

City of Marion Annual Report 2021-2022





KAURNA ACKNOWLEDGEMENT

Ngadiu tampendi Kaurna meyunna
yaitya mattanya yaintya yerta

This Kurna acknowledgement was prepared in consultation with traditional custodians.

ACKNOWLEDGEMENT OF COUNTRY

The City of Marion acknowledges we are situated on the traditional lands of the Kurna people and recognises the Kurna people as the traditional custodians of the land.

OUR VISION FOR RECONCILIATION

Our Reconciliation Action Plan 2020 - 2023 details actions that the City of Marion leads, promotes and facilitates to achieve significant, tangible and meaningful reconciliation outcomes within our community.

Our reconciliation vision is for strong relationships built on trust, respect, integrity, inclusion and equity for all members of our community.

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WHAT IS OUR ANNUAL REPORT?

The Annual Report is a comprehensive council document which includes information prescribed by legislation, combined with general information about our key focus themes within the City of Marion. The Annual Report for 2021 - 2022 is a reflection of achievements measured against our strategic projects, services and programs that council aimed to deliver throughout the financial year in accordance with the Annual Business Plan for the corresponding year.

WELCOME FROM THE MAYOR

Welcome to the City of Marion Annual Report for 2021 - 2022.

Conscious of the rising cost of living, Council set a one per cent average rate rise for 2021 - 2022.

Recently, rising costs and material shortages have created budget pressures for Council this year, so it was necessary in June 2022 to set the average residential rate rise for the 2022 - 2023 financial year to two per cent; still one of the lowest council rate increases in the State and far less than the rate of inflation. (Please note that an increase in a property's valuation, relative to others, leads to variations in individual property rates above or below the average rate increase.)

Key projects we've managed to deliver this year include:

- The multi-million dollar Mitchell Park Sports and Community Centre, funded majority by Council and the Australian Government with the South Australian Government contributing \$250,000 towards the two outdoor courts
- Stage two of the multi-million dollar redevelopment of Capella Drive Reserve at Hallett Cove, with a 'dog-friendly' area in the reserve recently funded as an additional feature
- An upgrade to Hugh Johnson Boulevard Reserve at Sheidow Park, in excess of \$1.5m
- The new multi-million dollar Southern Soccer Facility at Trott Park, funded majority by Council and the South Australian Government with a contribution from the Australian Government
- The upgraded and extended boardwalk at the Field River section of the Coastal Walkway at Hallett Cove
- Upgrades to more than a dozen playgrounds and recreation areas across the Council including Brolga Place, Wistow Crescent, Peterson Avenue and Ramsay Avenue reserves
- An unveiling of a \$45,000 mural at Castle Plaza as part of our efforts to rejuvenate the Edwardstown Employment Precinct program.

We also rolled out our Food Waste Recycling Program, delivering kitchen caddies to 39,902 households in Marion for the collection of food scraps for the green bin. In just over six months this initiative has diverted 1,144 tonnes of food scraps from landfill, cut annual greenhouse gas emissions by 2,174 tonnes (CO₂e) and saved ratepayers \$162,334 in rubbish disposal costs.

Council also planted more than 4,500 trees this year as part of its ambition to plant 30,000 trees by 2028.

We've also made incentive funds available on a permanent basis to help residents maintain their verges and the regulated trees on their own property and we've introduced programs to ensure the trees on public land thrive with the installation of irrigation and a volunteer program to tend street trees.

This is the final annual report for the current council with Council Elections to be held in November 2022, so I would like to thank my fellow Council Members, our wonderful volunteers, our staff and everyone who has worked with us to improve our community.

Yours faithfully,

Kris Hanna
Mayor



MESSAGE FROM THE CEO

The 2021 - 2022 financial year has been one of managing the transition from an environment of closed borders and social distancing restrictions, to open borders and the relaxing of COVID-19 rules and regulations. It has been challenging for our diverse workforce as we have faced the same shortages experienced by every industry as we continued providing high quality services and programs.

We supported vulnerable residents by delivering more than 19,560 frozen meals and facilitating 7,625 transportation trips for shopping and medical appointments.

We had nearly 291,350 physical and online visits to our three library sites and more than 648,000 items borrowed.

Our volunteer numbers have continued to increase with just over 50 new people volunteering with the City of Marion and a total of 364 volunteers supporting the community through a range of activities.

Economically, the City of Marion continues to be in a strong position as we manage our \$91.6m budget. The 1 per cent average rate increase in 2021 - 2022 was below the Reserve Bank inflation rate at the time. The City of Marion manages more than \$1b in assets and we invested \$54.6m in capital works including community and sporting facilities and playgrounds.

There were several multi-million dollar projects completed throughout the 2021 - 2022 financial year including Mitchell Park Sports and Community Centre, the Southern Soccer Facility at Trott Park, the Sam Willoughby International BMX Facility at O'Halloran Hill and the upgraded boardwalk at the Field River Section of the Coastal Walkway at Hallett Cove.

In addition, more than a dozen playground and reserve upgrades valued at nearly \$5.7m have been completed. We have delivered new sports lighting upgrades at four sports clubs and spent \$2.83m on our footpaths and \$5.556m on our roads and kerbs.

As we continue focusing on improving the environment, we've reduced our corporate operations carbon emissions from our 2015 - 2016 baseline of 5,617 tonnes (CO₂e) to 3,234 tonnes (CO₂e).

Council planted more than 4,500 street trees this year as part of our plan to plant 30,000 trees by 2028 and we planted 15,000 local native seedlings on public land.

The City of Marion continues to operate a recycled water business with some 200 million litres of stormwater captured, cleaned, and stored at Oaklands Wetland.

We delivered 39,902 kitchen caddies free of charge to City of Marion households as part of our Food Waste Recycling Program. In just over six months, this initiative has diverted 1,144 tonnes of food scraps from landfill, cut annual greenhouse gas emissions by 2,174 tonnes (CO₂e) and saved ratepayers \$162,334 in rubbish disposal costs.

Finally, thank you to our community for your vote of confidence in our organisation, delivering us an 82 per cent approval rating in our recent Community Satisfaction Survey.

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 guiding how our city develops, towards 2040. These outcomes are important for this community now and into the future.

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.

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.

VALUING NATURE

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

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.

ENGAGED

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

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.

CITY OF MARION FAST FACTS

A colorful illustration of a diverse group of people of various ages and ethnicities standing together. The group includes a woman in a purple cardigan, a man with a red cap and a lightning bolt on his shirt, a man in a brown jacket with a cane, a woman in a purple headscarf, an elderly man with a white beard, a man in a blue jacket, a woman in a yellow dress, a man in a purple shirt holding a baby, a woman in a green patterned dress, a man in a grey suit, a woman in a blue dress, and a man in a purple shirt. There are also children, a dog, and a person in a wheelchair. The background is white with a blue vertical line on the left.

STRATEGIC PLANS

The City of Marion's 10-Year Strategic Plan 2019 - 2029 and 4-Year Business Plan July 2019 - June 2023 have provided directions for strategic decision-making. In 2021 - 2022, work areas within council commenced, progressed and/or delivered a significant number of projects including:

- Opened the new Mitchell Park Sports and Community Centre
- Completed upgrades to 11 reserves
- Completing a \$3m major street upgrade at Diagonal Road and Sturt Road, along the Westfield Marion Corridor
- Opened the Southern Soccer Facility
- Opened the Capella Reserve Skate Park at Hallett Cove
- Planted more than 4,500 street trees to cool the city

- Trialed a new 'verge incentive fund' to assist residents with the costs of landscaping on verges
- Rolled out almost kitchen caddies to 40,000 households to reduce waste to landfill
- Installed new sports lighting at four sports clubs
- Supported vulnerable residents by delivering more than 22,500 frozen meals
- Committed to the future development of the Marion Cultural Centre Plaza upgrade.

Several of these initiatives were supported by Federal and State Government funding.

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





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.

Photo credit: Stellar Momentum

RESERVE IMPROVEMENTS

The City of Marion has a clear vision regarding maintenance, upgrades and promoting our reserves and play spaces. Throughout the 2021 - 2022 financial year, Capella Drive Reserve - Stage 2 and Hugh Johnson Boulevard Reserve were developed. In addition, council is currently working on construction of four reserve upgrades, design and consultation on seven additional reserves and nine open space plan builds.

Capella Drive Reserve

The following redevelopment took place:

- Completion of Stage 2
- \$3m redevelopment
- New playground equipment, slide, swing, flying fox, pump track and fitness equipment
- Stage 1 of project included an expanded car park and the new-look skate park and opened in early December 2021.

Hugh Johnson Boulevard Reserve

The following redevelopment took place:

- Upgraded reserve includes two new playgrounds, a pump track, fitness equipment, pond and creek reinstatement and associated works
- Reserve drawcards include a challenging adventure area, a climbing wall, the tallest tunnel slide in Marion, an 'Enchanted Forest' nature play area, animal sculptures and a magic cauldron.

MITCHELL PARK SPORTS AND COMMUNITY CENTRE

On 26 June 2022, our multi-million dollar, multi-functional sport, community centre and dog club was officially opened with a traditional Welcome to Country and community celebration. The day was action-packed with sporting games, come and try sessions, live music including Nova radio, face painting and community workshops. The facility provides the following for community use:

- Two indoor courts for basketball, netball and volleyball
- Facilities for football, tennis, rugby and cricket
- A fitness area, change rooms, kiosk and expanded car parking
- A neighbourhood centre delivering a range of community programs
- Dog obedience club facilities and car parking
- Public art installations
- Function spaces with kitchen and bar facilities.

This expanded centre will create jobs and local business opportunities, while providing a home for up to 1,000 players of local sporting clubs.

COMMUNITY CONNECTIONS

The City of Marion prioritises the importance of positive and rewarding community interactions for our residents. The Community Connections Unit including Libraries, Neighbourhood Centres and Positive Ageing and Inclusion engaged with 356,118 community members across our sites, facilitated 648,033 individual library resource borrowings, delivered a variety of 558 different programs equating to a total of 11,871 sessions, which attracted 25,834 program attendees. Each community interaction has a positive effect on wellbeing and makes a difference in the daily lives of so many of our residents. We are proud to deliver such meaningful programs.

PUBLIC HEALTH

The City of Marion's public health outcomes are driven by our Community Vision themes and the State Public Health Plan priorities. Council provides a number of services such as:

- Environmental health inspections
- Community programs
- Walking and cycling infrastructure
- Immunisation programs
- Response service for public health concerns
- Volunteer programs.

YOUTH COLLECTIVE COMMITTEE (YCC)

The YCC is a group of 10 young people, aged between 13 and 25, who are from a cross-section of backgrounds and live within the City of Marion. Its purpose is to explore ideas about how to bridge the gap between council and the youth of Marion. Its focus is on making a difference in areas such as:

- Safety and security
- Mental health
- Environment
- Arts and music
- Education
- Age relevant technology.

The YCC has also coordinated events such as an Esports Tournament and Battle of the Bands.



YCC AWARDS

Battle of the Bands won Major Event of the Year 2022 and Esports Tournament received a High Commendation at the LG Professionals Leadership Excellence Awards in 2022.



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

TREE PLANTING INITIATIVES

In the final year of implementation of the actions relating to the Tree Management Framework, 4,641 street and reserve trees were planted. This planting was undertaken broadly across our council area with suburb planting occurring in Ascot Park, Plympton Park, Glengowrie, O'Halloran Hill and Warradale. 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. The number of trees planted exceeded the council endorsed target of 4,300 trees per financial year and continues to roll out our 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.

A new Urban Tree Asset Management Plan is being drafted to replace the Tree Management Framework to guide tree management over the next decade.

ENVIRONMENT EDUCATION PROGRAMS

At the City of Marion, we deliver ongoing educational programs designed to share information with the community on responsibly disposing of recyclable, organic and general waste. This includes working proactively with organisers and caterers for council-run events to ensure single-use plastics are not being used. Volunteer bin buddies are also supported at major council-run events to assist in guiding attendees in the appropriate use of waste and recycling systems.

An independent audit of waste systems within council offices and facilities was delivered with a range of recommendations to be implemented in 2023.

COMMUNITY GARDENS

We continue to support the four community gardens at Glandore, Oaklands Park, Marino and Trott Park. We are happy to welcome two new community groups that are both in the process of preparing their community garden applications:

- Cove Community Garden Group; and
- Greenfingers Community Garden Group.

FOOD WASTE RECYCLING PROGRAM

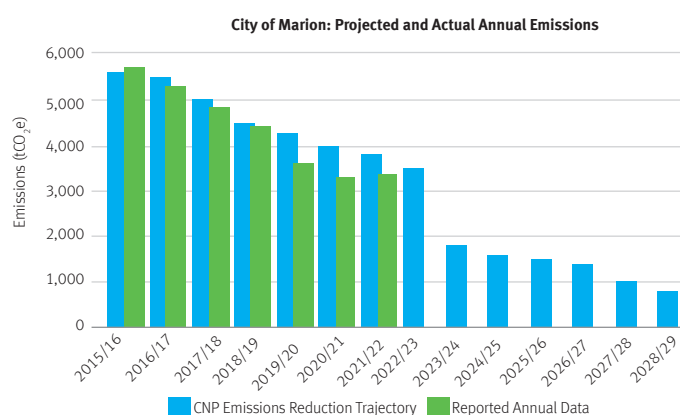
Kitchen caddies were distributed to 39,902 households in a bid to reduce the amount of waste going to landfill. By diverting food waste, the project is expected to save council approximately \$200,000 in landfill disposal costs each year. The project was funded with support from Green Industries SA.

Compostable dog tidy bags are also now used in dispensers across the council area.

CARBON EMISSIONS REDUCTION

Under our Carbon Neutral Plan, we have a target to be carbon neutral for council operations by 2030. Council has continued to implement energy efficiency measures and move to renewable energy sources. An inventory of carbon emissions generated from council's operational activities continues to be maintained to monitor progress towards the goal of being carbon neutral for council operations by 2030. Current progress is shown below.

PROGRESS TOWARDS BEING CARBON NEUTRAL BY 2030



ENVIRONMENTALLY SUSTAINABLE DESIGN (ESD)

In September 2021, two new ESD Guidelines were adopted with the view to embedding them in our internal project and facility management systems and processes:

- New Buildings, Structures and Refurbishments; and
- Sustainable Building Maintenance Guide.

A key project outcome has been approval to replace some of the gas water boilers at the Marion Outdoor Pool with electric water heaters. A review of solar capacity at the site is also underway.

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. Recent events included:

- Habitat Gardening
- Growing Greens and Herbs
- Coastal Gardening
- Gazania Free Gardens Native Plant Swap
- Council is also supporting the 'Grow it Local' campaign which aims to get more people growing, sharing and eating locally grown foods.

ENGAGED

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



COMMUNITY EVENTS AND PROJECTS

The City of Marion hosts a number of diverse community events and projects every year. The following events and projects are an example of what was delivered during 2021 - 2022:

Marion 100

A cross-section of 100 City of Marion residents participated in the Marion 100 Community Summit. The summit was held to seek ideas and hear the voices within our community to assist in guiding Council on key priorities at the time and into the future. Two summits were held in the 2021 - 2022 financial year, which included a focus on the upcoming 2022 - 2023 Council Budget.

Australia Day Awards

There are many people that help to make the City of Marion a great place. This event at the Tonsley Innovation Centre celebrated the nominees and winners of each category.

- Citizen of the Year
- Young Person of the Year
- Best Event of the Year.

The Marion City Band and Coast FM helped to make the day one to remember.

Anzac Eve Youth Vigil

50 young cadets stood guard throughout the night at the Marion RSL Club on Anzac eve. The vigil preserves the memory of the ANZACs for present and future generations and was the 14th Youth Vigil supported by the City of Marion.

CULTURAL ARTS AND EVENTS

2021 - 2022 saw the return of City of Marion events with many reaching capacity attendance with keen audience participation.

Nexus Arts Orchestra: An intercultural ensemble of global artists entranced audiences with a completely original lineup and instruments. Their performance was uplifting and prompted much celebration from the amazing crowd.

Interfaith Forum in the Spirit of Harmony: The forum promoted respectful intercultural relationships and social cohesion, by raising awareness about what diverse faiths have in common, as well as some unique differences. The event promoted positive messages about intercultural and interfaith communication and collaboration.

Refugee Week: This multilayered program provided the opportunity to highlight different aspects of the refugee experience. The key theme was music and what it represents. Hope for a better future, the history of Persian classical music, and interviews with Australian musicians who provided support and friendship to encourage positive connections for anyone living in a new country.

The City of Marion Reconciliation exhibition, Kaurna: Still Here:

A celebration of First Nations artists was presented at Gallery M as a collaborative project. It provided an opportunity for the artists to research the extensive collection from the South Australian Museum and as a result, develop a new body of work for this exhibition. The focus was:

- George French Angas collection of 1880's illustrations of botanicals
- First Nations People
- The South-Eastern Coastal landscape of South Australia depicting Kaurna/Rammindjeri people paintings painted between Adelaide and Cape Jervis
- Connections to land and Ancestral practices
- Carvings, art and craft pieces modeled on times prior to European colonisation
- A traditional Aboriginal weaving workshop.

YOUTH PARTNERSHIPS

The City of Marion works in partnership with local services and organisations to deliver positive outcomes for young people in our city. Throughout the 2021 - 2022 financial year the City of Marion supported several initiatives for young people in relation to:

- Homelessness
- Mental health
- Young people at risk (Operation Flinders).

YOUTH GRANTS

\$120,000 is allocated annually to Youth Development Grants. The grants are designed to support organisations to deliver diverse, innovative and inclusive opportunities for local young people aged 12 - 25 years.

GREEN ADELAIDE EDUCATION PROGRAM

The Green Adelaide program hosted a range of events involving schools, staff, students, parents and community members. 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.

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.



Mural at Castle Plaza, artist: Sair Bean (Sarah Casson), pictured left

REVITALISATION OF EDWARDSTOWN EMPLOYMENT PRECINCT

The Edwardstown Employment Precinct is host to over 4,500 jobs, over 1,700 businesses and provides \$1b into our economy. Over the past 12 months, achievements across access, amenity and activation include:

- Completion of Greening of Edwardstown
- Installation of an entry statement and mural at Castle Plaza on Raglan Avenue
- A celebration of businesses for service to the area and support for local jobs
- A successful circular economy grant application
- Defence Industry Day
- Exploration of traffic management options
- A successful water sustainability grant application
- Launch of the Edwardstown website.

CLIMATE CHANGE PLANNING

Council continues to look at ways to reduce the severity of climate change (climate change abatement) and plan for projected impacts of climate change (climate change adaptation), according to our Climate Change Policy. As well as working at the council level, we also work with state and local government across the southern Adelaide region through the Resilient South regional climate partnership (resilientsouth.com).

Key outcomes for the reporting period included:

- Initiating the review of the Resilient South Regional Climate Action Plan (ReCAP) including securing \$99,000 of grant funding from the Australian Government's Preparing Australian Communities Program
- Initiating the Resilient Asset Management Project (RAMP) – a project that aims to incorporate climate risk into our asset management processes. The \$785,000 project is supported by the Resilient South council partners, Local Government Association's (LGA) Research and Development Scheme, State Government's Disaster Risk Reduction Grants Program, and CSIRO.

CITY OF MARION COMMUNITY GRANTS

The City of Marion's five grant streams allocate over \$250,000 annually to assist organisations, and not-for-profit groups to deliver programs, events and projects that benefit our local 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.

A total of 101 grants were distributed across the City of Marion throughout 2021 - 2022.

DESIGN CODE AMENDMENTS

Council progressed three Planning and Design Code Amendments for the Morphettville and Glengowrie Stables, Centre Zones and Marion Road Corridor. These Code Amendments will unlock further development opportunities in key locations. The Code Amendments are with the Minister for Planning, for consideration.

SOUTHERN BUSINESS MENTORING PROGRAM

The cross-council collaboration with the Cities of Holdfast Bay, Onkaparinga and Yankalilla provides a one-on-one support program which was accessed by 51 City of Marion businesses in the 2021- 2022 financial year. 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.

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

- General Business
- Strategic Marketing
- Digital Marketing.

DISABILITY, ACCESS AND INCLUSION PLAN

The City of Marion continues to deliver the Disability Access and Inclusion Plan 2020 - 2024 (DAIP), in line with *State legislation (Disability Inclusion Act, 2018)*. 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 second year (2021 - 2022) of DAIP implementation is complete, with all 33 DAIP actions delivered.

The City of Marion is proud of our Diversity and Inclusive Traineeship Program. We offer traineeship placements for three individuals who identify as either Aboriginal and/or Torres Strait Islander, from a Culturally and Linguistically Diverse background, or living with a disability. This award-winning program offers training and employment pathways for young people.

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.



Tonsley Innovation District, Tonsley

COVID-19 RESPONSE

Community and Wellbeing

The City of Marion has continued to consistently deliver services to the community during times of COVID-19. Challenges have been overcome with the implementation of a number of new Neighbourhood Centre processes and programs, some of which will continue as an improvement due to the positive outcomes that have been achieved.

- **Life Story Project** (a partnership with Positive Ageing and Inclusion program): this initiative ran from 2020 to 2022 where a book was delivered to community members in order for them to record their life memories, milestones, travel, sport, failures etc, with these stories then professionally bound by staff for their keepsake.
- **Virtual Reality Experiences** (Positive Ageing and Inclusion program): participants felt as if they were diving with schools of fish, colourful giant cuttlefish, friendly sealions, sea dragons and other divers. This virtual dive enabled them to experience and learn about South Australia's unique marine life without actually having to get into the water.

DIGITAL TRANSFORMATION PROGRAM

The Digital Transformation Program is on track with multiple projects implemented and others well underway. A combination of technology, people and processes are at the core of these projects as they are the foundation for future transformational change in the way we work with both the Council and wider community. We have transformed our interactive customer web portal as well as our finance and payroll systems which have improved our ability to manage our assets.

COVID-19 brought about smarter ways to work collaboratively for our staff while working remotely across a number of council buildings. Upgrades to our hardware, software programs and business processes has supported our staff to continue with core business regardless of their location.

Projects that have been implemented include:

- Online Payroll System
- Customer Relationship Management System – Salesforce
- Moved to Microsoft 365
- Device upgrades and management
- SharePoint to enable intelligent intranet
- Geographic information system transition to ESRI
- Unified communications
- Audio Visual access in meeting rooms and Council Chamber.

SMART CITIES

The Smart City of Marion Strategic Plan and Action Plan outlines a set of initiatives against the prioritised 4-year Business Plan projects and strategic objectives. It is aligned to the seven foundational principles and three smart pillars aimed to accelerate transformation to achieve the 'Innovative' Community Vision. The program set out to deliver projects against the three pillars:

Smart Community | Smart Organisation | Smart Places

The key areas of focus include:

- Digital Transformation (Smart Organisation)
- Data Management and Analysis (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)
- Circular Economy (Smart Community).

COASTAL MANAGEMENT PLAN

The 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 and includes regular inspections of the coastline using drones, capturing data on the shape of the sea floor and wave conditions, and modelling future sea levels.

Five new CoastSnap monitoring stations were installed between Hallett Cove and Marino as a citizen science initiative that engages the community in monitoring of coastal change. No new major risks or hazards were detected in the 2021 reporting period.



LGA AWARDS

The City of Marion Move It Program won the Leadership in Community Services and Development Award at the Local Government Professionals SA 21st Annual Leadership Awards Night.

The award recognises outstanding achievement and innovation in local government - congratulations to everyone involved with this outstanding initiative.

Funded through a Federal Government Better Ageing Grant, 'Move It' resulted in the delivery of unique, new and tailored opportunities to be physically active in key spaces across our community.

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.



Marion Coastal Walkway, Hallett Cove

STORMWATER MANAGEMENT

This year, our teams have completed a number of projects within the City of Marion to reduce flooding.

Renown Avenue, Clovelly Park – Capital Works Stormwater Drainage

- To alleviate flooding
- Installing four junction boxes, five side entry pits, 78 pipes (diameter 450mm) and 196 pipes (diameter 375mm) = 1,178m of new stormwater infrastructure
- Project finished under budget by \$10,547 = total project cost \$325,799.

Berrima Road, Sheidow Park – Stormwater Upgrade

- Upsizing of the stormwater crossing from 600mm diameter, reinforced concrete pipes to twin 1,200m x 600m reinforced concrete box culverts
- Significant rock armouring and gabion weirs were constructed
- Project cost \$755,000 .

Moreland Avenue, Mitchell Park – Permeable Paving Capital Works Project

- 490m² of pavers installed to replace existing dirt footpath
- Project cost \$84,257
- Permeable pavers allow stormwater to infiltrate through the footpath and reduces stormwater runoff into the street.

TRANSPORT PLAN

Council developed a Transport Plan in alignment with the City of Marion Community Vision with the aim to achieve the following:

- Better transport and movement across the city
- Improved conditions for all road users, pedestrians and cyclists
- Address the need for parking and accessibility
- Account for future modes of transport.

FOOTPATH AUDIT

Council has completed a condition audit of the entire footpath network within the City of Marion. The audit provided Council with an overall condition profile of the network and identified individual defects exceeding 10mm in height. The City of Marion's overall footpath network had less than 9 per cent of the network below the Council Service Level and was ranked amongst the better footpath networks in comparison to our adjacent councils. The audit identified a total of 1,845 individual defects exceeding 20mm in height, which is Council's intervention point. The individual defects served to drive Council's four-year pro-active maintenance program, such that the defects were prioritised based on pedestrian demand.

STREETSCAPES

Streetscape upgrades were completed on Sturt Road and Diagonal Road. These works have delivered improved amenity, and a greener and more walkable neighborhood. The upgrade included reconstruction of the existing footpath, extensive tree planting and landscaping including Water Sensitive Design (diverting stormwater flows into rain gardens).

LUCRETIA WETLAND

A stormwater detention basin in Hallett Cove completely evaporated over the summers of 2017 - 2018 and 2018 - 2019. The water depth, over the 50 years since the basins were created, slowly reduced, year by year, as the silt levels in the basin accumulated over time. We understand that the basin was originally constructed to capture the silt and to reduce erosive flows into the downstream Hallett Cove Conservation Park.

The residents in nearby proximity to the wetland canvassed Council to bring forward the timing of improvement works. So began a two year journey with residents, regulators, designers and Council. A collaborate, reiterate, design process resulted in Council fully funding the construction of a new wetland. The basin was emptied of silt, reshaped and relined to create a multiple use space, with a sediment basin and Gross Pollutant Trap being installed ensuring the site is safe and easy to maintain into the future.

The site has now been landscaped and revegetation has commenced. Over the coming years, additional planting will occur to make the site look natural and welcoming. The ducks and other birds have now returned to the new wetlands.

COVID-19 RESPONSE CUSTOMER EXPERIENCE

The City of Marion has continued to consistently deliver services to the community during times of COVID-19. Challenges have been overcome with the implementation of a number of new processes, some of which will continue as improvement due to the positive outcomes that have been achieved.

With assistance of technology improvements, council has implemented 3CX, a web and cloud-based Contact Centre which enables the Customer Service Team to work from home when required. This has successfully increased productivity and ensured a consistent delivery of service to our customers. It has also paved the way for a more flexible working environment and improved the work-life balance for a traditionally onsite work area.

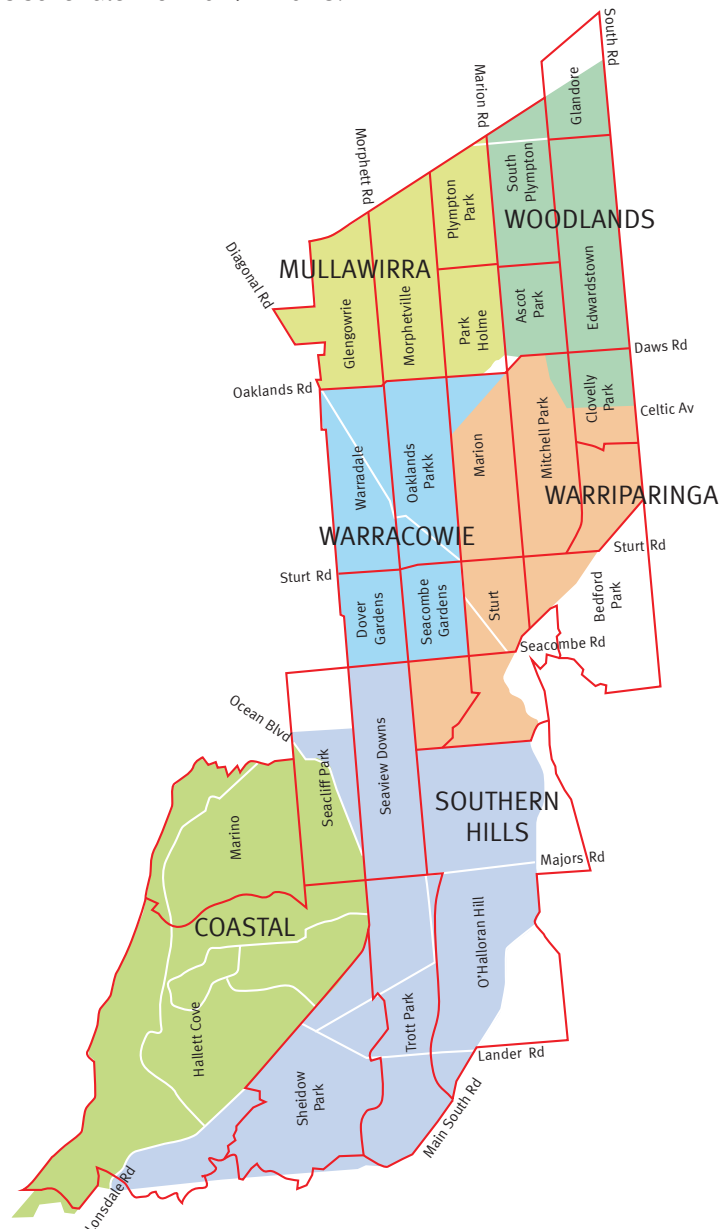


City of Marion Administration Centre, Sturt

COUNCIL AREA AND WARD BOUNDARIES

The Council comprises an elected Mayor and 12 Councillors. Our city has 28 suburbs, covered by six wards - each ward is represented by two Councillors. In the City of Marion, one Council Member represents an average of 5,529 voters. This is known as a representation quota. This quota is formulated by the Electoral Commission of South Australia which provides a table of Representation Quotas for all South Australian councils.

Every eight years, councils are required to undertake a Representation Review to ensure that each ward is fairly represented by the appropriate number of Councillors. The outcomes of the review determine whether a council community would benefit from a change to Council's composition or ward structure. Chapter 3 of the *Local Government Act 1999* (the Act) sets out the requirements for a Representation Review. In accordance with this legislation, the City of Marion's next review is scheduled for 2027 - 2028.



REPRESENTATION QUOTAS

The data on the right represents a comparison between the City of Marion and other councils that have a combination of 12 Council Members or are similar in size.

Council Name	Number of voters per Council Member
Marion	1:5529
Holdfast Bay	1:2362
Tea Tree Gully	1:6137
Onkaparinga	1:10648

CITY OF MARION COUNCIL MEMBERS



MAYOR

Kris Hanna

Review and Selection Committee

Asset and Sustainability Committee

Planning and Development Committee

Coastal Ward

Marino, Seacliff Park (part), Hallett Cove



COUNCILLOR

Ian Crossland

July '21 – June '22 Asset and Sustainability Committee



COUNCILLOR

Tim Gard

July '21 – June '22 Asset and Sustainability Committee

July '21 – Nov '21 Review and Selection Committee

Mullawirra Ward

Glengowrie, Morphetville, Park Holme, Plympton Park



COUNCILLOR

Kendra Clancy

July '21 – June '22 Planning and Development Committee

July '21 – June '22 Council Assessment Panel



COUNCILLOR

Jason Veliskou

July '21 – June '22 Planning and Development Committee

Southern Hills Ward

Seaview Downs, O'Halloran Hill (part), Trott Park, Sheidow Park (Part), Seacliff Park (part)



COUNCILLOR

Maggie Duncan

July '21 – June '22 Review and Selection Committee

July '21 – June '22 Finance, Risk and Audit Committee



COUNCILLOR

Matthew Shilling

July '21 – November '21 Asset and Sustainability Committee

November '21 – June '22 Review and Selection Committee

Warracowie Ward

Warradale, Oaklands Park, Dover Gardens, Seacombe Gardens, Marion (part)



COUNCILLOR

Bruce Hull

July '21 – June '22 Asset and Sustainability Committee



COUNCILLOR

Nathan Prior

July '21 – June '22 Asset and Sustainability Committee

Warriparinga Ward

Marion (Part) Mitchell Park (Part), Sturt, Bedford Park (Part), Clovelly Park (Part), Seacombe Heights, Darlington (Part), Tonsley



COUNCILLOR

Luke Hutchinson

July '21 – June '22 Deputy Mayor

July '21 – June '22 Planning and Development Committee



COUNCILLOR

Raelene Telfer

July '21 – June '22 Planning and Development Committee

July '21 – June '22 Council Assessment Panel

Woodlands Ward

South Plympton, Glandore (Part), Ascot Park, Edwardstown, Mitchell Park (Part), Clovelly Park (Part)



COUNCILLOR

Dr Joseph Masika OAM

July '21 – June '22 Planning and Development Committee



COUNCILLOR

Sasha Mason

July '21 – June '22 Planning and Development Committee
Resigned 14 June 2022

CITY OF MARION CHIEF EXECUTIVE OFFICER AND GENERAL MANAGERS



Chief Executive Officer

Tony Harrison

July '21 - June '22

Office of the Chief Executive Officer,
People and Culture, City Services,
City Development, Corporate Services



General Manager Corporate Services

Sorana Dinmore

July '21 – June '22

Finance, Information Services,
Strategic Procurement,
Customer Experience,
Data Cross Council



General Manager City Development

Ilia Houridis

July '21 – February '22

City Property, Development
and Regulatory Services,
City Activation, Urban Renewal



General Manager City Services

Ben Keen

May '22 – June '22

Engineering Assets and
Environment, Operations,
Community Connections



General Manager City Development

Tony Lines

July '21 – February '22
(General Manager
City Services)

February '22 – June '22
(General Manager
City Development)

City Property, Development
and Regulatory Services,
City Activation, Urban Renewal

The above information is reflective of staff vacancies throughout the 2021 - 2022 financial year.

COUNCIL MEMBERS

Every four years a Local Government Election is held. Members of our community nominate themselves to be considered for the position of Council Member within the City of Marion. Council Members represent their community for a four year term. During the 2021 - 2022 financial year, the City of Marion Council Members were in their third and fourth year of the current term.

The fundamental role of a Council Member is to deliver upon the expectations of the local and wider community while acting in accordance with *Local Government Act 1999*. The Act provides the legislative framework and ambit of responsibilities for all Council Members, whether it be as an individual or as part of the decision-making body of Council.

Council Members have regular commitments for attendance at Council and Committee Meetings and must attend in accordance with legislative requirements. Information sessions are also frequent, mainly in the form of Council Member Forums.

The schedule below is a record of attendance for our City of Marion Council Members.

	General Council	Special Council	Finance, Risk and Audit	Review and Selection	Asset and Sustainability	Planning and Development	Council Assessment Panel	Information session
Number of Meetings	18	2	6	7	5	5	11	15
Mayor Kris Hanna	18/18	2/2	-	7/7	3/5	5/5	-	15/15
Councillor Ian Crossland	18/18	2/2	-	-	5/5	-	-	14/15
Councillor Tim Gard	16/18	2/2	-	3/7*-	2/5*	-	-	10/15
Councillor Kendra Clancy	18/18	2/2	-	-	-	5/5	1/11*	13/15
Councillor Jason Veliskou	18/18	2/2	-	-	-	5/5	-	15/15
Councillor Maggie Duncan	18/18	2/2	6/6	6/7	-	-	-	14/15
Councillor Matthew Shilling	18/18	2/2	-	4/7*	3/5*	-	-	13/15
Councillor Bruce Hull	18/18	2/2	-	-	5/5	-	-	15/15
Councillor Nathan Prior	18/18	2/2	-	-	5/5	-	-	14/15
Councillor Luke Hutchinson	16/18	2/2	-	-	-	4/5	-	7/15
Councillor Raelene Telfer	18/18	2/2	-	-	-	5/5	10/11	14/15
Councillor Joseph Masika	17/18	2/2	-	-	-	1/5	-	8/15
Councillor Sasha Mason	13/18	1/2	-	-	-	3/5	-	8/15

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

** Was not a member of this committee for the full 2021 - 2022 financial year*



COUNCIL MEMBER ALLOWANCES

Council Members are entitled to an allowance whilst representing their community. *The Local Government Act 1999* sets out the council member entitlement to an allowance. The Remuneration Tribunal of SA determines council member allowances on a four yearly basis, with an adjustment occurring on the first, second and third anniversaries of the periodic election to reflect the changes in CPI. The amounts applied in November 2021 were:

	Remuneration from November 2021
Mayor	\$88,648 per year
Deputy Mayor	\$27,702 per year
Council Member	\$22,162 per year

COUNCIL MEMBER TRAINING AND DEVELOPMENT

In accordance with the Council Members Allowances and Benefits Policy, Council Members are provided the opportunity to register and attend further training as necessary for the fulfillment of their role. Certain circumstances require that Council Members are reimbursed for out of pocket expenses in relation to attendance at Training and Development events.

On occasions, Council Members are also nominated and required to travel to represent the City of Marion as a delegate at interstate events. All costs associated with training and development or Council delegate activities are recorded in the Elected Member Expense Register which is published on the City of Marion website. The table below summarises expenses for Delegate Activities and Training and Development during the 2021 - 2022 financial year.

COUNCIL MEMBER GIFTS AND BENEFITS

Council Members in South Australia have a commitment to serve the best interests of the people within the community they represent and to discharge their duties conscientiously, to the best of their ability for public, not private, benefit at all times. As representatives of open, responsive and accountable government, Council members must comply with all legislative requirements of their role and abide by a Code of Conduct. This Code of Conduct requires Council Members to report any gift or benefit they receive in their capacity as a Council Member over the threshold of \$100 as gazetted.

The City of Marion Council Members received four gifts varying in value from \$40 to \$100. The total value of the four gifts was \$245 and on four occasions, Members chose to keep these gifts. Further information can be viewed on the Gift and Benefit Register on the City of Marion website.

	Ethics Training	Social Media Training	ICAC - Internal Investigations Concepts	ICAC and Ombudsman Act Training	ALGA Conference 2022	Accommodation	Taxi/Transport	Incidentals
Mayor Hanna		Y		Y				
Councillor Clancy	Y	Y		Y	\$1,058	\$570	\$394	
Councillor Crossland		Y		Y				
Councillor Duncan		Y		Y				
Councillor Gard		Y		Y				
Councillor Hull		Y	Y	Y				
Councillor Hutchinson		Y			\$1,058	\$570	\$422	\$99
Councillor Masika		Y						
Councillor Mason								
Councillor Prior		Y		Y				
Councillor Shilling		Y		Y				
Councillor Telfer	Y	Y		Y				
Councillor Veliskou		Y		Y				

COUNCIL MEETINGS

INFORMATION SESSION

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

- Information sessions are open to the public whenever possible
- Decisions to hold information sessions 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 information session in confidence, the reason for this decision is briefly stated on the website and reported upon via the Annual Report process.

On 16 occasions the Chief Executive Officer ordered an allocation of time for discussions that were subject to confidentiality under section 90A(4) of the *Local Government Act 1999*.

The below information outlines when additional confidentiality provisions were applied:

- 20 July 2021 Edwardstown Urban Renewal - 90(8) planning session of a general or strategic
- 20 July 2021 Darlington - Laffers Triangle 90(8) planning session of a general or strategic and 90 (2) 3(b) (i) and (ii)
- 31 August 2021 Unfunded projects 90 (2) 3(b) (i) and (ii) - commercial information
- 9 November 2021 Cleanaway Waste Collection Update 90(3)(b) (i) and (ii) - commercial information
- 16 November 2021 Priorities for Annual Business Plan 2022 - 2023 d 90(3)(b) (i) and (ii) - commercial information
- 29 January 2022 Draft Annual Business Plan 2022 - 2023 and Long Term Financial Plan 90(3)(b) (i) and (ii) - commercial information
- 29 January 2022 Edwardstown Development Site 90(3)(b) (i) and (ii) - commercial information
- 22 March 2022 COVID-19 - Verbal Update 90(3)(a) and (i) - personal affairs
- 29 March 2022 Draft Annual Business Plan 2022 - 2023 and Long Term Financial Plan - d 90(3) (b)(i) and (ii) - commercial information
- 17 May 2022 Unfunded projects 90(3)(b)(i) and (ii) - commercial information
- 17 May 2022 CoMPAS Project Update 90(3)(b)(i) and (ii) - commercial information
- 17 May 2022 Tarnham Road Rescope 90(3)(d)(i) and (ii) and (k) - commercial information

- 17 May 2022 SWBMX Track Update - Verbal Update 90(3)(b)(i) and (ii) - commercial information
- 17 May 2022 Coastal Walkway Project - Verbal Update d 90(3)(d)(i) and (ii) and (k) - commercial information
- 31 May 2022 Review of Unfunded Initiatives 90(3) (b)(i) and (ii) - commercial information
- 21 June 2022 CoMPAS Project Update 90(3)(b)(i) and (ii) - commercial information.

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 2021 – 30 June 2022, Council's formal decision-making and Committee structure comprised:

- General Council
- Finance, Risk and Audit Committee
- Review and Selection Committee
- Council Assessment Panel
- Asset and Sustainability Committee
- Planning and Development Committee.

All meetings are open to the public. Documentation for each meeting (notice of meeting, agenda with reports, attachments and minutes) are available via Council's Administration Building, the City of Marion website and libraries. Hard copies are also available at the specific meeting.

COUNCIL MEETINGS

The *Local Government Act 1999* sets the legislative framework for legal and transparent decision-making by Council. Council meetings are the the formal decision making arena for Council Members where it is decided what the future operational direction and commitments of council will be. Council meetings are held on the second and/or fourth Tuesday of the month, with special meetings called when required. The majority of meetings are chaired by our Mayor. Meetings follow an agenda, formal minutes are taken and meetings are recorded. Agendas, minutes and recordings are available on the City of Marion website. It is a legislative requirement that Council Members attend.

RESOLUTIONS OF GENERAL COUNCIL

A 'resolution' is a legal decision formed by a majority vote within a formally constituted meeting of Council. During the 2021 - 2022 financial year, 356 resolutions were made by Council resulting from 136 corporate reports seeking a decision.

The community made deputations on the following topics:

- Marion Cultural Centre Plaza Plan (September '21)
- Section 270 Review – De Laine Avenue (October '21)
- Culinary Escapades Pty Ltd Lease at the Marion Cultural Centre (October '21)
- Mitchell Street Parking (May '22)
- Marion Arena Proposal (June '22).

Petitions were received on the following matters:

- Vehicle Parking and Access - Mitchell Street, Glengowrie (October '21)
- Marion Arena Proposal (June '22).

The following Workshops/Presentations were held in Council meetings:

- Presentation - Local Government Reforms (August '21)
- Workshop - Public Submissions on the Draft Annual Business Plan 2022 - 2023 (May '22).

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 2021 - 2022 council received four formal requests to conduct an internal review of decisions of Council. The complaints related to the following:

- Oakleigh Road, Installation of Pram Ramps (completed in 2022 - 2023)
- De Laine Avenue, Driveway Link
- Spinnaker Circuit, Public Consultation process
- Coastal Walkway, public consultation process (currently on hold).

STAFF GIFTS AND BENEFITS

In response to Clause 2.21 of the Code of Conduct for Council Employees, adopted for the purposes of Section 110 (1) of the *Local Government Act 1999*, Council has adopted a Code of Expected Behaviours for staff which outlines that staff are not to accept gifts, benefits or

favours that may influence or be reasonably seen to influence their decision-making. All council employees who receive a gift or benefit are required to record it within the gifts and benefits register which is made publicly available at the Council Office and updated quarterly on the City of Marion webpage.

During the 2021 - 2022 financial year, staff received and reported six gifts over the value of \$50. The total value of the six gifts was approximately \$470. On three occasions, these gifts were shared amongst a team. A staff member was also gifted a complimentary ticket to a Networking Conference as the staff member was a guest speaker at the event. The approximate value of the ticket was \$440. Further gifts were received by staff with a value below the threshold and are still identified on the gift and benefit register.

CONFIDENTIAL ITEMS

The City of Marion is committed to the principle of open, accountable and transparent decision-making while acknowledging that, on occasions, it may be necessary to withhold access to information in accordance with the *Local Government Act 1999*. Council is accountable to the public which is the underlying principle when administering confidential information. The *Local Government Act 1999* regulates how Council can treat this information and only certain circumstances evoke the appropriate use of confidential orders. During the 2021 - 2022 financial year, Council (including committees) considered 78 reports in confidence in accordance with the *Local Government Act 1999*.

Section 90 Local Government Act 1999

When Council identifies a need to withhold access to information from the public or 'go into confidence', they also need to determine the reason and apply the corresponding clause as outlined in section 90 of the *Local Government Act 1999*. On occasions, more than one clause can apply to an item. During the 2021 - 2022 financial year, these clauses were used on 94 occasions to create confidential orders. The large table on the following page provides further detailed information about Council's use of various sections of the Act.

Section 91 Local Government Act 1999

Each time a confidential order is made, it is added to a confidential register which includes the date and subject of each item. The register is made available to the public in December of each year, by way of a Council report and attachments. This Council report is prepared for the purpose of a rigorous review of confidential orders to be undertaken in accordance with the Act. This includes the review of confidential orders made at General Council and Committee meetings. The review identifies items for full release, part release as well as items that will be retained in confidence and reviewed the following year. The small table on the following page identifies the outcome of the review undertaken in December 2021.

Section 90 *Local Government Act 1999*

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 the unreasonable disclosure of information concerning the personal affairs of any person (living or dead) 	19
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; and would, on balance, be contrary to the public interest 	20
3(c)	<ul style="list-style-type: none"> information the disclosure of which would 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; and would, on balance, be contrary to the public interest 	29
3(e)	<ul style="list-style-type: none"> matters affecting the security of the council, members or employees of the council, or council property, or the safety of any person 	6
3(f)	<ul style="list-style-type: none"> could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial 	0
3(g)	<ul style="list-style-type: none"> matters that must be considered in confidence in order to ensure that the council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty 	4
3(h)	<ul style="list-style-type: none"> legal advice 	6
3(i)	<ul style="list-style-type: none"> information relating to actual litigation, or litigation that the council or council committee believes on reasonable grounds will take place, involving the council or an employee of the council 	0
3(j) (i) and (ii)	<ul style="list-style-type: none"> would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); and would, on balance, be contrary to the public interest 	0
3(k)	<ul style="list-style-type: none"> tenders for the supply of goods, the provision of services or the carrying out of works. 	6
3(m)	<ul style="list-style-type: none"> relating to a proposal to prepare or amend a designated instrument under Part 5 Division 2 of the <i>Planning, Development and Infrastructure Act 2016</i> before the draft instrument or amendment is released for public consultation under that Act 	4
3(n)	<ul style="list-style-type: none"> information relevant to the review of a determination of a council under the <i>Freedom of Information Act 1991 (SA)</i> 	0
3(o)	<ul style="list-style-type: none"> information relating to a proposed award recipient before the presentation of the award. 	0

Section 91 *Local Government Act 1999*

Relevant placita of <i>Local Government Act (SA) 1999</i>	Explanation	Number of times used
91(7)	<ul style="list-style-type: none"> orders made in 2021 – 2022 under section 91(7) 	78
	<ul style="list-style-type: none"> orders made under section 91(7) that expired, ceased to apply or were revoked during the financial year 	14
	<ul style="list-style-type: none"> orders made under section 91(7) that remained operative at the end of the financial year (not including orders made before 15 November 2010). 	220

COUNCIL COMMITTEES

The *Local Government Act 1999* 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 oversee and provide advice to assist the Council in the performance of its core functions.

The City of Marion has four committees, all of which have a specific purpose. The committees are made up of Council Members, Independent Members and council staff. Each committee convenes at various intervals throughout each year to coincide with key decisions that need to be made by Council.

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 during their time on that committee (Council Assessment Panel has different allowance).

REVIEW AND SELECTION COMMITTEE - FUNCTION

The Review and Selection Committee was 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
- 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.

The Review and Selection Committee met on three occasions during the 2021 - 2022 financial year.

FINANCE, RISK AND AUDIT COMMITTEE - FUNCTION

The Finance Risk and Audit Committee was established for the purpose of:

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

The Finance and Audit Committee met on five occasions during the 2021 - 2022 financial year. Sitting fees per meeting are Chairperson \$1,200 and Independent Members \$1,000.

ASSET AND SUSTAINABILITY COMMITTEE - FUNCTION

The Asset and Sustainability Committee was 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.

The Asset and Sustainability Committee met on four occasions during the 2021 - 2022 financial year.

PLANNING AND DEVELOPMENT COMMITTEE - FUNCTION

The Planning and Development Committee was 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.

The Planning and Development Committee met on five occasions during the 2021 - 2022 financial year.

COUNCIL ASSESSMENT PANEL - FUNCTION

The Council Assessment Panel (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 11 occasions during the financial year and considered a total of 25 applications.

The Presiding Member received \$500 per meeting; Independent Members \$400 per meeting; and Council Members \$200 per meeting.

INDEPENDENT MEMBER ATTENDANCE AT MEETINGS

The Review and Selection, Planning and Development and Asset and Sustainability committees do not have external members appointed. The following table identifies external members appointed to a committee and their attendance at meetings throughout the financial year.

Name of Committee Member (including special meetings)	Finance, Risk and Audit (FRAC)	Council Assessment Panel CAP)
Total number of meetings	(6)	14 meetings scheduled 11 meetings held
Terry Mosel (Chair - CAP July '21-June '22)	-	10/11
Benjamin Russ ** (CAP July '21-June '22)	-	1/11
Bryn Adams (CAP July '21-June '22)	-	9/11
Yvonne Svensson (CAP July '21-June '22)	-	11/11
Michael Davis (CAP July '21-June '22)	-	11/11
Raelene Telfer (CAP July '21-June '22)	-	10/11
Kendra Clancy ** (CAP July '21-June '22)	-	1/11
Emma Hinchey (FRAC July '21-June '22)	6/6	-
David Papa (FRAC July '21-June '22)	6/6	-
Nicole Rantanen (FRAC July '21-June '22)	6/6	-

** Stand in Member



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 2021 - 2022 FINANCIAL YEAR

The total value of applications receiving approval in the 2021 - 2022 financial year equated to approximately \$240.9m, of which \$230.5m was approved under the *Planning, Development and Infrastructure Act 2016* and \$10.4 m under the *Development Act 1993*.

The two largest approvals were for a \$13m upgrade to sporting facilities and classrooms at Sacred Heart College, and a \$5m development for alterations and additions, including a pre-school at Sunrise Christian School.

A total of 441 applications were approved for new dwellings and 157 for dwelling additions, along with 734 approvals for class 10 structures (sheds, pool, verandahs etc).

In relation to non-residential development the following applications received approval; seven offices, one workshop, five warehouses, nine civic buildings and 38 shops or additions.

There were 1,359 development approvals granted under the *Planning, Development and Infrastructure Act 2016* and an additional 33 granted under the *Development Act 1993*, totalling 1,392 development approvals. This is less than previous years as expected due to regulation changes, of particular note is that demolition of the entirety of a building does not require development approval.

NUMBER OF BUILDING CONSENTS AND VALUES[1]*

2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
1789	1771	1734	1636	1758	1392
\$180.5m	\$221m	\$227m	\$195.7m	\$286.7m	\$240.9m

**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.*

CODE AMENDMENTS

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

Council has initiated four Code Amendments:

URBAN CORRIDOR – MARION ROAD

On 14 September 2021, Council endorsed the 'Urban Corridor Marion Road - Code Amendment - Proposal to Initiate' which sought to investigate an appropriate zone and policy changes. The aim was to enable the creation of an Urban Corridor type zone (similar to that proposed in the Housing Diversity DPA) along relevant sections of Marion Road. The document was subsequently forwarded to the Minister for Planning for consideration.

At its General Meeting of 14 December 2021, Council resolved to request that the Minister for Planning place the Proposal to Initiate for the Urban Corridor - Marion Road Code Amendment, 'on hold', whilst Council undertook further analysis. On 16 December 2021, the Department advised that the Proposal to Initiate would be placed on hold until further advised by Council.

Council undertook further analysis and concluded that the Urban Corridor Zone was no longer an appropriate zone for Marion Road. Council considered the following:

- existing land use and the likelihood for development
- traffic volumes and the impact as a result of an increase.

An amendment is proposed for the document whereby only parts of the residential zoning would be rezoned allowing for greater flexibility with Lot sizes and mixed use if there is demand.

SOUTHERN SUBURBS RESIDENTIAL POLICY

On 14 September 2021, Council endorsed the 'Southern Suburbs Residential Policy - Code Amendment - Proposal to Initiate' and subsequently forwarded the document to the Minister for Planning for consideration. On 11 February 2022, the Minister approved the Proposal to Initiate allowing Council to undertake a Code Amendment process.

Council's aim is for the rezoned Southern Neighbourhood Zone to be transitioned to the Hills Neighbourhood Zone and that one set of slope-related policies are used throughout the zone. This will provide opportunities for development to occur in appropriate locations, particularly on gentle sloping sites. The Code Amendment document is being prepared for Community consultation purposes.

LAND MANAGEMENT

CENTRE ZONES

The Code Amendment seeks to address a variety of outstanding matters/irregularities associated with a few small-scale shopping centre sites where the spatial location and/or policy does not effectively support the land use or where there is potential to improve future site viability.

At the 24 May 2022 General Council Meeting, Council endorsed the 'Proposal to Initiate' documentation for the Code Amendment and subsequently forwarded it to the Minister for Planning for consideration/approval.

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.

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, 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.

At the 24 August 2021 General Council Meeting, Council endorsed the 'Proposal to Initiate' documentation for the Code Amendment and subsequently forwarded it to the Minister for Planning for consideration. On 25 October 2021, the Minister approved the Proposal to Initiate.

Following further analysis of the proposed Code Amendment, on 22 March 2022, Council resolved to increase the area to be rezoned to allow potential for a more consistent and integrated built form and streetscape within the adjoining area and particularly along the western end of Bray Street.

The Minister's approval has been sought for the proposed expansion to the area affected by the proposed rezoning. After the creation of the residential allotment, the balance of the reserve will revert to community land.

PREPARATION OR FINALISATION OF ANY MANAGEMENT PLANS FOR COMMUNITY LAND

Council has ten General Community Land Management Plans which cover Operating Assets, Commercial Assets, Community Facilities, Sporting Facilities and Council Reserves. Council adopted an individual Community Land Management Plan on 28 June 2022 for the Marion Arena at 262A Sturt Road Marion. At the same meeting, Council also endorsed the amendment to the Community Land Management Plan 6 – Principal Sporting or Recreational Facilities by removing the proposed Marion Arena site from this management plan.

Council revoked the Community Land classification over the whole of the land in Certificate of Title Volume 3776 Folio 21 which is a portion of the Kenton Avenue Reserve in Oaklands Park. This revocation will allow a land division to be completed and a portion of the reserve to be transferred to Westminster School. The balance of the reserve will have its Community Land classification restored following completion of the land division and transfer. It is intended that the General Community Land Management Plans will be reviewed and updated in the course of the 2022 - 2023 financial year.

REGIONAL SUBSIDIARIES

Council has the ability to join one or more councils to establish a regional subsidiary to provide a specified service or to manage and 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:

Council	Total %
City of Marion	30
City of Holdfast Bay	15
City of Onkaparinga	55

GOVERNANCE

The *Local Government Act 1999* provides the legislative framework for legal and transparent decision making. The term 'governance' incorporates practices and procedures that set the benchmark for informed decision-making and the way we conduct council business.

The reporting obligations under the *Local Government Act 1999* are a major part of the Governance function at council. We are required to keep several registers which are a collation of information that is to be made available to the public. A list of registers is below and full registers can be viewed either via the City of Marion website or, in accordance with the Fees and Charges schedule, some registers can also be provided in hard copy from Customer Service.

LOCAL GOVERNMENT ACT 1999 - REGISTERS

- Register of Interests – Council Members
- Register of allowances and benefits – Council Members
- Register of salaries and benefits - Employees
- Register of gifts and benefits – Employees
- Register of Community Land
- Register of Public Roads
- Register of by-laws.

LOCAL GOVERNMENT ACT 1999 - CODES

- Code of Conduct – Council Members
- Code of Conduct – Employees
- Code of Practice - Investigating Complaints
- Access to meetings and documents – code of practice
- Procedures at meetings – code of practice (adopted by Council for Council Members)
- Local Government (Procedures at Meetings) Regulations 2013.

FREEDOM OF INFORMATION

The *South Australian Freedom of Information Act 1991* (FOI Act) gives opportunity for the public to access documents held by council, subject to restrictions as outlined in the FOI Act. These legislative requirements provide further transparency and therefore accountability for our management of various records.

The City of Marion website provides a statement and information regarding the process to follow when requesting such documentation. There are fees and charges associated with submitting and consequently having your FOI application processed. Each year the fees and charges are updated in accordance with consumer price indexation as outlined in the Government Gazette. In some cases, the cost can be large, therefore prior to submitting an application it is important to check whether the information is already publicly available via an alternative means.

Council is required to publish statistical information in our Annual Report each financial year to summarise the number of times that documents have been made publicly available via the FOI process.

Number of applications received	15
Still in progress as of 30 June 2022 (of the 15 received)	3
How were these applications treated	
Withdrawn by applicant	3
Determined by council	12
How council released the documents	
Full release of documents	3
Partial release of documents	8
No documents found	1
Refused released of documents	0
Internal review (Decision confirmed)	0

SENIOR EXECUTIVE OFFICER INFORMATION

The City of Marion had three General Managers in addition to a Chief Executive Officer throughout the 2021 – 2022 financial year. The salary packages included 10 per cent superannuation and the option for the use of a motor vehicle which allowed for private use within South Australia on a salary sacrifice basis. Available benefits for each General Manager include the reimbursement of telephone expenses and the payment of memberships to professional bodies. No additional bonuses were payable.

Position	Female	Male	Salary Range
Chief Executive Officer		1	\$298,000
General Managers	1	2	\$229,167 - \$250,000

PROCUREMENT

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
- Provide for ethical and fair treatment of participants
- Ensure probity, accountability and transparency in procurement operations.

Council has not commenced or ceased any significant business activities controlled by council during the reporting period.

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 32 open market tenders to support the delivery of goods, services and works for the City of Marion and its residents.

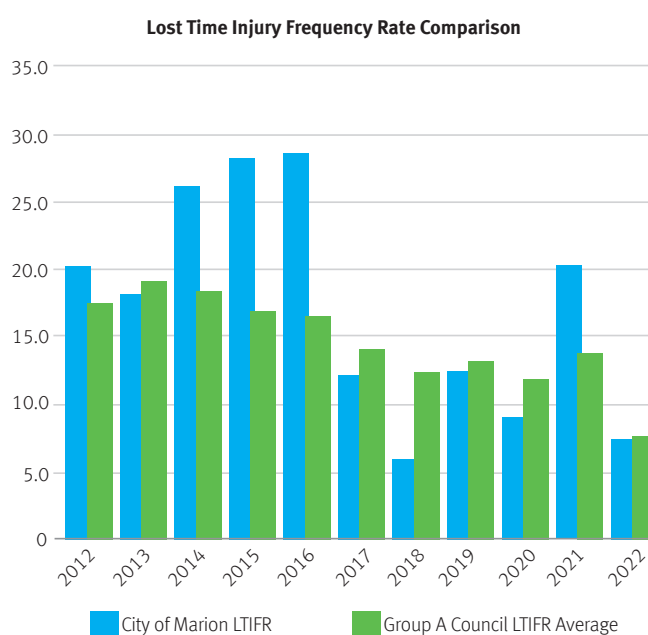
WORK HEALTH AND SAFETY

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 - 2023 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 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 7.4 in 2021 - 2022 which represents a 63 per cent decrease over 2020 - 2021 and exceeded the KPI of 10 per cent reduction on the LTIFR from the previous year. This demonstrates council's commitment to putting the community and safety at the forefront of everything we do.

LTIFR COMPARED AGAINST GROUP A COUNCILS



PEOPLE AND CULTURE

The City of Marion had 387 full-time equivalent staff as at 30 June 2022. The following people initiatives/programs were delivered:

EMPLOYMENT PATHWAYS INITIATIVES

Marion Council's Gap Year Program for Year 12 school leavers provides opportunities for youth in the City of Marion. It is an initiative designed to provide unique, extended and valuable work experience to students from local secondary schools. Recruited to work in council, Year 12 school leavers are provided a variety of work experience over a year of paid employment, in both the administrative and outside workforces doing real work and contributing to community outcomes.

By the end of 2022 eleven young people will have successfully completed the GAP Year Program since it was initiated in 2017. Feedback from GAP Year Program participants overwhelmingly indicates that the program has provided multiple opportunities to develop specific skills, gain a better understanding of business disciplines and functions, and develop self-confidence in a professional setting.

Three participants have been successful in gaining employment at the City of Marion. Endorsement from Council was received to continue with the program until the end of 2023.

EMPLOYEE INTERSTATE TRAVEL

Position	Reason	Travel and accommodation	Gifts
Fleet Manager	Attend conference (1/3 share)	\$285	\$0
Unit Manager Open Space	Attend conference	\$699	\$0
General Manager Corporate Services	Attend conference	\$471	\$0

DIVERSITY AND INCLUSION TRAINEESHIP PROGRAM

This program is in the 4th year of implementation and won a Local Government Professionals Excellence Award in 2021. The program is an initiative developed to foster a diverse, inclusive and multi-skilled workforce. Each participant undertakes a certificate qualification that is completed during their 12-month placement with the City of Marion, thus providing learning and employment pathway opportunities for young people from diverse backgrounds.

The Diversity and Inclusion Traineeship Program targets three key areas:

- Aboriginal and Torres Strait Islander;
- Culturally and Linguistically Diverse; and
- Disability.

Each trainee gains valuable work experience and confidence. They contribute to council projects, priorities, and outcomes, and develop key transferable skills in a supported environment. The success of the program is evident in our trainees gaining employment with a variety of organisations following the completion of their traineeships.

GRADUATE PROGRAM

This is an organic program targeted at soon-to-be and recent university graduates. Its objectives are to attract innovative skilled potential leaders into the organisation and to develop the perception among graduates that the City of Marion is a highly viable employment option. The program will include Student placements of 150 hours (10-12 weeks part-time) as part of a student's final year of study.

Feedback from students having undertaken recent placements include their amazement at the variety of professional work undertaken at the City of Marion and the potential opportunities available to graduates within local government. Having a successful Graduate Program will help build City of Marion's reputation as an employer of choice with young highly skilled talent.



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.

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 DAIP actions were successfully delivered during 2021 - 2022.

VOLUNTEER PROGRAM

Our volunteer program provides a diverse group of volunteers with opportunities to realise a positive contribution to our community. During 2021 - 2022 our City of Marion volunteers contributed an impressive 38,848 hours of their time to the community, a remarkable 56 per cent increase from the previous year. Urban Warriors and Open Spaces are two new programs. A regular intake of new volunteers over the year has resulted in 364 passionate and committed people volunteering their time to support the City of Marion community. The results from the Annual Volunteer Survey are highly encouraging:

- 90.5 per cent of volunteers agree they were satisfied with their volunteer role and experience
- 98.5 per cent of volunteers believe their contributions make a difference
- 97.2 per cent feel happier after volunteering
- 85 per cent are satisfied with the coordination, support and communication provided by the City of Marion Volunteer Coordinator.

The City of Marion continues to work to ensure the Volunteer Program keeps developing and has a positive impact on those participating in the program and the broader community.

LEARNING AND DEVELOPMENT

Our new leadership offering is the Marion Accelerate Program (MAP), launched in February 2022 in partnership with Uni SA. This program provides relevant, contemporary and research-based content for the 12 participants to apply what they learn in the workplace and credit toward further study pathways. We have continued our 'Emerging Leader in the Field' program in Operations. Also, 13 employees are enrolled in accredited leadership and project management programs in Open Space and Civil. Our Local Government Management Challenge Team, the 'Super Marion Bros', competed in May 2022 against 11 councils and placed second. The Corporate training program has also included a focus on digital literacy.

RECONCILIATION ACTION PLAN

The City of Marion continues to deliver the 2019 - 2023 Reconciliation Action Plan (RAP). The RAP includes significant, tangible and meaningful actions and activities that an organisation and community can achieve together to advance reconciliation. The City of Marion has been a committed RAP organisation since becoming one of the first South Australian councils to adopt a RAP in 2013. We are proud to have delivered 71 RAP actions during 2021 - 2022. Highlights from the 2021 - 2022 RAP implementation include:

- Delivery of a booked out National Reconciliation Week and National Aboriginal and Islanders Day Observance Committee (NAIDOC) Week program of community events
- Continued delivery of our Aboriginal and Torres Strait Islander Traineeship program. Our current candidate is undertaking a Certificate III in Horticulture within the City of Marion
- Coordination of reconciliation communications and RAP branding
- Strong relationship between City of Marion and First Nations business operator at the Living Kurna Cultural Centre
- Employee engagement with state government
- Aboriginal Heritage and Legislative Awareness sessions.



RECONCILIATION

COMMUNITY SAFETY

LOCAL NUISANCE AND LITTER CONTROL

The provisions of the *Local Nuisance and Litter Control Act 2016* (SA) came into operation on 1 July 2017.

The Act regulates council's management of nuisance and litter-related complaints. In addition, council must publish the details of various complaints received from the community within the 2021 - 2022 financial year.

During the 2021 - 2022 financial year, the City of Marion received 1,046 local nuisance complaints, which is a 44 per cent increase on the previous financial year being 723 complaints.

The table below identifies the nature of complaints received within the 2021 - 2022 financial year in accordance with section 5 of the Local Nuisance and Litter Control Regulations.

Nuisance Type	Number of complaints	Offences expiated	Offences prosecuted	Abatement notices issued	Applications by the council to the Court for orders for civil penalties under section 34	Other functions performed - S18 exemptions
Smoke	156	0	0	0	0	0
Noise	155	1	0	0	0	11
Odour	76	0	0	0	0	0
Animal	53	0	0	1	0	0
Dust	73	0	0	0	0	0
Unsightly	169	0	0	6	0	0
Littering	364	6	1	0	0	0
Totals	1,046	7	1	7	0	11

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's Register of By-Laws can be found via the City of Marion website.

Council investigated 138 complaints about the by-laws. The nature of complaints received are displayed below:

Type of complaint/investigation	Number
Temporary signs and banners	34
Sale of produce	3
Activities on council land	21
Exceeding number of dogs	3
Exceeding number of cats	24
Miniskip and container permits	20
Complaints on council land	33
Total	138

Council's Authorised Officers issued three expiations for breaches under the by-laws as per the table below:

Expiation type	Number
Keep more than permitted dogs	1
Comply with removal notice	2
Total	3

Council can also receive applications from residents requesting to keep additional dogs and cats. The number of applications that we assessed is reflected in the table below:

Application type	Number
Additional dog	49
Additional cat	9
Total	58

OUR BY-LAWS ARE ALSO REVIEWED AND IMPROVED

The below by-laws came into operation on 27 December 2021 and the significant changes of the cat curfew and permission to keep roosters and peacocks will become enforceable on 1 January 2023, giving council time to implement an education program:

- 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 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.

COMMUNITY SAFETY ACTIVITY

Our Community Safety Inspectors are authorised under other legislation such as the *Local Government Act 1999*, *Dog and Cat Management Act 1995* and the Australian Road Rules (among others) to enforce a broad range of matters within the City of Marion.

In 2021 - 2022, in addition to the 1,046 local nuisance events, the inspectors handled 6,712 customer events and issued 4,470 expiations to assist in keeping our community safe.

The City of Marion encourages responsible dog ownership. There are many occasions where our Community Safety Inspectors have intervened to keep both humans and animals safe and the data is displayed in the table below:

Case type	Number
Barking dog reports	148
Dogs wandering at large	392
Dog harrassments on both human and animal	42
Dog attacks on human and animal	46
Dog not registered	176
Total	804

A broad range of activities and use of our facilities, keep our Community Safety Inspectors busy. City of Marion's Top 10 categories for customer events in 2021 - 2022 are displayed in the table below:

Case type	Number
Parking complaints	1,454
Parking appeals	797
Overhanging vegetation	707
Abandoned vehicles	412
Dogs wandering	392
Littering	364
Dogs not registered	176
Unsightly properties	169
Smoke complaints	156
Noise complaints	155

EXPIATIONS

As a result of the Community Safety Activity above, the following expiations were issued in accordance with *Local Government Act 1999*, *Dog and Cat Management Act 1995* and the Australian Road Rules (among others) and Council's By-Laws.

Total Expiations issued during 2021 - 2022

Total number of expiation notices	Original penalty amount
7,690	\$767,500

A breakdown of categories for expiations are displayed in the table below:

Expiation category	Total number	Number
Local nuisance	9	\$5,340
Fire prevention	14	\$6,622
Dogs	241	\$54,900
Parking	7,420	\$699,500
Local government	6	\$1,125

ASSET MANAGEMENT

The City of Marion has an Asset Management vision:

'To maintain the City of Marion's assets to agreed levels of service which maximise community value throughout an asset's life.'

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.

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. We are delivering eight 10-year Asset Management Plans which are funded through the Long Term Financial Plan.

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. We are exploring ways to build asset resilience in response to climate impacts.

RISK

The City of Marion is committed to the achievement of its strategic objectives and 'improving our residents quality of life; continuously, smartly and efficiently'. We acknowledge that we must take on board and accept risk to gain benefit to improve our quality of life across the city. To manage this risk, a suite of documents has been developed, maintained and implemented. These include:

- Risk Management Policy
- Risk Management Framework
- Strategic and Corporate Risk Register.

These documents, in conjunction with our risk management program, provide assurance that the City of Marion are able to manage corporate risk effectively in accordance with ISO31000:2018 'Risk Management - Guidelines'.

The Risk Registers listed above, are reviewed on a quarterly basis whereby any current risks rated as high have additional scrutiny placed on them, involving actions to mitigate the risk.

The Risk Unit continued to manage the City of Marion's Business Continuity Plan throughout 2021 - 2022 as Council responded to and managed the impacts of COVID-19 on business operations and the community.

Overall performance of the City of Marion's risk ensures that Council is able to achieve its strategic goals.

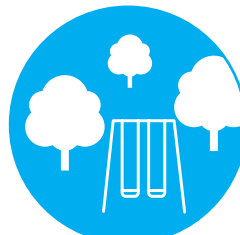
WE OWN AND MANAGE OVER \$1 BILLION OF ASSETS



Artworks, Culture and Heritage



Buildings and Structures



Open Space



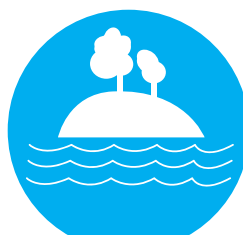
Stormwater



Coastal Walkway



Fleet, Plant and Equipment



Water Treatment and Resources



Transport

FINANCIAL INFORMATION



BRIEF OVERVIEW OF FINANCIAL PERFORMANCE

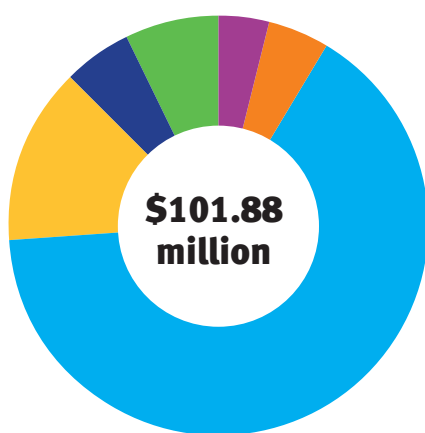
The City of Marion maintained its strong financial performance during the 2021 - 2022 financial year, providing a sound financial basis to support council's long-term objectives identified in the Strategic Plan. Below is a snapshot of council's financial performance for 2021 - 2022.

Council maintained its strong commitment to minimise the financial rate burden while continuing to deliver significant infrastructure projects. To this end, the average rates increase was held to an average of 1% in 2021 - 2022 on the back of a 0% increase in average rates for the 2020 - 2021 financial year.

Council achieved an operating surplus of \$0.542m. Maintaining an operating surplus is critical to ensuring all core services are delivered along with maintaining the \$1.2b 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 highlights key aspects of the full Financial Statements contained further in the Annual Report:

- achieved an operating surplus of \$0.542m while holding the average rates to a 1% increase in 2021 - 2022
- attracted \$11.742m in grant funding to support council's operating activities
- attracted an additional \$6.259m in grant funding largely linked to new and upgraded community infrastructure and sporting facilities
- \$102.422m in operating revenue with 80% coming from rates, down from 82% in 2020 - 2021
- \$101.880m operating expenditure (see diagram below).

TOTAL OPERATING EXPENDITURE



- Urban Development
- Environmental Sustainability
- Public Infrastructure and Places
- Culture and recreation
- Community Capacity Building
- Health and Community Care

Function	Expenses
Development <ul style="list-style-type: none">• Urban Development	\$4.217m
Environment <ul style="list-style-type: none">• Environmental Sustainability	\$4.574m
Infrastructure <ul style="list-style-type: none">• Public Infrastructure and Places	\$66.563m
Community <ul style="list-style-type: none">• Culture and Recreations• Community and Capacity Building• Health and Community Care	\$13.942m \$5.427m \$7.157m
Total	\$101.880m

FINANCIAL MANAGEMENT

The City of Marion maintains a strong financial position, providing a sound basis to support councils long-term objectives as identified in the Strategic Plan. The following information highlights articulating income and expense streams with ratios provided as a mechanism to measure alignment with council's 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 \$0.542m for 2021 - 2022 compared to an operating surplus of \$0.256m for 2020 - 2021.

OPERATING INCOME

Total Operating Income for 2021 - 2022 was \$102.422m compared to \$97.324m in 2020 - 2021. The increase of \$5.098m primarily results from an increase in attracted grant revenue of \$1.923m in addition to the increase in rate revenue of \$1.700m. The rate revenue increase relates equitably to the 1% underlying growth in ratable properties and the average rate increase of 1% (well below underlying CPI). Council's income also reflects a net gain from its share in the regional subsidiary SRWRA of \$0.882m for 2021 - 2022.

OPERATING EXPENSES

Total Operating Expenses for 2021 - 2022 were \$101.880m compared to \$97.068m in 2020 - 2021.

The increase in costs of \$4.812m (4.95%) primarily relates to an increase of \$2.609m in 'Materials Contracts and Other' expenses due largely to council's contribution to infrastructure development, investment in streetscapes projects, the completion of the Sam Willoughby International BMX Facility and Southern Soccer Facility. Council also incurred increased costs in relation to waste management charges and levies of \$0.719m and further invested in digital transformation projects.

Additionally, employee costs increased \$1.896m in 2021 - 2022. This increase primarily relates to increases stemming from Enterprise Agreements \$0.765m, additional Council-endorsed positions to support operations of \$0.814m and an increase to fully grant-funded positions of \$0.284m. Council incurred total expenditure by way of credit cards in 2021-2022 of \$0.241m.

CAPITAL REVENUES AND CONTRIBUTED ASSETS

The Statement of Comprehensive Income also reports \$6.259m for 'Amounts Received Specifically for New or Upgraded Assets'. This income relates primarily to the recognition of remaining state and commonwealth grant funding components for three of council's multi-year major projects – Mitchell Park Sports and Community Centre, Sam Willoughby International BMX Facility and the Southern Soccer Facility on Majors Road completed during the 2021 - 2022 year. This income also reflects additional Local Roads and Community Infrastructure Grant funding of \$1.24m.

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position provides details of council's assets, liabilities and equity as at 30 June 2022. The majority of council's assets relate to community property and infrastructure assets (roads, paths, drainage, etc.).

Infrastructure, Property, Plant and Equipment (IPPE)

Council's IPPE increased by \$68.529m (6.06%) compared to 2020 - 2021 with the majority of the movement relating to a net revaluation increase for infrastructure assets of \$37.042m, Physical Assets Received Free of Charge (including land, roads, drainage and footpaths) of \$1.396m and other movements in all classes after depreciation of \$30.091m.

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.

	2022 \$'000	2021 \$'000	Increase \$'000
Infrastructure	641,314	601,901	39,413
Buildings	130,923	111,825	19,098
Other	425,778	415,760	10,018

Monitoring financial performance and sustainability.

The City of Marion utilises a suite of key financial performance indicators to monitor performance and financial sustainability. The key performance indicator results for 2021 - 2022 are summarised as follows:

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 year period.

2021 - 2022	2020 - 2021	2019 - 2020
0.5%	0.3%	6.8%

The Operating Surplus Ratio remains within Council's target and is similar to last financial year. While there has been a 4.95% increase in total operating costs, 2.7% of this related to materials and contracts expenditure resulting from increased state and commonwealth grant funding. Remaining additional costs were supplemented by the modest increase in rate revenue.

The average Operating Surplus Ratio over the last five financial years is 6.46%. 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 council's reliance on rates as a revenue source and the need for council to seek alternative sources of income¹.

Council's reliance on rates has decreased by 2% in 2021 - 2022. This is largely due to the receipt and recognition of operating grant revenues up 19.5% compared to 2020 - 2021.

	2022	2021	2020
Rate revenue ratio	80%	82%	85%

WORKING CAPITAL RATIO

This ratio focuses on the council's liquidity position and assesses council's ability to meet current financial commitments. This ratio needs to be adjusted 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 1.1².

The utilisation of council's cash, quarantined in reserves for planned projects will impact on this ratio in future periods.

	2022	2021	2020
Working capital ratio	2.0	3.2	2.2

ASSET RENEWAL FUNDING RATIO

Net asset renewal expenditure is defined as net capital expenditures on the renewal and replacement of existing assets and excludes new/upgrade capital expenditure on the acquisition of additional assets. It is calculated by dividing net asset renewal figures by 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 78% achieved in 2021 - 2022, while below the target of 90%, reflects deferred expenditure on the vehicle replacement program due to supply constraints and savings achieved against planned expenditure in some capital programs which did not impact the physical renewal targets. Council's Long Term Financial Plan (LTFP) is budgeted to achieve an average Asset Renewal Funding Ratio of 100% over the next three years and over the 10 year term of the LTFP.

	2022	2021	2020
Asset renewal funding ratio	78%	86%	58%

BORROWINGS

In assessing the council's financial position, it is appropriate to consider liabilities in relation to borrowings. Borrowings are required from time to time to finance strategic long-term assets for the orderly development of the city. Council's total borrowings at 30 June 2022 were \$3.563m – a net decrease of \$0.828m over the level of borrowings in June 2021.

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 Accounting Reserves. Council's cash reserves quarantined for ongoing multi-year and future major projects and long term asset management objectives have impacted on this ratio.

KEY DEBT RATIOS

The following indicators are used to monitor the 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 cash holding and other financial assets allocated for unexpended grants and committed funding for capital projects carried over or retimed to 2022 - 2023 and beyond³. The council also retains sufficient cash reserves quarantined for multi-year major projects currently in progress and funding for planned major projects and long-term asset management objectives.

	2022	2021	2020
Net financial liabilities ratio	(11%)	(34%)	(32%)

INTEREST COVER RATIO

Net interest costs are defined as total interest expenses less total interest revenues. This ratio shows the extent to which council's commitment to interest expenses are met by total operating revenues. Small negative ratios have been recorded for the past six years reflecting interest revenues being greater than interest expenses and operating revenue being significant.

	2022	2021	2020
Interest coverage ratio	(0.1%)	(0.2%)	(0.5%)

DEBT SERVICING RATIO

This ratio shows the council's ability to service its debt obligations from operating revenues, with the target set between 0 and 5%. The ratio confirms that the council has a low and reducing debt holding and is well positioned for the future borrowing outlined in the Long Term Financial Plan. The 1.1% (diminishing) result is trending below the maximum target of 5% as illustrated in the table below.

	2022	2021	2020
Debt servicing ratio	1.1%	1.6%	1.7%

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 \$1,223.8m as reflected in the Statement of Financial Position.

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.

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 decrease in Cash, Cash Equivalents and Investments of \$26.9m compared to 30 June 2021. As previously mentioned, a sizable portion of the cash position is committed to unexpended grants, carryovers and retimed capital works. Council also retains sufficient 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:

Grants and carryovers reserve: \$12.853m

This consists of controlled grant, contribution and council funds for projects and capital works carried over to 2022-2023 or retimed to future years as required.

Open space reserve: \$2.512m

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: \$10.151m

The current balance in this fund is considered to be adequate to provide the council with the funding capacity to manage its long term asset management objectives. Funding in this reserve will contribute to major projects currently in progress including Tarnham Road Reserve redevelopment, Marion Cultural Centre Plaza upgrade and the ongoing renewal of the Coastal Walkway.

Water reserve: \$1.153m

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).

City of Marion

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022



General Purpose Financial Statements

for the year ended 30 June 2022

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City of Marion

General Purpose Financial Statements for the year ended 30 June 2022

Council Certificate

Certification of Financial Statements

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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Tony Harrison
Chief Executive Officer

Date: 25/10/22



Kris Hanna
Mayor

Date: 25/10/22

Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Income			
Rates Revenues	2a	81,879	80,179
Statutory Charges	2b	2,348	2,175
User Charges	2c	3,010	2,701
Grants, Subsidies and Contributions	2g	11,742	9,819
Investment Income	2d	365	503
Reimbursements	2e	690	872
Other income	2f	1,506	902
Net Gain - Equity Accounted Council Businesses	19(a)	882	173
Total Income		102,422	97,324
Expenses			
Employee costs	3a	40,134	38,238
Materials, Contracts and Other Expenses	3b	45,141	42,532
Depreciation, Amortisation and Impairment	3c	16,334	15,963
Finance Costs	3d	271	335
Total Expenses		101,880	97,068
Operating Surplus / (Deficit)		542	256
Physical Resources Received Free of Charge	2i	1,396	2,001
Asset Disposal & Fair Value Adjustments	4	(1,384)	(2,102)
Amounts Received Specifically for New or Upgraded Assets	2g	6,259	9,542
Net Surplus / (Deficit) ¹		6,813	9,697
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	37,042	(21,408)
Changes in Revaluation Surplus - Equity Accounted Council Businesses	19	346	—
Total Other Comprehensive Income		37,388	(21,408)
Total Comprehensive Income		44,201	(11,711)

(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 2022

\$ '000	Notes	2022	2021
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	24,639	16,712
Trade & Other Receivables	5b	5,279	8,110
Other Financial Assets	5c	2,400	37,300
Inventories	5d	500	311
<u>Subtotal</u>		<u>32,818</u>	<u>62,433</u>
Total current assets		32,818	62,433
Non-current assets			
Equity Accounted Investments in Council Businesses	6a	7,855	6,627
Other Non-Current Assets	6b	6,659	10,328
Infrastructure, Property, Plant & Equipment	7a(i)	1,198,015	1,129,486
Total non-current assets		1,212,529	1,146,441
TOTAL ASSETS		1,245,347	1,208,874
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	11,029	17,721
Borrowings	8b	876	827
Provisions	8c	6,346	6,430
Lease Liabilities	8d	10	15
<u>Subtotal</u>		<u>18,261</u>	<u>24,993</u>
Total Current Liabilities		18,261	24,993
Non-Current Liabilities			
Borrowings	8b	2,687	3,564
Provisions	8c	594	702
Lease Liabilities	8d	–	11
Total Non-Current Liabilities		3,281	4,277
TOTAL LIABILITIES		21,542	29,270
Net Assets		1,223,805	1,179,604
EQUITY			
Accumulated surplus		427,628	403,189
Asset revaluation reserves	9a	769,508	732,120
Other reserves	9b	26,669	44,295
Total Council Equity		1,223,805	1,179,604
Total Equity		1,223,805	1,179,604

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

Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2022					
Balance at the end of previous reporting period		403,189	732,120	44,295	1,179,604
Net Surplus / (Deficit) for Year		6,813	–	–	6,813
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	37,042	–	37,042
- Share of Gain (Loss) on Revaluation - Equity Accounted Council Businesses		–	346	–	346
Other comprehensive income		–	37,388	–	37,388
Total comprehensive income		6,813	37,388	–	44,201
Transfers between Reserves		17,626	–	(17,626)	–
Balance at the end of period		427,628	769,508	26,669	1,223,805
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

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 2022

\$ '000	Notes	2022	2021
Cash flows from operating activities			
<u>Receipts</u>			
Rates Receipts		82,059	80,535
Statutory Charges		2,369	2,193
User Charges		3,131	2,852
Grants, Subsidies and Contributions (operating purpose)		10,156	12,681
Investment Receipts		365	503
Reimbursements		748	939
Other Receipts		12,804	4,105
<u>Payments</u>			
Finance Payments		(271)	(335)
Payments to Employees		(41,046)	(38,172)
Payments for Materials, Contracts & Other Expenses		(56,484)	(47,072)
Net cash provided by (or used in) Operating Activities	11b	13,831	18,229
Cash flows from investing activities			
<u>Receipts</u>			
Net Disposal of Investment Securities		34,900	—
Amounts Received Specifically for New/Upgraded Assets		4,153	5,983
Sale of Replaced Assets		266	385
Sale of Surplus Assets		97	416
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(9,959)	(7,530)
Expenditure on New/Upgraded Assets		(34,416)	(16,315)
Net Purchase of Investment Securities		—	(900)
Net cash provided (or used in) investing activities		(4,959)	(17,961)
Cash flows from financing activities			
<u>Payments</u>			
Repayments of Borrowings		(828)	(1,244)
Repayment of Finance Lease Liabilities		(117)	(143)
Net Cash provided by (or used in) Financing Activities		(945)	(1,387)
Net Increase (Decrease) in Cash Held		7,927	(1,119)
plus: Cash & Cash Equivalents at beginning of period		16,712	17,831
Cash and cash equivalents held at end of period	11a	24,639	16,712
Additional Information:			
plus: Investments on hand – end of year	5c	2,400	37,300
Total Cash, Cash Equivalents & Investments		27,039	54,012

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Contents of the Notes accompanying the General Purpose Financial Statements

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies

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

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

(1) Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 30 May 2022

1.2 Critical Accounting Estimates

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

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

1.3 Rounding

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

1.4 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 2022/23 financial year and these have been largely taken into account during the development of the budget process for 2022/23. The budget assumptions for 2022/23 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.

(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.

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

Note 1. Summary of Significant Accounting Policies (continued)

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

	Cash Payment Received	Annual Allocation	Difference
2019/20	\$2,980,238	\$3,452,091	- \$471,853
2020/21	\$3,046,589	\$2,995,722	\$50,867
2021/22	\$4,601,320	\$3,124,230	\$1,477,790

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

6.5 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 Hostplus Superannuation Fund. The Fund 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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

(10) Leases

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, 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 Interpretation 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 2021. 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 16 Covid-19 Related Rent Concessions

In 2020, the AASB issued AASB 2020-4, Amendments to AASBs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, in 2021 the AASB extended the period of application of the practical expedient to 30

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

Note 1. Summary of Significant Accounting Policies (continued)

June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. This amendment had no impact on the financial statements of the Council.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, 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

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 (amended by AASB 2020-6)
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2021-6)

Effective for NFP annual reporting periods beginning on or after 1 January 2025

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5 and AASB 2021-7))

(14) Comparative Figures

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

(15) Disclaimer

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

City of Marion

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

Note 2. Income

\$ '000	2022	2021
(a) Rates Revenues		
General Rates		
General Rates	81,912	79,924
Less: Mandatory Rebates	(2,316)	(1,959)
Less: Discretionary Rebates, Remissions & Write Offs	(35)	(25)
Total General Rates	79,561	77,940
Other Rates (Including Service Charges)		
Regional Landscape Levy	2,057	1,995
Total Other Rates (Including Service Charges)	2,057	1,995
Other Charges		
Penalties for Late Payment	261	244
Total Other Charges	261	244
Total Rates	81,879	80,179
(b) Statutory Charges		
Planning and Development Fees	978	930
Animal Registration Fees & Fines	599	575
Parking Fines / Expiation Fees	771	670
Total Statutory Charges	2,348	2,175
(c) User Charges		
Hall & Equipment Hire	345	307
Sales - General	593	828
Sundry	881	853
Admission Fees	560	382
Rental Income	631	331
Total User Charges	3,010	2,701
(d) Investment Income		
Interest on Investments		
- Local Government Finance Authority	365	499
- Banks & Other	—	4
Total Investment Income	365	503

City of Marion

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income (continued)

\$ '000	2022	2021
(e) Reimbursements		
Private Works	286	357
Other	404	515
<u>Total Reimbursements</u>	<u>690</u>	<u>872</u>

(f) Other income

Sundry	272	39
Donations & Contributions income	459	161
Labour Recovery	656	618
Insurance & Other Recoupments - Infrastructure, IPP&E	119	84
<u>Total Other income</u>	<u>1,506</u>	<u>902</u>

(g) Grants, Subsidies, Contributions

Sam Willoughby International BMX Facility	1,280	2,602
Local Roads and Community Infrastructure Phase 2	1,239	796
Southern Soccer Facility	1,029	1,278
Mitchell Park Sports and Community Club	1,230	3,520
Hugh Johnson Boulevard Reserve	801	–
Other Amounts Received Specifically for New or Upgraded Assets	680	1,346
<u>Total Amounts Received Specifically for New or Upgraded Assets</u>	<u>6,259</u>	<u>9,542</u>

Individually Significant Item - Financial Assistance Grants	4,601	3,047
Home and Community Care Grants	2,633	1,714
Coastal Walking Trail Renewal	1,193	–
Birch Crescent Streetscape	–	1,825
Roads to Recovery	976	976
Food Waste Recycling Program	563	–
Family and Community Development	278	272
Library Services	278	317
Smart Cities & Suburbs	–	618
Other Grants, Subsidies and Contributions	1,220	1,050
<u>Total Other Grants, Subsidies and Contributions</u>	<u>11,742</u>	<u>9,819</u>

<u>Total Grants, Subsidies, Contributions</u>	<u>18,001</u>	<u>19,361</u>
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The functions to which these grants relate are shown in Note 12.

(i) Sources of grants

Commonwealth Government	8,030	10,786
State Government	9,765	8,002
Other	206	573
<u>Total</u>	<u>18,001</u>	<u>19,361</u>

(ii) Individually Significant Items

Grants Commission - Financial Assistance Grant recognised as income	4,601	3,047
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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income (continued)

2022: In April 2022, Council received part payment for the 2022/23 Grants Commission Financial Assistance Grants. This payment was adjusted for minor reconciling amounts relating to the 2021/22 Grants Commission payment received in May 2021.

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.

\$ '000	2022	2021
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(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	8,186	7,167
Less:		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Other	(7,831)	(659)
Subtotal	(7,831)	(659)
Plus:		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Other	3,836	1,678
Subtotal	3,836	1,678
Unexpended at the close of this reporting period	4,191	8,186
Net increase (decrease) in assets subject to conditions in the current reporting period	(3,995)	1,019

(i) Physical Resources Received Free of Charge

Roads, Bridges & Footpaths	1,396	2,001
Total Physical Resources Received Free of Charge	1,396	2,001

City of Marion

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

Note 3. Expenses

\$ '000	Notes	2022	2021
(a) Employee costs			
Salaries and Wages		32,841	32,086
Employee Leave Expense		4,004	3,007
Superannuation - Defined Contribution Plan Contributions	18	3,213	3,027
Workers' Compensation Insurance		944	803
Less: Capitalised and Distributed Costs		(868)	(685)
Total Operating Employee Costs		40,134	38,238
Total Number of Employees (full time equivalent at end of reporting period)		387	370
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		28	39
Bad and Doubtful Debts		95	8
Elected Members' Expenses		370	365
Operating Lease Rentals - Cancellable Leases		290	317
Subtotal - Prescribed Expenses		783	729
(ii) Other Materials, Contracts and Expenses			
Contractors		23,551	21,118
Maintenance		4,187	4,141
Parts, Accessories & Consumables		4,720	4,116
Infrastructure Contributions		2,491	2,616
Sundry		1,564	2,373
Levies Paid to Government - Regional Landscape Levy		2,057	1,996
Levies - Other		136	226
Energy		1,478	1,445
Professional Services		1,741	1,430
Insurance		669	586
Memberships & Subscriptions		437	367
Legal Expenses		359	300
Printing & Postage		276	276
Bank Fees & Charges		184	202
Library Materials		184	198
Telecommunication Charges		174	176
Fringe Benefits Tax		113	162
Advertising		37	75
Subtotal - Other Material, Contracts & Expenses		44,358	41,803
Total Materials, Contracts and Other Expenses		45,141	42,532

City of Marion

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 3. Expenses (continued)

\$ '000	2022	2021
(c) Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Buildings & Other Structures	3,746	3,708
Infrastructure	8,992	8,858
- Other	1,193	1,178
Right-of-use Assets	130	124
Plant & Equipment	1,416	1,307
Furniture & Fittings	84	79
Intangible Assets	54	45
Other Assets	719	664
Subtotal	16,334	15,963
Total Depreciation, Amortisation and Impairment	16,334	15,963

(d) Finance Costs

Interest on Loans	271	335
Total Finance Costs	271	335

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	2022	2021
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	266	385
Less: Carrying Amount of Assets Sold	(1,676)	(2,465)
Gain (Loss) on Disposal	(1,410)	(2,080)
(ii) Assets Surplus to Requirements		
Proceeds from Disposal	97	416
Less: Carrying Amount of Assets Sold	(71)	(438)
Gain (Loss) on Disposal	26	(22)
Net Gain (Loss) on Disposal or Revaluation of Assets	(1,384)	(2,102)

City of Marion

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 5. Current Assets

\$ '000	2022	2021
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(a) Cash & Cash Equivalent Assets

Cash on Hand at Bank	839	1,112
Short Term Deposits & Bills, etc.	23,800	15,600
<u>Total Cash & Cash Equivalent Assets</u>	<u>24,639</u>	<u>16,712</u>

(b) Trade & Other Receivables

Rates - General & Other	1,710	1,897
Rates Postponed for State Seniors	174	167
Accrued Revenues	72	1,148
Debtors - General	1,732	3,315
GST Recoupment	800	1,051
Prepayments	791	532
<u>Total Trade & Other Receivables</u>	<u>5,279</u>	<u>8,110</u>

(c) Other Financial Assets

Other Financial Assets (Term Deposits with over 90 days to maturity)	2,400	37,300
<u>Total Other Financial Assets</u>	<u>2,400</u>	<u>37,300</u>

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	500	311
<u>Total Inventories</u>	<u>500</u>	<u>311</u>

City of Marion

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

Note 6. Non-Current Assets

\$ '000	Notes	2022	2021
(a) Equity Accounted Investments in Council Businesses			
Southern Region Waste Resource Authority	19(a)i	7,855	6,627
<u>Total Equity Accounted Investments in Council Businesses</u>		<u>7,855</u>	<u>6,627</u>
(b) Other Non-Current Assets			
Other			
Capital Works-in-Progress		6,659	10,328
<u>Total Other Non-Current Assets</u>		<u>6,659</u>	<u>10,328</u>

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

Note 7. Infrastructure, Property, Plant & Equipment

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

		as at 30/06/21				Asset movements during the reporting period							as at 30/06/22			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
\$ '000	Fair Value Level															
Land	3	353,132	—	—	353,132	110	—	—	—	—	—	—	353,242	—	—	353,242
Buildings & Other Structures	3	183,357	—	(71,532)	111,825	21,702	1,205	(64)	(3,746)	—	—	—	205,947	—	(75,024)	130,923
Infrastructure	3	778,153	—	(176,252)	601,901	6,386	5,855	(878)	(8,992)	—	—	37,042	844,563	—	(203,249)	641,314
- Other	3	48,752	—	(14,157)	34,595	9,853	794	(479)	(1,193)	—	—	—	58,371	—	(14,801)	43,570
Right-of-Use Assets		—	658	(637)	21	—	—	—	(130)	117	—	—	—	775	(767)	8
Plant & Equipment		—	25,207	(9,894)	15,313	673	1,802	(262)	(1,416)	—	—	—	—	27,273	(11,164)	16,109
Furniture & Fittings		—	1,407	(674)	733	320	91	—	(84)	—	—	—	—	1,819	(758)	1,061
Intangible Assets		—	1,043	(931)	112	24	75	—	(54)	—	—	—	1,141	—	(985)	156
Other Assets	3	16,279	—	(4,425)	11,854	559	—	(64)	(719)	—	—	—	16,710	—	(5,078)	11,632
Total Infrastructure, Property, Plant & Equipment		1,379,673	28,315	(278,502)	1,129,486	39,627	9,822	(1,747)	(16,334)	117	—	37,042	1,479,974	29,867	(311,826)	1,198,015
Comparatives		1,345,157	61,129	(256,478)	1,149,808	12,994	7,011	(2,903)	(15,963)	(56)	(21,408)	—	1,379,673	28,315	(278,502)	1,129,486

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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 2022.

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

Note 8. Liabilities

\$ '000	2022 Current	2022 Non Current	2021 Current	2021 Non Current
(a) Trade and Other Payables				
Goods & Services	5,652	—	8,010	—
Payments Received in Advance	—	—	23	—
- Grants, Subsidies, Contributions - Operating	974	—	2,863	—
- Grants & Contributions - Capital	3,217	—	5,323	—
Accrued Expenses - Employee Entitlements	1,041	—	1,313	—
Accrued Expenses - Other	83	—	130	—
Other	62	—	59	—
Total Trade and Other Payables	11,029	—	17,721	—

(b) Borrowings

Loans	876	2,687	827	3,564
Total Borrowings	876	2,687	827	3,564

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

(c) Provisions

Employee Entitlements (including oncosts)	6,346	594	6,430	702
Total Provisions	6,346	594	6,430	702

(d) Lease Liabilities

Lease Liabilities	10	—	15	11
Total Other Liabilities	10	—	15	11

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 9. Reserves

	as at 30/06/21				as at 30/06/22
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset Revaluation Reserve					
Land	250,696	—	—	—	250,696
Buildings & Other Structures	84,875	—	—	—	84,875
Infrastructure	2,890	1,165	—	—	4,055
- Stormwater Drainage	80,343	15,681	—	—	96,024
- Other	298	—	—	—	298
- Roads, Bridges, Footpaths	307,578	20,196	—	—	327,774
Other Assets	5,073	—	—	—	5,073
JV's / Associates - Other Comprehensive Income	367	346	—	—	713
Total Asset Revaluation Reserve	732,120	37,388	—	—	769,508
Comparatives	753,528	(21,408)	—	—	732,120

	as at 30/06/21				as at 30/06/22
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other Reserves					
Open Space Reserve	2,441	135	(64)	—	2,512
Grants/Carry Forward Projects Reserve	23,085	4,206	(14,438)	—	12,853
Asset Sustainability Reserve	17,910	1,117	(8,876)	—	10,151
Water Reserve	859	294	—	—	1,153
Total Other Reserves	44,295	5,752	(23,378)	—	26,669
Comparatives	41,183	24,808	(21,696)	—	44,295

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 9. Reserves (continued)

Purposes of Reserves

Asset Revaluation Reserves

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

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 untied Grant funds relating to the following financial year(s) 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.

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.
- 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.

The Asset Sustainability Reserve will be funded from planned surpluses identified in the Long Term Financial Plan (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.

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

Note 10. Assets Subject to Restrictions

\$ '000	2022	2021
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The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

Cash & Financial Assets

Grant funds received in advance	4,191	8,186
Total Cash & Financial Assets	4,191	8,186
Total Assets Subject to Externally Imposed Restrictions	4,191	8,186

City of Marion

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2022	2021
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(a) Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	24,639	16,712
Balances per Statement of Cash Flows		24,639	16,712

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

Net Surplus/(Deficit)		6,813	9,697
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		16,334	15,963
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(882)	(173)
Non-Cash Asset Acquisitions		(1,396)	(2,001)
Grants for capital acquisitions treated as Investing Activity		(6,259)	(9,542)
Net (Gain) Loss on Disposals		1,384	2,102
		15,994	16,046
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Inventories		(189)	20
Net (Increase)/Decrease in Receivables		2,831	(2,110)
Net Increase/(Decrease) in Other Liabilities		(16)	7
Net Increase/(Decrease) in Trade & Other Payables		(4,597)	4,049
Net Increase/(Decrease) in Unpaid Employee Benefits		(192)	217
Net Cash provided by (or used in) operations		13,831	18,229

\$ '000	Notes	2022	2021
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(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

Physical Resources Received Free of Charge	21	1,396	2,001
Amounts recognised in Income Statement		1,396	2,001
Total Non-Cash Financing and Investing Activities		1,396	2,001

(d) Financing Arrangements

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

Corporate Credit Cards		125	125
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 and forming part of the Financial Statements for the year ended 30 June 2022

Note 12(a). Functions

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.
Details of these Functions/Activities are provided in Note 12(b).

\$ '000	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Functions/Activities										
Development Assessment	1,179	1,099	4,573	4,375	(3,394)	(3,276)	—	—	—	—
Crime Prevention	3	5	393	363	(390)	(358)	—	—	—	—
Community Support & Development	5,417	4,677	15,548	14,669	(10,131)	(9,992)	2,821	2,381	150,515	130,348
Public & Environment Health	157	120	1,184	929	(1,027)	(809)	553	78	—	—
Community Safety Inspection	1,411	1,277	2,235	1,869	(824)	(592)	—	—	—	—
Public Infrastructure	3,435	2,961	20,847	20,446	(17,412)	(17,485)	4,832	2,092	700,382	661,170
Open Space	1,120	2,026	18,335	19,069	(17,215)	(17,043)	198	1,463	298,674	293,244
Public Conveniences	10	8	664	633	(654)	(625)	—	—	3,170	3,304
Strategic Projects	52	131	1,788	1,966	(1,736)	(1,835)	—	50	52	66
Asset Management	—	—	—	—	—	—	—	—	15,236	15,349
Neighbourhood Centres	340	401	1,560	1,675	(1,220)	(1,274)	285	357	7,648	7,487
Cultural Development	254	336	3,600	3,306	(3,346)	(2,970)	13	93	14,308	14,472
Libraries	589	602	8,614	7,731	(8,025)	(7,129)	362	317	13,938	13,935
Waste & Recycling	110	757	10,269	9,945	(10,159)	(9,188)	—	573	—	—
Trees	—	—	2,471	2,092	(2,471)	(2,092)	20	—	—	—
Economic Development	90	100	1,120	1,194	(1,030)	(1,094)	—	60	—	—
Governance	—	—	5,961	4,062	(5,961)	(4,062)	—	—	—	—
Service Quality	1	2	163	108	(162)	(106)	—	—	742	411
Treasury	87,372	82,649	2,555	2,636	84,817	80,013	2,658	2,355	40,682	69,088
Total Functions/Activities	101,540	97,151	101,880	97,068	(340)	83	11,742	9,819	1,245,347	1,208,874

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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 and council receptions.

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms & Conditions:

Deposits are returning fixed interest rates between 0.43% and 2.17% (2021: 0.30% and 0.55%). Short term deposits have an average maturity of 92 days and an average interest rate of 0.41% (2021: 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% (2021: 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 and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

Liabilities - Creditors and Accruals

Accounting Policy:

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

Terms & 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% (2021: 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.

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
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Financial Assets and Liabilities

2022

Financial Assets

Cash & Cash Equivalents	24,639	—	—	24,639	24,639
Receivables	5,279	—	—	5,279	5,279
Other Financial Assets	2,400	—	—	2,400	2,400
Total Financial Assets	32,318	—	—	32,318	32,318

Financial Liabilities

Payables	5,783	—	—	5,783	5,783
Borrowings	1,081	—	—	1,081	876
Non-Current Borrowings	—	2,325	830	3,155	2,687
Total Financial Liabilities	6,864	2,325	830	10,019	9,346

2021

Financial Assets

Cash & Cash Equivalents	16,712	—	—	16,712	16,712
Receivables	8,110	—	—	8,110	8,110
Other Financial Assets	37,300	—	—	37,300	37,300
Total Financial Assets	62,122	—	—	62,122	62,122

continued on next page ...

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Liabilities					
Payables	8,222	—	—	8,222	8,222
Borrowings	1,081	—	—	1,081	827
Non-Current Borrowings	—	2,991	1,244	4,235	3,564
Total Financial Liabilities	9,303	2,991	1,244	13,538	12,613

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

\$ '000	2022		2021	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	6.09%	3,563	6.08%	4,391
		3,563		4,391

Net Fair Value

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

Risk Exposures

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

Expected Credit Losses (ECL)

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Council's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

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

Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	2022	2021
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	1,255	10,490
Infrastructure	2,655	2,493
Plant & Equipment	2,093	1,749
Other	581	1,366
	6,584	16,098
These expenditures are payable:		
Not later than one year	6,584	16,098
	6,584	16,098

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 15. Financial Indicators

	Indicator 2022	Indicators 2021	Indicators 2020
Financial Indicators overview			
<i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i>			
1. Operating Surplus Ratio			
Operating Surplus			
Total Operating Income	0.5%	0.3%	6.8%
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>			
2. Net Financial Liabilities Ratio			
Net Financial Liabilities			
Total Operating Income	(11)%	(34)%	(32)%
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i>			
Adjusted Operating Surplus Ratio			
Operating Surplus			
Total Operating Income	(0.9)%	0.2%	7.2%
Adjustments to Ratios			
<i>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.</i>			
Adjusted Net Financial Liabilities Ratio			
Net Financial Liabilities			
Total Operating Income	(8)%	(32)%	(32)%
3. Asset Renewal Funding Ratio			
Asset Renewals			
Targeted Renewal Expenditure (Depreciation Expense 2020 and prior)	78%	86%	58%
<i>Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.</i>			

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

Note 16. Uniform Presentation of Finances

\$ '000	2022	2021
<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	102,422	97,324
less Expenses	(101,880)	(97,068)
Operating Surplus / (Deficit)	542	256
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(9,959)	(7,530)
add back Depreciation, Amortisation and Impairment	16,334	15,963
add back Proceeds from Sale of Replaced Assets	266	385
	6,641	8,818
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(34,416)	(16,315)
add back Amounts Received Specifically for New and Upgraded Assets	4,153	5,983
add back Proceeds from Sale of Surplus Assets	97	416
	(30,166)	(9,916)
Net Lending / (Borrowing) for Financial Year	(22,983)	(842)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 17. Leases

(i) Council as a lessee

Terms and conditions of leases

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
2022		
Opening balance	21	21
Adjustments to right-of-use assets due to re-measurement of lease liability	117	117
Depreciation charge	(130)	(130)
Impairment of right-of-use assets	–	–
Reclassification to Software as a Service	–	–
Balance at 30 June	8	8
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

(b) Lease liabilities

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

\$ '000	2022	2021
Balance at 1 July	26	217
Accretion of interest	19	12
Payments	(152)	(144)
Reclassification to Software as a Service	–	(55)
Re-measurement of Lease liability	117	(4)
Balance at 30 June	10	26

Classified as:

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

Note 17. Leases (continued)

\$ '000	2022	2021
Current	10	15
Non Current	–	11

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

Council had total cash outflows for leases of \$441,587

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	130	124
Interest expense on lease liabilities	19	12
Expense relating to leases of low-value assets	260	288
Other	30	29
Total amount recognised in profit or loss	439	453

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 18. Superannuation

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10% in 2021/22; 9.50% in 2020/21). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

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

In addition, Council makes a separate contribution of 3.7% 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 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 19. Interests in Other Entities

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

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2022	2021	2022	2021
Council's Share of Net Income				
Joint Ventures	882	173	7,855	6,627
Total Council's Share of Net Income	882	173	7,855	6,627

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

(a) Carrying Amounts

\$ '000	Principal Activity	2022	2021
Southern Region Waste Resource Authority (SRWRA)	Waste and Recycling	7,855	6,627
Total Carrying Amounts - Joint Ventures & Associates		7,855	6,627

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 2022, the net assets of SRWRA total \$26,185,000. The City of Marion interest, totalling \$7,855,000 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	
	2022	2021	2022	2021	2022	2021
Southern Region Waste Resource Authority (SRWRA)	30.00%	30.00%	30.00%	30.00%	33.00%	33.00%

City of Marion

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

Note 19. Interests in Other Entities (continued)

(c) Movement in Investment in Joint Venture or Associate

\$ '000	Southern Region Waste Resource Authority (SRWRA)	
	2022	2021
Opening Balance	6,627	6,454
Share in Operating Result	882	173
Adjustments to Equity - Share of Asset Revaluation	346	—
Council's Equity Share in the Joint Venture or Associate	7,855	6,627

(d) Joint Operations Expenditure Commitments

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

\$ '000	2022	2021
(i) Capital Expenditures Payable		
Committed Projects	79	1,250
	79	1,250

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

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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

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

1. Land under roads

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

2. Potential insurance losses

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

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

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

3. 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 Planning, Development and infrastructure Act 2016 (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.

5. Legal Matter

Proceedings have been filed in the Supreme Court against 61 Councils in South Australia, including City of Marion. The claim alleges unpaid consultancy fees. A joint defence is being coordinated by the Local Government Association of SA as agent for the Councils. The amount claimed has not been recognised on the basis that an outflow of economic resources to settle it is not viewed as probable at this stage.

Note 22. Events after the Balance Sheet Date

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

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

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 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, 17 persons were paid the following total compensation:

\$ '000	2022	2021
The compensation paid to Key Management Personnel comprises:		
Salaries, Allowances & Other Short-Term Employee Benefits	1,212	1,283
Post-Employment Benefits	80	83
Total	1,292	1,366

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 ON THE FINANCIAL REPORT

To the members of City of Marion

Opinion

We have audited the accompanying financial report of City of Marion (the Council), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of City of Marion.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2022, 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 Council 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.

Council's responsibility for the financial report

Council 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 Council 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, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's responsibility for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council'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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Partner

26 October 2022



INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS

To the members of City of Marion

Opinion

We have audited the compliance of City of Marion (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2021 to 30 June 2022 have been conducted properly and in accordance with law.

In our opinion, City of Marion has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council 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 Council have been conducted properly and in accordance with law for the period 1 July 2021 to 30 June 2022.

Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Council's responsibility for internal controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and 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.

Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures. 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 Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

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Limitations of controls

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

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

Limitation of use

This report has been prepared for the members of the Council 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 Council, or for any purpose other than that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

26 October 2022

City of Marion

General Purpose Financial Statements

for the year ended 30 June 2022

Certification of Auditor Independence

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

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



Tony Harrison
CHIEF EXECUTIVE OFFICER



Emma Hinchey
PRESIDING MEMBER
FINANCE RISK AND AUDIT COMMITTEE

Date: 11/10/2022

CITY OF MARION

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Statement by Auditor

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

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Partner

Date: 03 October 2022

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ANNUAL REPORT

2021 *to* 2022

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 with approximately 65,000 tonnes going to landfill.

Our joint venture operation with Integrated Waste Services (IWS) has continued to develop through the jointly owned Southern Recycling Centre (SRC) which is realising a significant reduction of waste to landfill. The processing of kerbside municipal waste tonnage has increased with the contracting of new customers. The SRC is also preparing for the receipt of Regional Waste.

Our joint venture operation with Re.Cycle (Adelaide), a subsidiary of Re.Group, has completed the first year of operation through the jointly owned Southern Materials Recovery Facility (SMRF). The SMRF, which is the largest in South Australia, is a state-of-the-art facility that provides processing of kerbside commingled recycling and produces the highest product purity levels in Australia.

SRWRA CONSTITUENT
COUNCILS



JOINT VENTURE
PARTNERS



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CHAIRPERSON'S MESSAGE

Australia has developed a National Waste Policy Action Plan that creates ambitious targets and actions to guide investment and national efforts to 2030 and beyond. Amongst these targets is that by 2030 we should achieve an 80% average recovery rate from all waste streams and we should halve the amount of organic waste that is sent to landfill. This Action Plan complements and supports the implementation of better waste management plans by state and territory governments, local government, business and industry.

Historically, SRWRA has operated a landfill, and while there will always be a place for well-run landfills to dispose of residual streams that cannot be recycled, we have continued to invest to ensure we play our small part in progressing towards these national targets through the development of an integrated waste management precinct.

Through our joint venture with IWS, who have been servicing South Australia's waste management needs for more than 50 years, the Southern Recycling Centre continues to invest in the diversion of organic waste from landfill. This is one of only two operations in the State that extracts the organic fraction from municipal waste and diverts this from landfill, over the past twelve months we have processed more than 59,200 tonnes and diverted around 35% of this away from landfill.

Our Materials Recovery Facility, operated under a joint venture arrangement with Re.Group who are the only Australian company that designs, builds, owns and operates recycling systems, was commissioned in July 2021 and officially opened in November 2021 as one of the most advanced recycling facilities in Australia. We are grateful to the Commonwealth and State governments for their financial contribution towards the cost of this important infrastructure.

This is a significant new business for SRWRA. Since our opening we have processed 23,300 tonnes of commingled recyclables from the household 'yellow bin', with more than 68% of this being diverted from landfill to contribute towards creating a more resilient recycling industry in Australia. This recovery effectively extends the life of materials turning them into products such as Cardboard, Mixed Paper, Ferrous metals, Non-ferrous metals, HDPE, PET Plastics and Glass.



I am pleased to advise that, despite the challenges of operating a significant new business we have been able to maintain highly competitive waste disposal costs for municipal waste and recyclables, reporting an overall Operating Surplus of \$0.534 million (after adjusting for the accounting impact of grant funding) for the year ended 30 June 2022. These surplus funds will of course provide for any future post closure costs and be available for reinvestment in future waste management activities.

We are fortunate to have a dedicated team at SRWRA who manage all aspects of our operation very well and on behalf of the Board I would like to take this opportunity to acknowledge their contribution to the success of SRWRA. I also extend my thanks and appreciation to the Board and the Audit Committee for their vision, dedication and commitment to ensuring that SRWRA continues to deliver sustainable waste management solutions for our Constituent Councils and the southern region of Adelaide.

I commend to you the Annual Report for FY2022 which demonstrates that the Authority continues to meet the objectives outlined in its Charter.

Mark Booth
CHAIRPERSON



CHIEF EXECUTIVE OFFICER'S MESSAGE

SRWRA's integrated site provides processing facilities for both the kerbside waste and recycling bins, a landfill, green energy precinct and a recycled water storage dam that supports McLaren Vale. 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 Southern Recycling Centre had a strong 12 months, growing its customer base whilst playing a significant role in the diversion of waste from landfill.

The Southern Materials Recovery Facility has completed its first year of operation and is setting the benchmark for product purity in Australia. This facility is the largest and most technically advanced facility of its type in South Australia.

SRWRA's green energy precinct continues to thrive with the generation of power from South Australia's largest solar farm on capped landfill (600kW) and a 3MW biogas plant that converts methane from the landfill into electricity, removing a harmful greenhouse gas in the process.

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 \$26.2 million.

Over the last 12 months, the Authority invested in the education of schoolchildren within our communities through the Les Perry Memorial Grants Program. This year, 14 schools from our three Constituent Council areas took part in the Les Perry Memorial Grants Program and received a total of \$9,656 in grant funding to support learning about environmentally responsible waste management.

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



SRWRA is fortunate to have a highly committed and capable Board and Audit Committee, led, on both accounts, by highly experienced Chairs. The time commitment required of the Board and Audit Committee is increasing as SRWRA grows and increases in complexity. I would like to recognise the strong contribution of the Board and Audit Committee in SRWRA's ongoing success.

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

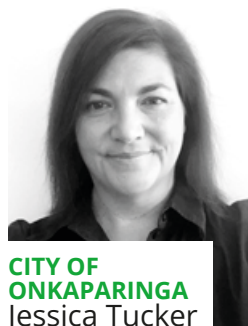
AS AT JUNE 30TH 2022



MEMBERS



DEPUTY MEMBERS



FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022



SOUTHERN REGION WASTE RESOURCE AUTHORITY

General Purpose Financial Report for the financial year ended 30 June 2022

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Council Certificates of Audit Independence	
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SOUTHERN REGION WASTE RESOURCE AUTHORITY

Annual Financial Statements
for the financial year ended 30 June 2022

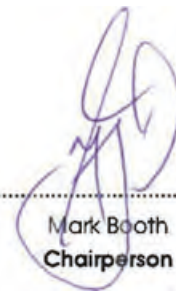
Certification of Financial Statements

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



Chris Adams
Chief Executive Officer



Mark Booth
Chairperson

Date: 19 September 2022

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Statement of Comprehensive Income for the financial year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Income			
User charges	2	10,534	11,774
Investment income	2	656	487
Other	2	2,309	454
Net gain - equity accounted Joint Venture	13	2,988	1,032
Total Income		16,487	13,747
Expenses			
Employee costs	3	951	1,131
Finance costs		1	-
Materials, contracts & other expenses	3	11,671	11,176
Depreciation, amortisation & impairment	3	936	1,002
Total Expenses		13,559	13,309
Operating Surplus		2,928	438
Asset disposal & fair value adjustments	3	13	140
Amounts received specifically for new/upgraded assets		-	-
Net Surplus		2,941	578
Other Comprehensive Income			
Changes in revaluation surplus - property, plant & equipment		1,153	-
Total Other Comprehensive Income		1,153	-
Total Comprehensive Income		4,094	578

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 2022

		2022 \$'000	2021 \$'000
Assets	Notes		
Current Assets			
Cash and cash equivalents	4	5,828	4,643
Trade & other receivables	4	2,501	3,008
Loan - Related Party	11,13	400	1,500
Total Current Assets		8,729	9,151
Non-current Assets			
Equity accounted joint venture	13	8,808	5,801
Property, plant & equipment	5	25,693	25,745
Total Non-current Assets		34,501	31,546
Total Assets		43,230	40,697
Liabilities			
Current Liabilities			
Trade & other payables	6	3,203	4,752
Provisions	6	119	128
Total Current Liabilities		3,322	4,880
Non-Current Liabilities			
Provisions	6	13,723	13,726
Total Non-current Liabilities		13,723	13,726
Total Liabilities		17,045	18,606
Net Assets		26,185	22,091
Equity			
Accumulated surplus		23,810	20,869
Asset revaluation reserve		2,375	1,222
Total Equity		26,185	22,091

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Statement of Changes in Equity for the financial year ended 30 June 2022

	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 2021	 20,869	 1,222	 22,091
Net Surplus/ (Deficit) for Year	2,941	-	2,941
Other Comprehensive Income			
Gain on revaluation of property, plant & equipment	-	1,153	1,153
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
Balance at end of period - 30 June 2022	23,810	2,375	26,185

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Statement of Cash Flows for the financial year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Cash Flows from Operating Activities			
Operating receipts from customers		13,334	11,450
Investment receipts		656	487
Operating payments to suppliers & employees		(12,228)	(9,920)
Finance payments		(1)	-
Net Cash provided by (or used in) Operating Activities	7	1,761	2,017
Cash Flows from Investing Activities			
Amounts specifically for new or upgraded assets		-	-
Sale of replaced assets	3	57	244
Distributions from equity accounted Joint Ventures	13	700	600
Contributions to equity accounted Joint Ventures	13	(703)	(513)
Expenditure on equity accounted contributed assets	13	-	(5,679)
Expenditure on renewal/replacement of assets	5	-	(634)
Expenditure on new/upgraded assets	5	(1,730)	(6,898)
Net Cash provided by (or used in) Investing Activities		(1,676)	(12,880)
Cash Flows from Financing Activities			
Repayment Related Party Loans		1,500	-
Payment of Related Party Loans		(400)	-
Net Cash provided by (or used in) Financing Activities		1,100	-
Net Increase (Decrease) in cash held		1,185	(10,863)
Cash & cash equivalents at beginning of period	4	4,643	15,506
Cash & cash equivalents at end of period	4	5,828	4,643

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 – Significant Accounting Policies

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

Each Constituent Council hold the following equitable interest in the Authority:

- City of Onkaparinga 55%
- City of Marion 30%
- City of Holdfast Bay 15%

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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 (cont.) – Significant Accounting Policies

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".

5.1 Initial Recognition

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

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

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. No capitalisation threshold is applied to the acquisition of land or interests in land.

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

5.3 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class are shown below. Depreciation of Landfill Construction and Future Capping, Rehabilitation and Restoration costs are amortised proportionately to the rate of filling based upon the projected remaining airspace of landfill cells as at the beginning of the reporting period. The Authority annually assesses the remaining airspace of landfill cells and accordingly, depreciation and amortisation rates are adjusted to reflect these estimates. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimated.

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 (cont.) – Significant Accounting Policies

6 Payables

6.1 Goods & Services

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

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

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

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

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

7.2 Superannuation

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

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation 10% in 2021/22 (9.5% in 2020/21).

No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

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 2021.

The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

The Authority also makes contributions to other superannuation schemes selected by employees under the 'choice of fund' legislation.

All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the new assets of the scheme, and no further liability attaches to the Authority.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 (cont.) – Significant Accounting Policies

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 shown in the balance sheet.

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

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

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

9 Inventory

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

10 GST Implications

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

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

11 Comparative Information

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 (cont.) – Significant Accounting Policies

12 New Accounting Standards

No new accounting standards were applied by the Authority during the financial year. The Authority has not elected to early adopt any new accounting standards, interpretations or amendments which are not yet effective.

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. Since 1 July 2019, The Authority has undertaken significant building construction works which represent 65% of the recorded "At Cost" balance of assets recorded in Note 5 as at 30 June 2022.

Land assets held by the Authority were valued by AssetVal with an effective valuation date of 30 June 2022 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 Note 1.5.3 Depreciation of Non-Current Assets.

15 Equity Accounted Joint Ventures

The Authority accounts for its interest in Joint Ventures applying the equity method per AASB 128. The value of investments held in Joint Venture entities are held at cost.

16 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 the Financial Statements for the financial year ended 30 June 2022

	2022 \$'000	2021 \$'000
Note 2 - Income		
User Charges		
Landfill Operations	10,534	11,774
	10,534	11,774
Investment Income		
Interest on investments	34	102
Rental income	622	385
	656	487
Other Income		
Other income	353	171
Joint Venture cost reimbursement *	1,956	283
	2,309	454
Note 3 - Expenses		
Employee Costs		
Salaries and Wages	829	1,092
Employee leave expense	(13)	(25)
Superannuation	99	98
Workers' Compensation Insurance	36	47
Less: Capitalised and distributed costs	-	(81)
	951	1,131
Materials, Contracts & Other Expenses		
Auditor's Remuneration	39	21
Board Expenses	52	36
Contractors	403	397
Fuels & oils	199	128
Equipment hire	28	10
Maintenance	292	450
Legal	52	160
Levies - EPA	8,137	9,570
Professional services	166	26
Joint Venture costs*	1,956	108
Sundry	347	270
	11,671	11,176

* Expenses recorded for the Southern Materials Recycling Facility relate to leasehold improvements undertaken on the recycling shed premises by the Authority which were reimbursed by the Joint Venture and recorded as income in Note2. The leasehold improvements are recognised as an asset by the Joint Venture.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 3 - Expenses (cont)

	2022 \$'000	2021 \$'000
Depreciation, Amortisation & Impairment		
Buildings & Structures	314	184
Plant & Equipment	310	408
Office Equipment	6	8
Super Cell	156	205
Super Cell Capping	132	174
Post Closure Rehabilitation	15	19
Future Restoration Costs	3	4
Work in Progress	-	-
	936	1,002
 Asset Disposals		
Proceeds from disposal	57	244
Less: Carrying amount of assets sold	(44)	(104)
Gain (Loss) on disposal	13	140

Note 4 - Current Assets

Cash & Cash Equivalents

Cash on Hand and at Bank	2,575	4,519
Short-term deposits	3,253	124
	5,828	4,643

Trade & Other Receivables

Debtors - general	2,394	3,008
Accrued Revenues	13	-
Prepayments	49	-
Sundry Debtors	45	-
	2,501	3,008

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 5 - Property, Plant & Equipment

	2021 \$'000				2022 \$'000			
	At Fair Value	At Cost	Accumulated Depreciation	Carrying Amount	At Fair Value	At Cost	Accumulated Depreciation	Carrying Amount
Land	5,205	-	-	5,205	6,335	-	-	6,335
Buildings & Structures	560	5,810	(955)	5,415	560	11,637	(1,265)	10,932
Plant & Equipment	-	4,938	(2,718)	2,220	-	4,994	(2,950)	2,044
Office Equipment	-	172	(141)	31	-	122	(118)	4
Super Cell	-	8,970	(5,599)	3,371	-	8,988	(5,756)	3,232
Super Cell Capping	5,426	-	(2,570)	2,856	5,426	-	(2,702)	2,724
Post Closure Rehabilitation	6,143	-	(5,818)	325	6,143	-	(5,833)	310
Future Restoration Costs	4,228	-	(4,169)	59	4,228	-	(4,172)	56
Work in Progress	-	6,263	-	6,263	-	56	-	56
	21,562	26,153	(21,970)	25,745	22,692	25,797	(22,796)	25,693

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2022

Note 5 - Property, Plant & Equipment

	2021 \$'000	Movement in Property, Plant & Equipment during the Financial Year						2022 \$'000
	Carrying Value	Additions Renewal / Replacement		Disposals	Revaluation	Adjustment / Transfer	Depreciation	Carrying Value
Land	5,205	-	-	(23)	1,153	-	-	6,335
Buildings & Structures	5,415	-	-	-	-	5,831	(314)	10,932
Plant & Equipment	2,220	-	-	-	-	134	(310)	2,044
Office Equipment	31	-	-	(21)	-	-	(6)	4
Super Cell	3,371	-	17	-	-	-	(156)	3,232
Super Cell Capping	2,856	-	-	-	-	-	(132)	2,724
Post Closure Rehabilitation	325	-	-	-	-	-	(15)	310
Future Restoration Costs	59	-	-	-	-	-	(3)	56
Work in Progress	6,263	-	1,713	-	-	(7,920)	-	56
	25,745	-	1,730	(44)	1,153	(1,955)	(936)	25,693
2021 \$'000	19,319	634	12,577	(104)	-	(5,679)	(1,002)	25,745

* A transfer of Work in Progress totalling \$1.955 million to operating expenses occurred during the financial year as improvements to the recycling shed were agreed to be taken on by the Joint Venture as a leasehold improvement. A disclosure has been included in Note 3 to show the total cost of the project and the funds reimbursed by the Joint Venture to the Authority for works undertaken.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 6 - Liabilities

	2022 \$'000		2021 \$'000	
	Current	Non-current	Current	Non-current
Trade & Other Payables				
Goods & services	3,186	-	4,752	-
Payments received in advance	17	-	-	-
	3,203	-	4,752	-

Provisions

Annual Leave	58	-	70	-
Long Service Leave	61	5	58	8
Super Cell Capping	-	7,980	-	7,980
Post Closure Rehabilitation	-	4,064	-	4,064
Future Restoration Costs	-	1,674	-	1,674
	119	13,723	128	13,726

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 planned to be conducted in 2022/23. As part of the review and update to the liabilities, consideration will be given to key assumptions relating to the estimated remaining filling life and available capping techniques/technology. Details relating to the previous review of the landfill liabilities has been disclosed in Note 1.8.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

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:

	2022 \$'000	2021 \$'000
Total cash & equivalent assets	5,828	4,643
Less: Short-term borrowings	-	-
Balances per Cash Flow Statement	<u>5,828</u>	<u>4,643</u>

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

Net Surplus (Deficit)	2,941	578
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	936	1,002
Transfer of Work in Progress	1,955	-
Equity adjustment - Joint Venture	(16)	-
Net (Gain) Loss on equity accounted joint ventures	(2,988)	(1,032)
Net (Gain) Loss on disposal of assets	(13)	(140)
	<u>2,815</u>	<u>408</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	507	(778)
Net increase (decrease) in trade & other payables	(1,549)	2,411
Net increase (decrease) in other provisions	(12)	(24)
Net Cash provided by (or used in) operations	<u>1,761</u>	<u>2,017</u>

(c) Financing Arrangements

Corporate Credit Cards	20	18
Cash Advance Debenture (CAD) Facility*	500	-

*The CAD facility is held with the Local Government Finance Authority (LGFA) and the Authority has no drawdown of funds from the facility as at reporting date.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 8 - Financial Instruments

Recognised Financial Instruments

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

Deposits **Terms & conditions:** Deposits on Call do not have a maturity period and have an average interest rates of 0.5% - 1.05% (2021: 0.3%).

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

Receivables - Gate Accounting Policy: Carried at nominal values less any allowance for doubtful Fees & Associated debts. An allowance for doubtful debts is recognised (and re-assessed annually) Charges 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 and Accruals for goods and services received, whether or not billed to the Authority.

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 the Financial Statements for the financial year ended 30 June 2022

Note 8 - Financial Instruments

Liquidity Analysis

	2022	≤ 1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- interest bearing	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Amortised Cost						
Cash Assets		5,828	-	-	-	5,828
Receivables		-	-	-	2,501	2,501
Total		5,828	-	-	2,501	8,329
Financial Liabilities						
Payables		-	-	-	3,203	3,203
Borrowings		-	-	-	-	-
Total		-	-	-	3,203	3,203

	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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 9 - Commitments for Expenditure

	2022 \$'000	2021 \$'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	79	1,250
	79	1,250

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 Section 112 of the *Local Government Act 1999*. In all, 6 persons were paid the following total compensation:

Salaries, allowances & other short term benefits	402	404
Total	402	404

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 (Member Council)	7,913	466	Provision of waste disposal services
City of Holdfast Bay (Member Council)	1,446	115	Provision of waste disposal services
City of Marion (Member Council)	3,526	313	Provision of waste disposal services
Southern Materials Recycling Facility (Joint Venture)	3,309	362	Provision of waste disposal services
Southern Recycling Centre (Joint venture)	6,327	593	Provision of waste disposal services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 4. 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.

In addition to the waste disposal services above, SRWRA undertook \$1.956 million of works to upgrade the Material Recovery Facility by the Southern Materials Recycling Facility Joint Venture. The income and expenses relating to this activity have been disclosed in Note 2 and 3.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 12 - Uniform Presentation of Finances

	2022 \$'000	2021 \$'000
Income	16,487	13,747
Expenses	(13,559)	(13,309)
Operating Surplus / (Deficit)	<u>2,928</u>	<u>438</u>
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	(634)
Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	936	1,002
Proceeds from Sale of Replaced Assets	57	244
	<u>993</u>	<u>612</u>
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(1,730)	(6,898)
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	-	-
	<u>(1,730)</u>	<u>(6,898)</u>
Net Lending / (Borrowing) for Financial Year	<u><u>2,191</u></u>	<u><u>(5,848)</u></u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 13 - Equity Accounting Joint Ventures

Southern Recycling Centre (SRC)

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

	2022 \$'000	2021 \$'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	1,164	677
New Capital Contributions	-	-
Share in Operating Result	1,140	1,087
Equity Adjustment	16	-
Distributions Received	(700)	(600)
Share in Equity of Joint Operation	1,620	1,164

Expenditure Commitments

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

Contingent Liabilities

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the financial statements for the financial year ended 30 June 2022

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.

	2022 \$'000	2021 \$'000
The Authority's respective interests are:		
- interest in operating result:	50.00%	50.00%
- ownership of equity	50.00%	50.00%
- the proportion of voting power	50.00%	50.00%
<u>Movement in Investment in Joint Operation:</u>		
Opening Balance	4,637	-
Capital Contributions (cash contribution)	703	513
Capital Contributions (transfer of plant assets)	-	5,679
Capital Contribution (conversion to loan)	-	(1,500)
Share in Operating Result	1,848	(55)
Share in Equity of Joint Operation	7,188	4,637

The Authority applies AASB 1058 when recognising income from Grants in line with the applicable treatment applied by not-for-profit entities. The Joint Venture recognises grant income on a different basis which has resulted in an inconsistent application of accounting policy between the entities on the timing of recognising income from grant revenues. As a result of this different application in accounting standards and policy on grant revenue recognition, this has resulted in an adjustment to the Share in Operating Result of \$2.327 million (increase) in the current financial year.

The Authority has an outstanding receivable loan with the Southern Materials Recovery Facility totalling \$0.4 million (FY21: \$1.5 million) as at the reporting date.

Expenditure Commitments

The Joint Venture has a \$3.956 million capital commitment as at reporting date relating to the construction of plant and equipment which is expected to be completed in the 2022/23 period.

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 2022

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 2022

Note 14 (cont.) - Fair Value Measurements

	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
2022					
Recurring fair value measurements					
Property, Plant & Equipment and Landfill Assets					
- Land	5	-	6,335	-	6,335
- 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		-	6,895	15,797	22,692
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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 14 (cont.) - Fair Value Measurements

(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
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

22/8/2022
Dated



SOUTHERN REGION WASTE RESOURCE AUTHORITY

GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2022

Statement by Auditor

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

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor

Director

21 September 2022

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under Professional Standards Legislation



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INDEPENDENT AUDITOR'S REPORT

To the members of the Southern Region Waste Resource Authority

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of SRWRA (the Authority), which comprises the statements of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Executive Officer and the Chairman.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2022, and its financial performance and its cash flow for the year then ended in accordance with the Australia Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility for the Financial Report

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

In preparing the financial report, the Authority is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor

Director

21 September 2022

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 SRWRA (the Authority) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2021 to 30 June 2022 have been conducted properly and in accordance with the law.

In our opinion, SRWRA has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to internal controls established by the Authority in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Authority have been conducted properly and in accordance with law for the period 1 July 2021 to 30 June 2022.

Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

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, 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.

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Auditor's responsibility

Our responsibility is to express an opinion on the Authority's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Authority to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2021 to 30 June 2022. 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 that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor

Director

21 September 2022



**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

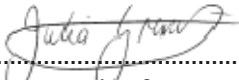
Mark Booth
Chairperson
Southern Region Waste Resource Authority

24 / 08/ 2022...

Date

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

I, Julia Grant, the person for the time being occupying the position of Acting 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.



.....
Acting Chief Executive Officer
City of Onkaparinga

24/08/2022.
Dated

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South Australia 5046

245 Sturt Road, Sturt
South Australia 5047

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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.



.....
Chief Executive Officer
City of Marion

18 / 08 / 2022
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.

19 August 2022

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

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



Chief Executive Officer
City of Holdfast Bay

19/8/22
Dated



ATTENDANCE AT BOARD MEETINGS

BOARD MEMBERS	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
CHAIRPERSON Mark Booth	8	7
CITY OF ONKAPARINGA Kirk Richardson	8	8
CITY OF ONKAPARINGA Richard Peat	8	7
CITY OF MARION Sorana Dinmore	8	7
CITY OF MARION Ian Crossland	8	5
CITY OF HOLDFAST BAY Roberto Bria	8	7
CITY OF HOLDFAST BAY John Smedley	8	4
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	8	0
CITY OF ONKAPARINGA Jessica Tucker	3	2
CITY OF MARION Bruce Hull	8	0
CITY OF MARION Ray Barnwell	8	8
CITY OF HOLDFAST BAY Clare Lindop	8	2

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	6	6
Sam Spadavecchia	6	6
Emma Hinchey	6	6
Mark Booth	6	6
John Smedley <i>Deputy SRWRA Representative</i>	6	0

PERFORMANCE AGAINST BUSINESS PLAN

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

AIMS, OBJECTIVES AND KEY MEASURES	STATUS
RESOURCE RECOVERY OBJECTIVES	
Commence operation of Material Recovery Facility	Complete
Review the first 12 months of performance of the Solar Farm	Complete
Identify and assess the feasibility of advanced waste treatment opportunities	Complete
Explore options to treat organics and greens	In progress
Identify potential markets/business opportunities for recovered products	Ongoing
Identify and support potential markets/business opportunities for recovered resources	Completed
RESOURCE RECOVERY KEY MEASURES	
Diversion of incoming waste material from landfill >32% to increase by 1% per year	Achieved 36%
Future landfill airspace = 30 years	Achieved 30 years
Carbon emission offset >100,000 tonnes per year	Achieved 118,115t
Deliver agreed projects on time and on budget	91%
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
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

Senator Andrew McLachlan CSC
Erin Thompson
MAYOR, CITY OF ONKAPARINGA
Amanda Wilson
MAYOR, CITY OF HOLDFAST BAY
Tony Harrison
CHIEF EXECUTIVE OFFICER, CITY OF MARION



AIMS, OBJECTIVES AND KEY MEASURES	STATUS
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 which is renewed by 31 July 2021	Completed
Review and update Governance Manual	Completed
Review and update Policies and Procedures	Completed
Implement 2021 Risk Evaluation Action Plan (WHS&IM)	Completed
Implementation and review of Risk Management Registers	In Progress
Future landfill rehabilitation and capping is assessed and funded over the lifetime of the site	In Progress
Deliver operating surplus	Achieved
Review fill plan and program supercell construction	Achieved
Establish strategic and operational KPI's	Achieved
OPERATIONAL EXCELLENCE MEASURES	
Maintain EPA Licence	Achieved
Reduction in the number of lost time injuries from the previous year	Achieved
Achieve or surpass operating surplus budget	Achieved

WORK HEALTH AND SAFETY

LOST TIME INJURIES

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

SRWRA recorded one lost time injury (LTI) in 2021-2022 which is consistent with the previous twelve months when one lost time injury was also recorded.

ANNUAL LOST TIME INJURIES

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

2019-2020	2020-2021	2021 - 2022
0	1	1

INJURY MANAGEMENT

SRWRA received no worker compensation claims during 2021-2022. This is a decrease in claims lodged compared to the previous year, which had one compensation claim 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
470	3

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
- engagement of expert in financial and management accounting requirements due to complexity of operational and statutory requirements.



SRWRA CONSTITUENT COUNCILS



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Photo of artwork 'Birds of Nannigai' by Jeremy Dv Boyd of Boydsta - @Boydsta - boydsta.com



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