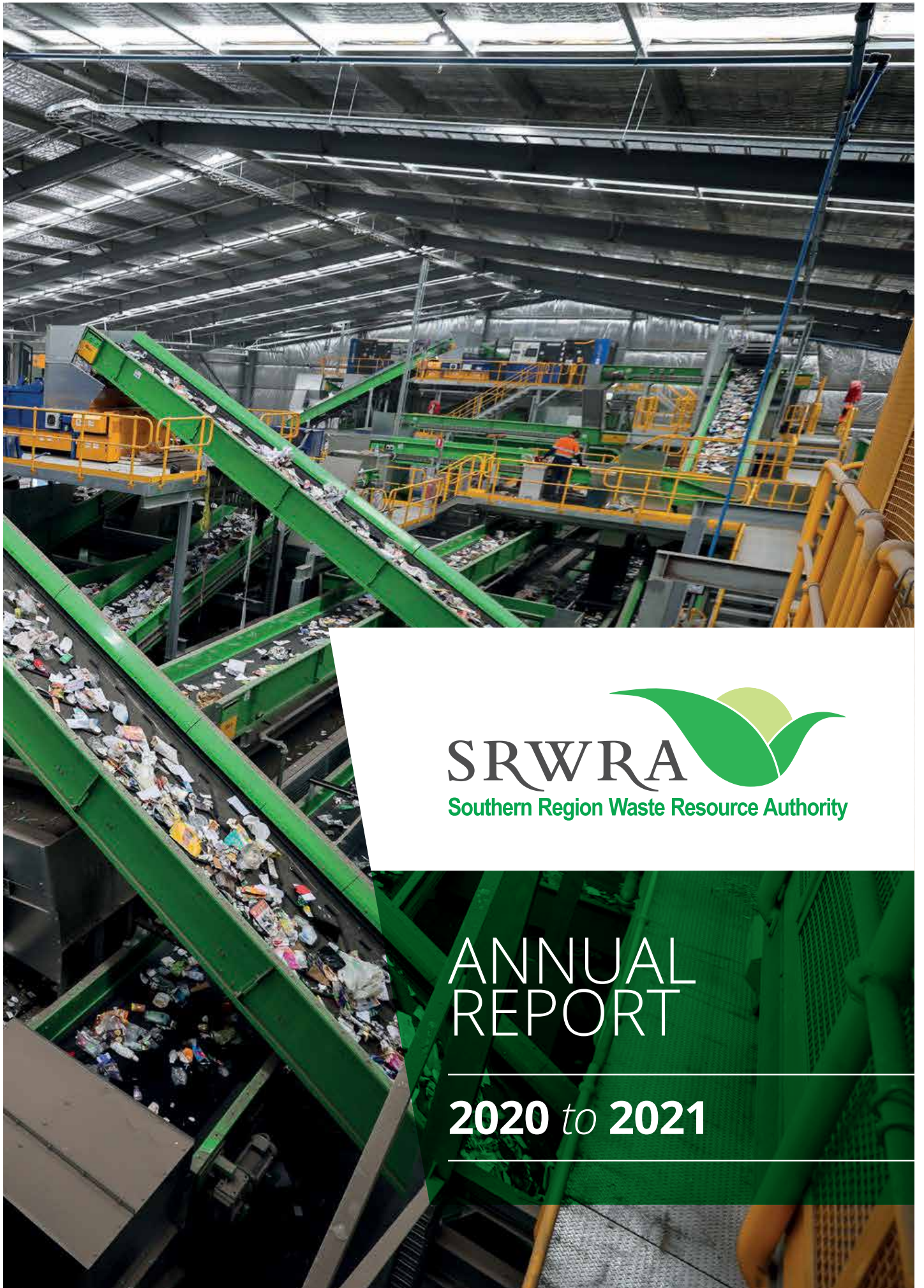
I confirm that, for the audit of the financial statements of the Corporation of the City of Marion for the 30 June 2021 financial year, I have maintained my independence in accordance with the requirements of APES 110—Code of Ethics for Professional Accountants, Section 290, published by the Accounting 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

Lee Girolamo
Partner
Chartered Accountants



ANNUAL REPORT

2020 to 2021



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.

Our core business activity is the management of our recycling facilities and landfill. We partner with industry experts and pride ourselves in employing innovative resource recovery approaches to support the circular economy.

We are one of the State's major landfill operations currently receiving over 100,000 tonnes of waste annually.

Our joint venture operation with Integrated Waste Services (IWS) has continued to develop through the jointly operated Southern Recycling Centre (SRC) which is realising a significant reduction of waste to landfill.

We have recently established a new joint venture operation with Re.Group to form the Southern Materials Recovery Facility (SMRF) to provide a reliable and cost effective kerbside recyclables processing service for Southern Adelaide.

SRWRA CONSTITUENT COUNCILS



JOINT VENTURE PARTNERS



CONTENTS

CHAIRPERSON'S MESSAGE	4
CHIEF EXECUTIVE OFFICER'S MESSAGE	6
BOARD OF MANAGEMENT	8
FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021	9
AUDITOR COMMITTEE AUDITOR INDEPENDENCE	36
AUDITOR INDEPENDENCE DECLARATION	37
INDEPENDENT AUDITOR'S REPORT	38
AUDIT REPORT	40
BOARD CHAIR - AUDITOR INDEPENDENCE	42
COUNCIL CERTIFICATES OF COMPLIANCE	43
CITY OF ONKAPARINGA	43
CITY OF MARION	44
CITY OF HOLDFAST BAY	45
ATTENDANCE AT BOARD MEETINGS	46
ATTENDANCE AT AUDIT COMMITTEE MEETINGS	47
PERFORMANCE AGAINST BUSINESS PLAN	48
WORK HEALTH AND SAFETY	50
PROCUREMENT	51



CHAIRPERSON'S MESSAGE

The Commonwealth Government has stressed Australia needs to take responsibility for the waste it produces, using it to create jobs and promote investment in Australia. The Prime Minister recently said “It’s about making Australia a world leader in how we manage our waste and recycling”, in order to progress this he outlined the following three pillars:

“Firstly, it’s our waste, it’s our responsibility. Taking responsibility for our plastic waste.

Expanding industry capability, secondly.

And thirdly, encouraging demand for recycled products.”

This is very much at the core of what we do at SRWRA. We have progressively been taking increasing responsibility for the waste streams produced by our Constituent Councils and our other customers based on an underpinning philosophy of supporting the highest and best use of recovered materials.

At SRWRA we have consciously aligned ourselves with experts in their respective fields to ensure we can leverage the opportunities presented by what is rapidly developing into an integrated waste management precinct.

Through LMS and Joule we produce enough green energy from landfill gas and what is currently Australia’s largest solar array on a capped landfill cell to power the equivalent of 3,000 homes.

With IWS we jointly operate the Southern Recycling Centre which, over the past year, has diverted more than 20,900 tonnes of municipal material from landfill. While this is a significant achievement in the last 12 months we have continued to invest in and upgrade the facility to further increase the level of diversion of municipal waste away from landfill.

Most significantly the SRWRA operation has now moved to deal with the challenges of providing a processing solution for household recyclables for southern Adelaide. With our joint venture partner Re.Group, an Australian recycling and resource recovery specialist, we have completed the construction of a state of the art materials recovery facility. The facility incorporates the latest in sorting and screening technology and has the capacity to convert recycled glass into sand for use in civil and road construction work. This investment of more than \$20 million is designed to ensure that outputs from the facility are ‘of the highest quality providing a platform for the future development of circular economy industry in the south of Adelaide’.



I am pleased to advise that, while maintaining very competitive waste disposal costs, for the year ended 30 June 2021 SRWRA reported an Operating Surplus of \$0.438 million which will be reinvested in our future waste management activities.

We are extremely fortunate to have a very capable and dedicated team working throughout our operations, under the accomplished leadership of CEO Chris Adams they have collectively contributed to the success of SRWRA and it is my great pleasure to thank them on behalf of the Board. I also extend my thanks to the Board and the Audit Committee for their dedication and insight and unwavering commitment to ensuring that SRWRA continues to deliver sustainable waste management solutions for our Constituent Councils and the southern region of Adelaide.

On behalf of the Board of the Southern Region Waste Resource Authority, I am pleased to present the Annual Report for the 2021 financial year, it clearly demonstrates the Authority continues to fulfill its objects and purposes set out in the Charter in a financially responsible and environmentally sustainable manner.

Mark Booth
CHAIRPERSON



CHIEF EXECUTIVE OFFICER'S MESSAGE

It has been an exciting and transformative 12 months for the Authority with delivery of several significant construction projects, a visit by the Prime Minister and the establishment of a new Joint Venture.

SRWRA is consolidating its position as the circular economy hub for Southern Adelaide with the construction of the Southern Materials Recovery Facility (SMRF) which processes the contents of the kerbside recycling bin. This facility the largest of its kind in South Australia, is the most technically advanced and produces the highest product purity levels in Australia.

The SMRF received two rounds of grant funding, the first for the stage 1 construction of the initial facility was \$5.35m of Commonwealth funding with the Prime Minister, The Hon Scott Morrison MP, attending site to make the announcement. The second round of funding was \$3.14m from Green Industries SA (which combined State and Commonwealth funding) for the stage 2 construction of a glass processing plant.

I am pleased to welcome Re.Cycle (Adelaide) Pty Ltd, a subsidiary of Re.Group, to the fold as our new Joint Venture partner for the SMRF. This is SRWRA's second Joint Venture and builds on the successful model developed for the Southern Recycling Centre with Integrated Waste Services (IWS).

The Southern Recycling Centre has had a strong 12 months and plays a significant role in the diversion of waste from landfill in support of State strategy.

SRWRA's energy precinct has grown with the construction of South Australia's first solar farm on capped landfill. The solar farm is owned and operated by LMS Energy. SRWRA is open to exploring further opportunities to increase the solar farm footprint.

SRWRA's integrated site now provides processing facilities for both the kerbside waste and recycling bins, a landfill and a green energy precinct generating power from landfill biogas and solar farm. The integration of our site is unique in Australia and ensures we are leaders in delivering innovative and sustainable waste management solutions for the benefit of our southern Adelaide communities.

The Authority has continued to provide a cost effective waste management solution for its Constituent Councils and their communities. The Authority is in a strong financial position with net assets of \$22.091 million.

The SRWRA landfill received a significant upgrade with the completion of the Western Sideline Project and upgraded pump infrastructure.



Over the last 12 months, the Authority invested in the education of schoolchildren within our communities through the Les Perry Memorial Grants Program and the SMRF School Recycled Art Competition. This year, 15 schools from our three Constituent Council areas took part in the Les Perry Memorial Grants Program and received a total of \$10,360 in grant funding to support learning about environmentally responsible waste management.

The SMRF School Recycled Art Competition was run to recognise the construction of the SMRF by engaging with local primary school students to highlight the process of recycling and waste management. Nine schools from our Constituent Council communities entered with the winning entry to be displayed at the SMRF education room. The winning class will also attend the formal opening of the SMRF. The entries judged to be in the first three will receive a bench seat made from recycled soft plastics.

COVID-19 continues to have an impact on our operation with new work practices now the norm for all staff. The commitment and positive attitude of the SRWRA staff has ensured the site continues to operate for the benefit of our Constituent Councils and their communities. I acknowledge their contribution and express my sincere appreciation for their efforts.

The significant milestones and operating result 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 30TH 2021



CHAIRPERSON
Mark Booth

MEMBERS



CITY OF ONKAPARINGA
Kirk Richardson



CITY OF ONKAPARINGA
Richard Peat



CITY OF MARION
Sorana Dinmore



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 2021**

SOUTHERN REGION WASTE RESOURCE AUTHORITY

General Purpose Financial Report for the year ended 30 June 2021

Contents

	Page Number
Certification of Financial Statements	1
 Primary Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
 Notes to the Financial Statements	6
 CEO Statement	
Audit Report	
Council Certificates of Audit Independence	
Audit Certificate of Audit Independence	

SOUTHERN REGION WASTE RESOURCE AUTHORITY

ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2021

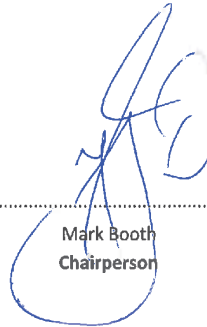
CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards*.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2021 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



Chris Adams
Chief Executive Officer



Mark Booth
Chairperson

Date: 23/8/2021

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
Income			
User charges	2	11,774	10,746
Investment income	2	487	501
Other	2	454	493
Net gain - equity accounted Joint Venture	13	1,032	745
Total Income		13,747	12,485
Expenses			
Employee costs	3	1,131	1,248
Materials, contracts & other expenses	3	11,176	9,719
Depreciation, amortisation & impairment	3	1,002	860
Total Expenses		13,309	11,827
Operating Surplus		438	658
Asset disposal & fair value adjustments	3	140	-
Amounts received specifically for new/upgraded assets		-	-
Net Surplus		578	658
Other Comprehensive Income			
Changes in revaluation surplus - property, plant & equipment		-	1,222
Total Other Comprehensive Income		-	1,222
Total Comprehensive Income		578	1,880

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 2021

	Notes	2021 \$'000	2020 \$'000
Assets			
Current Assets			
Cash and cash equivalents	4	4,643	15,506
Trade & other receivables	4	3,008	2,230
Loan - Related Party	11,13	1,500	-
Total Current Assets		9,151	17,736
Non-current Assets			
Equity accounted joint venture		5,801	677
Property, plant & equipment	5	25,745	19,319
Total Non-current Assets		31,546	19,996
Total Assets		40,697	37,732
Liabilities			
Current Liabilities			
Trade & other payables	6	4,752	2,339
Provisions	6	128	145
Borrowings		-	-
Total Current Liabilities		4,880	2,484
Non-Current Liabilities			
Borrowings		-	-
Provisions	6	13,726	13,735
Total Non-current Liabilities		13,726	13,735
Total Liabilities		18,606	16,219
Net Assets		22,091	21,513
Equity			
Accumulated surplus		20,869	20,291
Asset revaluation reserve		1,222	1,222
Total Equity		22,091	21,513

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2021

	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
Balance at start of period - 1 July 2020	20,291	1,222	21,513
Net Surplus/ (Deficit) for Year	578	-	578
Other Comprehensive Income			
Gain on revaluation of property, plant & equipment	-	-	-
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
Balance at end of period - 30 June 2021	20,869	1,222	22,091
Balance at start of period - 1 July 2019	19,633	-	19,633
Net Surplus/ (Deficit) for Year	658	-	658
Other Comprehensive Income			
Gain on revaluation of property, plant & equipment	-	1,222	1,222
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
Balance at end of period - 30 June 2020	20,291	1,222	21,513

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 2021

	Notes	2021 \$'000	2020 \$'000
Cash Flows from Operating Activities			
Operating receipts from customers		11,450	11,743
Investment receipts		487	501
Operating payments to suppliers & employees		(9,920)	(11,886)
Finance payments		-	-
Net Cash provided by (or used in) Operating Activities	7	2,017	358
Cash Flows from Investing Activities			
Amounts specifically for new or upgraded assets		-	-
Sale of replaced assets	3	244	-
Distributions from equity accounted Joint Ventures	13	600	900
Contributions to equity accounted Joint Ventures	13	(513)	-
Expenditure on equity accounted contributed assets	13	(5,679)	-
Expenditure on renewal/replacement of assets		(634)	(759)
Expenditure on new/upgraded assets		(6,898)	(2,490)
Net Cash provided by (or used in) Investing Activities		(12,880)	(2,349)
Cash Flows from Financing Activities			
Distribution to Member Councils		-	-
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		(10,863)	(1,991)
Cash & cash equivalents at beginning of period	4	15,506	17,497
Cash & cash equivalents at end of period	4	4,643	15,506

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 2021

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.

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".

SOUTHERN REGION WASTE RESOURCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 1 (cont.) – Significant Accounting Policies

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 estimates.

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

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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 1 (cont.) – Significant Accounting Policies

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 2020/21 (9.5% in 2019/20).

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 Willis 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.

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 landfill 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

SOUTHERN REGION WASTE RESOURCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 1 (cont.) – Significant Accounting Policies

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.

12 New Accounting Standards

The Authority applied for the first-time certain new standards and amendments, which are effective for annual reporting periods beginning on or after 1 January 2020. New standards and amendments relevant to the Authority are listed below. The Authority has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity".

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Authority.

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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 1 (cont.) – Significant Accounting Policies

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 2021**

	2021 \$'000	2020 \$'000
Note 2 - Income		
User Charges		
Landfill Operations	11,774	10,746
	11,774	10,746
Investment Income		
Interest on investments	102	249
Banks & other	-	12
Rental income	385	240
	487	501
Other Income		
Other income	171	204
Southern Recycling Centre	283	289
	454	493
Note 3 - Expenses		
Employee Costs		
Salaries and Wages	1,092	1,151
Employee leave expense	(25)	10
Superannuation	98	102
Workers' Compensation Insurance	47	58
Less: Capitalised and distributed costs	(81)	(73)
	1,131	1,248
Materials, Contracts & Other Expenses		
Auditor's Remuneration	21	19
Board Expenses	36	39
Contractors	397	271
Fuels & oils	128	161
Equipment hire	10	18
Maintenance	450	217
Legal	160	32
Levies - EPA	9,570	8,542
Professional services	26	12
Southern Recycling Centre	108	183
Sundry	270	225
	11,176	9,719

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note 3 - Expenses (cont)

	2021 \$'000	2020 \$'000
Depreciation, Amortisation & Impairment		
Buildings	184	138
Plant & Equipment	408	274
Office Equipment	8	9
Super Cell	205	196
Super Cell Capping	174	215
Post Closure Rehabilitation	19	24
Future Restoration Costs	4	4
Work in Progress	-	-
	1,002	860
Asset Disposals		
Proceeds from disposal	244	-
Less: Carrying amount of assets sold	(104)	-
Gain (Loss) on disposal	140	-

Note 4 - Current Assets

Cash & Cash Equivalents		
Cash on Hand and at Bank	4,519	1,601
Short-term deposits	124	13,905
	4,643	15,506
Trade & Other Receivables		
Debtors - general	3,008	2,207
Accrued Revenues	-	23
	3,008	2,230

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note 5 - Property, Plant & Equipment

	2020 \$'000				2021 \$'000			
	At Fair Value	At Cost	Accumulated Depreciation	Carrying Amount	At Fair Value	At Cost	Accumulated Depreciation	Carrying Amount
Land	5,205	-	-	5,205	5,205	-	-	5,205
Buildings	560	4,081	(772)	3,869	560	5,810	(955)	5,415
Plant & Equipment	-	5,350	(3,252)	2,098	-	4,938	(2,718)	2,220
Office Equipment	-	160	(133)	27	-	172	(141)	31
Super Cell	-	8,202	(5,391)	2,811	-	8,970	(5,599)	3,371
Super Cell Capping	5,426	-	(2,395)	3,031	5,426	-	(2,570)	2,856
Post Closure Rehabilitation	6,143	-	(5,799)	344	6,143	-	(5,818)	325
Future Restoration Costs	4,228	-	(4,165)	63	4,228	-	(4,169)	59
Work in Progress	-	1,871	-	1,871	-	6,263	-	6,263
	21,562	19,664	(21,907)	19,319	21,562	26,153	(21,970)	25,745

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 5 - Property, Plant & Equipment

	Movement in Property, Plant & Equipment during the Financial Year							2021	
	2020 \$'000	Carrying Value	Renewal / Replacement	Additions New/Upgrade	Disposals	Revaluation	Adjustment / Transfer	Depreciation	Carrying Value \$'000
Land		5,205	-	-	-	-	-	-	5,205
Buildings		3,869	-	45	-	-	1,685	(184)	5,415
Plant & Equipment		2,098	634	-	(104)	-	-	(408)	2,220
Office Equipment		27	-	12	-	-	-	(8)	31
Super Cell		2,811	-	766	-	-	(1)	(205)	3,371
Super Cell Capping		3,031	-	-	-	-	(1)	(174)	2,856
Post Closure Rehabilitation		344	-	-	-	-	-	(19)	325
Future Restoration Costs		63	-	-	-	-	-	(4)	59
Work in Progress		1,871	-	11,754	-	-	(7,362)	-	6,263
		19,319	634	12,577	(104)	-	(5,679)	(1,002)	25,745
2020 \$'000		15,440	759	2,793	-	1,222	(35)	(860)	19,319

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note 6 - Liabilities

	2021 \$'000		2020 \$'000	
	Current	Non-current	Current	Non-current
Trade & Other Payables				
Goods & services	4,752	-	2,323	-
Payments received in advance	-	-	16	-
	4,752	-	2,339	-
Provisions				
Annual Leave	70	-	80	-
Long Service Leave	58	8	65	17
Super Cell Capping	-	7,980	-	7,980
Post Closure Rehabilitation	-	4,064	-	4,064
Future Restoration Costs	-	1,674	-	1,674
	128	13,726	145	13,735

Reconciliation of Movement in Landfill & Restoration Provisions

	Super Cell Capping	Post Closure Rehabilitation	Future Restoration Costs	Total
Opening Balance	7,980	4,064	1,674	13,718
Additional Amounts Recognised/ (Derecognised)	-	-	-	-
Payments	-	-	-	-
Unwinding of Present Value Discounts	-	-	-	-
Closing Balance	7,980	4,064	1,674	13,718

An independent review and update of key assumptions and estimates included in the calculation of landfill capping and post closure liabilities is expected to be undertaken in 2021/22 at which time the liability will be updated.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note 7 - Cash Flow Reconciliation

(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:

	2021 \$'000	2020 \$'000
Total cash & equivalent assets	4,643	15,506
Less: Short-term borrowings	-	-
Balances per Cash Flow Statement	<u>4,643</u>	<u>15,506</u>

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

Net Surplus (Deficit)	578	658
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,002	860
Net (Gain) Loss on equity accounted joint ventures	(1,032)	(745)
Net (Gain) Loss on disposal of assets	(140)	-
	<u>408</u>	<u>773</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(778)	(564)
Net increase (decrease) in trade & other payables	2,411	138
Net increase (decrease) in other provisions	(24)	11
Net Cash provided by (or used in) operations	<u>2,017</u>	<u>358</u>

(c) Financing Arrangements

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note 8 - Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.

Short Term Deposits

Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 0.3% (2020: 1.25% - 2.25%).

Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Gate Fees & Associated Charges Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Carrying amount: approximates fair value (after deduction of any allowance).

Liabilities - Creditors Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.

and Accruals

Terms & conditions: Liabilities are normally settled on 30 day terms.

Carrying amount: 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 Exposure

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and Bank SA. There is no material exposure to any individual debtor.

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

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note 8 - Financial Instruments

Liquidity Analysis

	2021	≤ 1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- interest bearing	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Amortised Cost						
Cash Assets		4,643	-	-	-	4,643
Receivables		-	-	-	3,008	3,008
Total		4,643	-	-	3,008	7,651
Financial Liabilities						
Payables		-	-	-	4,752	4,752
Borrowings		-	-	-	-	-
Total		-	-	-	4,752	4,752

	2020	≤ 1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- interest bearing	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Amortised Cost						
Cash Assets		15,506	-	-	-	15,506
Receivables		-	-	-	2,230	2,230
Total		15,506	-	-	2,230	17,736
Financial Liabilities						
Payables		-	-	-	2,339	2,339
Borrowings		-	-	-	-	-
Total		-	-	-	2,339	2,339

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note 9 - Commitments for Expenditure

	2021 \$'000	2020 \$'000
Capital Commitments		
Capital expenditure committed at reporting date but which is not recognised in the financial statements as liabilities are as follows:		
Committed Projects	1,250	12,580
	1,250	12,580

Note 10 - Events Occurring After Reporting Date

There were no events that occurred after reporting date that requires to be disclosed.

Note 11 - Disclosure of Related Party Transactions

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under

	2021 \$'000	2020 \$'000
Salaries, allowances & other short term benefits	404	404
Termination benefits	-	37
Total	404	441

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	6,626	362	Provision of waste disposal services
City of Holdfast Bay	1,233	107	Provision of waste disposal services
City of Marion	3,015	270	Provision of waste disposal services
Southern Recycling Centre	7,096	503	Provision of waste disposal services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 4. The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

The Authority has an outstanding receivable loan with the Southern Materials Recovery Facility totalling \$1.5 million as at reporting date. The Authority has recorded no sales with the Southern Materials Recovery Facility during 2020/21 given operations are not due to commence until 2021/22.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note 12 - Uniform Presentation of Finances

	2021 \$'000	2020 \$'000
Income	13,747	12,485
Expenses	(13,309)	(11,827)
Operating Surplus / (Deficit)	<u>438</u>	<u>658</u>
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(634)	(759)
Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	1,002	860
Proceeds from Sale of Replaced Assets	244	-
	<u>612</u>	<u>101</u>
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(6,898)	(2,490)
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	-	-
	<u>(6,898)</u>	<u>(2,490)</u>
Net Lending / (Borrowing) for Financial Year	<u>(5,848)</u>	<u>(1,731)</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

Note 13 - Equity Accounting Joint Ventures

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.

	2021 \$'000	2020 \$'000
The Authority's respective interests are:		
- interest in operating result:	50.00%	50.00%
- ownership of equity	49.99%	49.99%
- the proportion of voting power	50.00%	50.00%
<u>Movement in Investment in Joint Operation:</u>		
Opening Balance	677	832
New Capital Contributions	-	-
Share in Operating Result	1,087	745
Equity Adjustment	-	-
Distributions Received	(600)	(900)
Share in Equity of Joint Operation	1,164	677

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 2021

Note 13 (cont.) - Equity Accounting Joint Ventures

Southern Materials Recycling Facility (SMRF)

The Authority has entered into a joint venture arrangement with Re.Cycle (Adelaide) Pty Ltd to operate the Southern Material Recovery Facility located on the Authority's landfill site. The Joint Venture entity was established as from 13 April 2021.

As at reporting date, plant and equipment was still being commissioned and the facility has not commenced processing waste. The facility is expected to commence operations and processing recycled waste in July 2021.

	2021 \$'000
The Authority's respective interests are:	
- interest in operating result:	50.00%
- ownership of equity	50.00%
- the proportion of voting power	50.00%
<u>Movement in Investment in Joint Operation:</u>	
Opening Balance	-
Capital Contributions (cash contribution)	513
Capital Contributions (transfer of plant assets)	5,679
Capital Contribution (conversion to loan)	(1,500)
Share in Operating Result	(55)
Share in Equity of Joint Operation	4,637

The Authority provided the following contributions to the SMRF:

- Cash Contribution	513
- Transfer of Plant and Equipment	5,679
Total Contribution	6,192

The amounts above resulted in a total initial contribution of \$6.192 million made by the Authority. Re.Cycle (Adelaide) Pty Ltd contributed an additional amount of \$6.192 million in cash. After the contributions described above were made by both joint venturers, the federal government agreed to contribute \$5.35 million to fund the purchase of plant and equipment. The Southern Materials Recovery Facility Joint Venture Advisory Committee resolved that \$3 million of the \$5.35 million funding from the Federal government is to be repaid to the joint venturers on the receipt of the grant as a loan from each joint venturer as at 30 June 2021.

The Authority has an outstanding receivable loan with the Southern Materials Recovery Facility totalling \$1.5 million as at the reporting date.

Expenditure Commitments

The Joint Venture has a \$5.813 million capital commitment as at reporting date relating to the construction of plant and equipment which is expected to be completed in the 2021/22 period.

Contingent Liabilities

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

22

SOUTHERN REGION WASTE RESOURCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 14 - Fair Value Measurements

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

- Land assets.

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

(a) Fair value hierarchy

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

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

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

Valuation techniques

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

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 14 (cont.) - Fair Value Measurements

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2021					
Recurring fair value measurements					
Property, Plant & Equipment and Landfill Assets					
- Land	5	-	3,450	1,755	5,205
- Buildings	5	-	560	-	560
- Super Cell Capping	5	-	-	5,426	5,426
- Post Closure Rehabilitation	5	-	-	6,143	6,143
- Future Restoration Costs	5	-	-	4,228	4,228
Total financial assets recognised at fair value		-	4,010	17,552	21,562
2020					
Recurring fair value measurements					
Property, Plant & Equipment and Landfill Assets					
- Land	5	-	3,450	1,755	5,205
- Buildings	5	-	560	-	560
- Super Cell Capping	5	-	-	5,426	5,426
- Post Closure Rehabilitation	5	-	-	6,143	6,143
- Future Restoration Costs	5	-	-	4,228	4,228
Total financial assets recognised at fair value		-	4,010	17,552	21,562

(b) Disclosed fair value measurements

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2021

Note 14 (cont.) - Fair Value Measurements

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	3	Cost Approach	Landfill assets unobservable inputs. The measure of these costs requires significant estimates and assumptions such as: discount rate, inflation rate, assessment of EPA requirements, the timing, extent and costs of the required activities and the estimated remaining airspace of the landfill.
There has been no change in the valuation technique(s) used to determine the value of parcels of land where there are restrictions as to use and sale of these assets.	3	Market Value	Land assets unobservable inputs. 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 adjustments to account for these restrictions. These adjustments are usually unobservable inputs that are likely to have a significant effect on valuation.



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

17/8/2021
.....
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



CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 1060
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 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

Liability limited by a scheme approved
under Professional Standards Legislation

SOUTHERN REGION WASTE RESOURCE AUTHORITY

GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2021

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 2021, 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

Tim Muhlhausler CA, Registered Company Auditor

Partner

9 September 2021



Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
P: (08) 8725 1060
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 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

Liability limited by a scheme approved
under Professional Standards Legislation

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 2021, 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 respects, the financial position of the Authority as at 30 June 2021, 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.

ATTENDANCE AT BOARD MEETINGS

BOARD MEMBERS	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
CHAIRPERSON Mark Booth	9	9
CITY OF ONKAPARINGA Kirk Richardson	9	7
CITY OF ONKAPARINGA Richard Peat	9	8
CITY OF MARION Sorana Dinmore	9	8
CITY OF MARION Ian Crossland	9	7
CITY OF HOLDFAST BAY Roberto Bria	9	8
CITY OF HOLDFAST BAY John Smedley	9	6
DEPUTY BOARD MEMBERS		
Please Note: Deputy Members are only required to attend a Meeting when the Member is an apology		
CITY OF ONKAPARINGA Heidi Greaves	9	3
CITY OF MARION Bruce Hull	9	4
CITY OF MARION Ray Barnwell	9	9
CITY OF HOLDFAST BAY Clare Lindop	9	7



Mount Gambler

233 Commercial Street West
PO Box 246, Mount Gambler SA 5290
P: (08) 8725 1060
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 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

Liability limited by a scheme approved
under Professional Standards Legislation

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

To the members 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 2020 to 30 June 2021 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 2020 to 30 June 2021.

Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance 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 2020 to 30 June 2021. 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, the acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our Independence and Quality Control

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

Auditor's responsibility

Our responsibility is to express an opinion on the Authority's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Authority to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with the law, 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 2020 to 30 June 2021. 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



Tim Muhlhausler CA, Registered Company Auditor

Partner

09 September 2021



**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

23 / 8 / 2021

Date

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

7/9/21
Dated



City of Onkaparinga
PO Box 1
Noarlunga Centre
South Australia 5168
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



PO Box 21, Oaklands Park
South Australia 5046
245 Sturt Road, Sturt
South Australia 5047
T (08) 8375 6600
F (08) 8375 6699
E council@marion.sa.gov.au

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

I, Tony Harrison, 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.


.....
Tony Harrison
Chief Executive Officer
City of Marion

30.8.2021
.....
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.

ATTENDANCE AT BOARD MEETINGS

BOARD MEMBERS	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
CHAIRPERSON Mark Booth	9	9
CITY OF ONKAPARINGA Kirk Richardson	9	7
CITY OF ONKAPARINGA Richard Peat	9	8
CITY OF MARION Sorana Dinmore	9	8
CITY OF MARION Ian Crossland	9	7
CITY OF HOLDFAST BAY Roberto Bria	9	8
CITY OF HOLDFAST BAY John Smedley	9	6
DEPUTY BOARD MEMBERS		
Please Note: Deputy Members are only required to attend a Meeting when the Member is an apology		
CITY OF ONKAPARINGA Heidi Greaves	9	3
CITY OF MARION Bruce Hull	9	4
CITY OF MARION Ray Barnwell	9	9
CITY OF HOLDFAST BAY Clare Lindop	9	7

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		
PRESIDING MEMBER Greg Connor	5	5
Sam Spadavecchia	5	5
David Powell <i>Term completed December 2020</i>	2	2
Emma Hinchey <i>Term commenced February 2021</i>	3	3
Mark Booth	5	4
John Smedley <i>Deputy SRWRA Representative</i>	5	1

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
RESOURCE RECOVERY OBJECTIVES	
Complete SRC shed extension	Completed
Progress the Material Recovery Facility	Completed
Progress the Solar Farm	Completed
Identify and assess the feasibility of advanced waste treatments opportunities as they arise	Completed
Explore options to treat organics and greens	Completed
Identify and support potential markets/business opportunities for recovered resources	Completed
Seek expert advice regarding the impact of planning and zoning to determine the best use of the buffer land	Completed
RESOURCE RECOVERY KEY MEASURES	
Diversion of incoming waste material from landfill >30% to increase by 1% per year	Achieved 39%
Future landfill airspace = 30 years	30 Years available
Carbon emission offset >100,000 tonnes per year	Achieved 120,173 t
Deliver agreed projects on time and on budget	80% Complete
STAKEHOLDER RELATIONSHIPS OBJECTIVES	
Establish and maintain consistent communication with stakeholders and communities to ensure SRWRA's role and capabilities are understood	Completed
Provide information to Constituent Councils to support them with waste avoidance and positive waste behaviours and initiatives	Completed



AIMS, OBJECTIVES AND KEY MEASURES	STATUS
Identify industry initiatives and outcomes that are locally relevant and provide to Constituent Councils	Completed
Hold Joint Venture Committee meetings in accordance with agreed schedule	Completed
STAKEHOLDER RELATIONSHIPS KEY MEASURES	
One presentation to Elected Members in each Constituent Council per annum	Completed
Bi-monthly communication with Constituent Councils	Completed
OPERATIONAL EXCELLENCE OBJECTIVES	
Update LEMP to reflect new EPA Licence	Completed
Review and update Governance Manual	50% Complete
Review and update Policies and Procedures	85% Complete
Implement 2020 Risk Evaluation Action Plan (WHS&IM)	Completed
Future landfill rehabilitation and capping is assessed and funded over the lifetime of the site	Completed
Deliver operating surplus	Completed
Review fill plan and program supercell construction	Completed
Establish strategic and operational KPI's	Completed
OPERATIONAL EXCELLENCE MEASURES	
Maintain EPA Licence	Completed
Reduction in the number of lost time injuries from the previous year	Not achieved
Achieve or surpass operating surplus budget	Completed



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 recorded only one lost time injury in 2020-2021 which is an increase over the previous twelve months when no lost time injuries were recorded.

ANNUAL LOST TIME INJURIES

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

2019-2020	2020-2021
0	1

INJURY MANAGEMENT

SRWRA received one only worker compensation claim during 2020-2021. This is an increase in claims lodged this year compared to the previous year, which had zero compensation claims lodged.



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
340	7

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

W srwra.com.au/contact



CONNECT WITH US ONLINE



City of Marion



@CityofMarion



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

marion.sa.gov.au