

SRWRA
Annual Report
2015/16



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

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

At a practical level, our core business activity is the management of our wholly-owned SRWRA Landfill and Recycling Operation employing innovative resource recovery approaches in managing all products and materials as valuable and finite resources. This is one of the State's major landfill operations currently receiving around 125,000 tonnes of waste annually.

Since 1996 SRWRA has been extracting landfill gas (methane) through its gas management plant. In the 2015/16 financial year, SRWRA generated over 18,000MWh from the SRWRA Landfill facility, equivalent to powering more than 2,500 local homes. As a result more than 6.8m cubic metres of methane was consumed with CO2 abatement equivalent to taking 26,000 cars off the road.

The SRWRA's joint venture operation with Integrated Waste Services (IWS) has developed through 2015/16 with significant improvements in the recycling programme and the construction of the jointly operated Southern Recycling Centre (SRC).



Joint Venture Partner:



Constituent Councils:



Chairman's Message



The waste industry, like all industries, continues to evolve and develop. Whilst changes in technology offer more and more opportunities to divert waste from landfill and to recover precious resources, the significant increases in the South Australian government waste levy provide a compelling financial reason for everyone to focus on minimising the volume of waste that is ultimately sent to landfill.

The waste and resource recovery industry reportedly makes a contribution in the order of \$14.2 billion to the Australian economy, providing employment and underpinning economic development.

With increased population and increased urbanisation producing more waste this contribution is only likely to grow.

As the owner and operator of one of the State's major landfill operations, the Board of the Southern Region Waste Resource Authority (SRWRA) is conscious of its role in the waste industry and its responsibility to provide and operate waste management services on behalf on its Constituent Councils.

These responsibilities have been discharged in a number of ways over the past 12 months.

Firstly, by continuing to evolve in line with trends in the industry and increasing our investment in resource recovery technologies and facilities in order to ensure there is a diversion away from landfill for those resources which may have more productive uses. These efforts will only increase over time as the national agenda turns to 'green' procurement initiatives which seek to encourage the use of secondary raw materials.

Secondly, through the Les Perry Memorial grant program, a small but important education initiative which aims to provide financial assistance to a number of primary schools within the area of the Constituent Councils to support their own waste management initiatives.

Thirdly, by ensuring we provide a low cost well-managed modern landfill facility. In this regard I am pleased to report that through the tremendous efforts of our management team and staff we have again been able to improve the overall efficiency of the landfill operation to contain our cost increases for the benefit of our owners and the community.

Finally, by ensuring that future post closure obligations are fully funded.

In extending my thanks to each member of the Board for their contribution and continued support, it is important to note the outstanding service of Mr Ian Walker and Mr Steve Mathewson who retired as board members during the year. I would also like to congratulate the Executive Officer and his dedicated team for their hard work and contribution to placing the Authority on such a sound strategic and financial footing.

I am pleased to submit the Annual Report for the 2016 financial year which clearly demonstrates that the Authority continues to meet the objectives and responsibilities outlined in its Charter in a fiscally and environmentally sustainable manner. I confirm the Authority is well placed strategically and financially to continue to deliver a sustainable waste management solution for the southern region of Adelaide on behalf of its Constituent Councils.



Board of Management as at June 30th 2016

Chairperson



Mark Booth

Members



Paul Harwood
City of Onkaparinga



Vincent Mifsud
City of Marion



Ian Walker
City of Holdfast Bay



Kirk Richardson
City Of Onkaparinga



Ian Crossland
City of Marion



Lynda Yates
City of Holdfast Bay

Deputy Members



Heidi Greaves
City of Onkaparinga



Nick Kerry
City of Marion



John Smedley
City of Holdfast Bay

Executive Officer's Message



The past year has been an exciting year of achievement and realignment for the Authority in line with its Strategic Plan, complimented by the direction of the SRWRA Board throughout the year to ensure the most effective use of resources and to ensure the Authority's post closure liabilities continue to meet the obligations set out by its Constituent Councils and Charter.

Recycle and Re-use have been a particular focus over the year in terms of recovered products, with the Authority diverting over 19,000 tonnes of recovered product from its Landfill operation. As part of the recycling and recovery processes being developed at the SRWRA operations, the Authority has been able to re-use over 150,000 tonnes of recovered aggregates during the construction of the newly developed Southern Recycling Centre (SRC).

The SRC development enables the Authority to continue to provide sustainable waste management solutions for the life of the Landfill and beyond. SRWRA's dedicated team and strong Board have been integral to the momentum of efficiencies and continuous improvements across the administration and operations of the SRWRA Landfill and Recycling Operations over the past year which has been supported by strategic investment into resource recovery and development of improved recycling infrastructure.

I would like to take this opportunity to extend my thanks and appreciation to the SRWRA

staff and Board members for their hard work and dedicated contribution over the past twelve months, strengthening the Authority's commitment and responsibilities for environmental and waste management on behalf of its Constituent Councils, placing the Authority on a strong strategic and financial footing to meet the challenges, obligations and developments of the waste industry now and into the future.

The combination of the SRWRA Board and Joint Venture Board brings an excellent balance to the Authority offering a vast array of perspectives and a myriad of experience from local government and private enterprise. This is further complimented by the support and guidance received by the SRWRA Audit Committee which consists of external representation from each of the Constituent Councils. The Audit Committee adds a valuable support function to the SRWRA Board and Executive Officer in the management of the Authority's risk profiles.

In the continued development of the SRWRA's community educational initiatives each year the Authority writes to all the local primary schools in the Constituent Council areas promoting the Les Perry Memorial Grant Programme. Schools in the Constituent Council areas are encouraged to apply to the Authority for a grant of approximately \$500 each to focus on recycling and educating children on the importance of recycling and re-use of common household waste materials. A total of 5 schools were successfully awarded the grant this year.

I am pleased to report that the 2015/16 financial period for the Authority showed an operating surplus of \$1.8M for the year ended 30th June 2016. This is an excellent result, built around the improvements and efficiencies of the operations over the past twelve months. The Authority continues to operate a reasonable commercial return to the Constituent Councils whilst ensuring there are adequate financial reserves to meet future developments and post closure requirements of its operations. A complete copy of the Audited Financial Statements for 2015/16 forms part of this report.

As the waste industry continues to evolve and develop, I look forward to leading the Authority through the challenges and opportunities in the year ahead.

SRWRA

General Purpose Financial Report For the year ended 30 June 2016



SOUTHERN REGION WASTE RESOURCE AUTHORITY

General Purpose Financial Reports for the year ended 30 June 2016

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SOUTHERN REGION WASTE RESOURCE AUTHORITY

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2016

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2016 and the results of its operations and cashflows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



.....
Mark Booth
Chairman



.....
Mark Hindmarsh
Executive Officer

Dated the 18th day of August 2016

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2016

	Notes	2016 \$ '000	2015 \$'000
INCOME			
User charges	2	9,294	9,171
Investment income	2	622	672
Other Income	2	631	1,302
Net gain - equity accounted Joint Venture	14	-	124
Total Income		10,547	11,269
EXPENSES			
Employee costs	3	1,025	1,005
Materials, contracts & other expenses	3	6,848	6,344
Depreciation, amortisation & impairment	3	784	1,034
Other Expenses	3	75	94
Net loss - equity accounted Joint Venture	14	20	-
Total Expenses		8,752	8,477
OPERATING SURPLUS / (DEFICIT)		1,795	2,792
Net gain (loss) on disposal or revaluation of assets	4	5	-
NET SURPLUS / (DEFICIT)		1,800	2,792
transfer to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		1,800	2,792

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 2016

	Notes	2016 \$'000	2015 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	19,069	19,245
Trade & other receivables	5	867	1,049
Inventories	5	48	49
		<u>19,984</u>	<u>20,343</u>
Total Current Assets		<u>19,984</u>	<u>20,343</u>
Non-current Assets			
Equity Accounted Joint Venture	14	164	189
Infrastructure, Property, Plant & Equipment	6	14,461	16,614
Total Non-current Assets		<u>14,625</u>	<u>16,803</u>
Total Assets		<u>34,609</u>	<u>37,146</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	1,365	1,414
Provisions	7	136	134
		<u>1,501</u>	<u>1,548</u>
Total Current Liabilities		<u>1,501</u>	<u>1,548</u>
Non-current Liabilities			
Provisions	7	14,580	18,870
Total Non-current Liabilities		<u>14,580</u>	<u>18,870</u>
Total Liabilities		<u>16,081</u>	<u>20,418</u>
NET ASSETS		<u>18,528</u>	<u>16,728</u>
EQUITY			
Accumulated Surplus		18,528	16,728
TOTAL EQUITY		<u>18,528</u>	<u>16,728</u>

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2016

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

2015	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Balance at end of previous reporting period		14,136	-	-	14,136
Adjustments due to compliance with revised Accounting Standards		-	-	-	-
Adjustments to give effect to changed accounting policies		-	-	-	-
Restated Opening Balance		14,136	-	-	14,136
Net Surplus/ (Deficit) for Year		2,792	-	-	2,792
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-	-
Transfers between reserves		-	-	-	-
Distributions to Member Councils		(200)	-	-	(200)
Balance at end of period		16,728	-	-	16,728

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF CASH FLOWS for the year ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		10,869	10,465
Investment receipts		621	667
<u>Payments</u>			
Operating payments to suppliers & employees		(8,898)	(8,497)
Finance payments		-	-
Net Cash provided by (or used in) Operating Activities	8 (b)	<u>2,592</u>	<u>2,635</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of surplus assets		5	-
Distributions received from equity accounted Joint Venture	14	150	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(39)	(31)
Expenditure on new/upgraded assets		(2,739)	(1,208)
Capital contributed to equity accounted Joint Venture	14	(145)	-
Distributions paid to Constituent Councils		-	(200)
Net Cash provided by (or used in) Investing Activities		<u>(2,768)</u>	<u>(1,439)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Cash provided by (or used in) Financing Activities		<u>-</u>	<u>-</u>
Net Increase (Decrease) in cash held		(176)	1,196
Cash & cash equivalents at beginning of period		<u>19,245</u>	18,049
Cash & cash equivalents at end of period	8 (a)	<u>19,069</u>	<u>19,245</u>

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

Southern Region Waste Resource Authority operates as a regional subsidiary pursuant to Section 43 of the SA Local Government Act 1999 and Section 25 of the Local Government Implementation Act, and has its principal place of business at 112 Bakewell Dr, Seaford Heights SA 5169.

3 Income recognition

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

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 10.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 1 - Significant Accounting Policies (cont)

5 Infrastructure, Property, Plant & Equipment

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

5.1 Initial Recognition

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

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

5.2 Materiality

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

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

5.3 Depreciation of Non-Current Assets

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

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

Plant, Furniture & Equipment	3 to 10 years
Buildings	30 - 50 years
Waste Facility	10 to 15 years
Landfill Construction	Amortised proportionately to rate of filling

5.4 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

6 Payables

6.1 Goods & Services

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 1 - Significant Accounting Policies (cont)

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

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

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

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

7.2 Superannuation

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

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2015/16; 9.5% in 2014/15). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

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

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

8 Rehabilitation

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

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

9 Inventory

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 1 - Significant Accounting Policies (cont)

10 GST Implications

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

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

11 Comparative Information

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

12 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2016 reporting period and have not been used in preparing these reports.

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

13 Valuation of Land and Building Assets

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 2 - INCOME

	Notes	2016 \$'000	2015 \$'000
USER CHARGES			
Landfill Operations		9,294	9,171
		<u>9,294</u>	<u>9,171</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		552	633
Banks & other		27	20
Investment property rental income		43	19
		<u>622</u>	<u>672</u>
OTHER INCOME			
Movement in Landfill Liabilities		228	1,182
Other Income		307	-
Southern Recycling Centre		96	120
		<u>631</u>	<u>1,302</u>

During the 2015/16 financial year, the Authority completed a review of the Post Closure Rehabilitation landfill liability which resulted in a reduction of \$4.643 million to the liability - refer Note 7. This reduction in liability is a non-cash transaction of which \$228k has been reflected in Other Income.

Note 3 - EXPENSES

EMPLOYEE COSTS			
Salaries and Wages		951	911
Employee leave expense		11	6
Superannuation		77	72
Workers' Compensation Insurance		43	48
Less: Capitalised and distributed costs		(57)	(32)
Total Operating Employee Costs		<u>1,025</u>	<u>1,005</u>
Total Number of Employees		10	10
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		19	18
- Internal Controls Opinion		-	6
Board Expenses		43	36
Operating Lease Rentals - cancellable leases		3	28
Subtotal - Prescribed Expenses		<u>65</u>	<u>88</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors		227	254
Fuel		104	141
Equipment Hire		12	6
Maintenance		391	271
Legal Expenses		55	106
Levies paid- EPA Levy		5,582	5,152
Professional services		41	43
Southern Recycling Centre		10	32
Sundry		361	251
Subtotal - Other Materials, Contracts & Expenses		<u>6,783</u>	<u>6,256</u>
		<u>6,848</u>	<u>6,344</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 3 - EXPENSES (cont)

	Notes	2016 \$'000	2015 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Landfill Construction		401	641
Buildings & Waste Facility		45	29
Plant & Equipment		338	364
Impairment	6	-	-
		<u>784</u>	<u>1,034</u>
OTHER EXPENSES			
Transfer to Provision for Cell 2 Capping		-	-
Transfer to Provision of Cell 3-1 & 3-2 Capping		75	94
		<u>75</u>	<u>94</u>

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Assets renewed or directly replaced

Proceeds from disposal	5	-
Less: Carrying amount of assets sold	-	-
Gain (Loss) on disposal	<u>5</u>	<u>-</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>5</u>	<u>-</u>

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank	1,304	1,698
Deposits at Call	-	-
Short Term Deposits & Bills, etc	17,765	17,547
	<u>19,069</u>	<u>19,245</u>

TRADE & OTHER RECEIVABLES

Accrued Revenues	25	29
Debtors - general	823	882
Prepayments	19	138
Total	867	1,049
Less: Allowance for Doubtful Debts	-	-
	<u>867</u>	<u>1,049</u>

INVENTORIES

Stores & Materials	48	49
	<u>48</u>	<u>49</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

	2015 \$'000				2016 \$'000			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Land	1,427	400	-	1,827	1,427	400	-	1,827
Buildings	560	370	(12)	918	560	780	(41)	1,299
Waste Facility:								
Fencing	-	29	(26)	3	-	41	(32)	9
Concrete Slab	-	111	(84)	27	-	111	(90)	21
Oil Transfer Facility	-	68	(51)	17	-	68	(55)	13
Shed	-	25	(9)	16	-	25	(9)	16
Depot	-	67	(24)	43	-	67	(25)	42
Plant & Equipment	-	4,361	(2,638)	1,723	-	4,220	(2,720)	1,500
Motor Vehicles	-	31	(8)	23	-	74	(13)	61
Office Equipment	-	157	(145)	12	-	126	(113)	13
Landfill Construction:								
Landfill Cell 3-1 & 3-2	-	5,293	(5,293)	-	-	5,293	(5,293)	-
Landfill Cell's 3-1 & 3-2 Capping	-	828	(828)	-	-	828	(828)	-
Cell 3-3 & 3-4 (Lower)	-	3,705	(3,264)	441	-	3,705	(3,264)	441
Cell 3-3 & 3-4 (Lower) Capping	-	2,668	(588)	2,080	-	2,755	(588)	2,167
Cell 4	-	3,578	(1,189)	2,389	-	3,607	(1,432)	2,175
Cell 4 (Capping)	-	1,673	(908)	765	-	1,727	(991)	736
Site Rehabilitation	-	5,733	(1,317)	4,416	-	5,733	(5,733)	-
Future Restoration Costs	-	3,901	(2,309)	1,592	-	4,028	(2,384)	1,644
Work in Progress	-	322	-	322	-	2,497	-	2,497
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	1,987	33,320	(18,693)	16,614	1,987	36,085	(23,611)	14,461
Comparatives	1,987	32,771	(17,658)	17,100	1,987	33,320	(18,693)	16,614

This Note continues on the following pages.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

	2015	CARRYING AMOUNT MOVEMENTS DURING YEAR						2016
	\$'000	\$'000						\$'000
	CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Adjustments	Revaluation Movement
Capital	Renewals							
Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Land	1,827	-	-	-	-	-	-	1,827
Buildings	918	401	9	-	(29)	-	-	1,299
Waste Facility:								
Fencing	3	-	11	-	(5)	-	-	9
Concrete Slab	27	-	-	-	(6)	-	-	21
Oil Transfer Facility	17	-	-	-	(4)	-	-	13
Shed	16	-	-	-	-	-	-	16
Depot	43	-	-	-	(1)	-	-	42
Plant & Equipment	1,723	151	-	(57)	(317)	-	-	1,500
Motor Vehicles	23	43	-	-	(5)	-	-	61
Office Equipment	12	-	19	(3)	(15)	-	-	13
Landfill Construction:								
Landfill Cell 3-1 & 3-2	-	-	-	-	-	-	-	-
Landfill Cell's 3-1 & 3-2 Capping	-	-	-	-	-	-	-	-
Cell 3-3 & 3-4 (Lower)	441	-	-	-	-	-	-	441
Cell 3-3 & 3-4 (Lower) Capping	2,080	87	-	-	-	-	-	2,167
Cell 4	2,389	30	-	-	(244)	-	-	2,175
Cell 4 (Capping)	765	54	-	-	(83)	-	-	736
Post Closure Rehabilitation	4,416	-	-	-	-	(4,416)	-	-
Future Restoration Costs	1,592	127	-	-	(75)	-	-	1,644
Work in Progress	322	2,175	-	-	-	-	-	2,497
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	16,614	3,068	39	(60)	(784)	-	(4,416)	14,461
Comparatives	20,902	1,512	8	(42)	(1,785)	(529)	(2,966)	17,100

This Note continues on the following pages.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 7 - LIABILITIES

		2016 \$'000		2015 \$'000	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		1,190	-	1,102	-
Accrued expenses - other		175	-	312	-
		1,365	-	1,414	-

PROVISIONS

Annual Leave	74	-	77	-
Long Service Leave	62	20	57	11
Post Closure Rehabilitation	-	3,654	-	8,297
Cell Capping - 3-1 & 3-2	-	2,396	-	2,320
Cell Capping - 3-3 & 3-4 (Lower)	-	2,755	-	2,668
Cell 4 Capping	-	1,727	-	1,673
Future Restoration Costs	-	4,028	-	3,901
	136	14,580	134	18,870

Movements in Provisions - 2016 year only (current & non-current)

	Opening Balance	Additional Amounts Recognised/ (Derecognised)	Payments	Closing Balance
Post Closure Rehabilitation	8,297	(4,643)	-	3,654
Cell Capping -3-1 & 3-2	2,320	76	-	2,396
Cell Capping - 3-3 & 3-4 (Lower)	2,668	87	-	2,755
Cell 4 Capping	1,673	54	-	1,727
Future Restoration Costs	3,901	127	-	4,028
Total	18,859	(4,299)	-	14,560

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 8 - RECONCILIATION OF CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2016 \$'000	2015 \$'000
Total cash & equivalent assets	5	19,069	19,245
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>19,069</u>	<u>19,245</u>

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

Net Surplus (Deficit)	1,800	2,792
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	784	1,034
Net (Gain) Loss on Disposals	(5)	-
	<u>2,579</u>	<u>3,826</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	182	338
Net (increase) decrease in inventories	1	(49)
Net (increase) decrease in other current assets	-	-
Net increase (decrease) in trade & other payables	(49)	(272)
Net increase (decrease) in other provisions	(121)	(1,208)
Net Cash provided by (or used in) operations	<u>2,592</u>	<u>2,635</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

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

Amounts recognised in Income Statement

- Finance Leases

-	-
-	-
-	-
-	-

(d) Financing Arrangements

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

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

The Authority has no bank overdraft facility.

SOUTHERN REGION WASTE RESOURCE AUTHORITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

Note 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates of 1.5 - 2.8% (2015: 2 - 3%). Short term deposits have an average maturity of 90 days (2015: 90 days).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Gate Fees & Associated Charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Net Fair Value

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

Risk Exposures

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

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

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows.

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 9 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

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

2015	Floating Interest Rate \$'000	Fixed interest maturing in			Non- interest bearing \$'000	Total \$'000
		≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000		
Financial Assets						
Fair Value through P&L						
Cash Assets	1,698	17,547	-	-	-	19,245
Loans & Receivables						
Receivables	-	-	-	-	1,049	1,049
Total	1,698	17,547	-	-	1,049	20,294
<i>Weighted Average Interest Rate</i>	<i>2.00%</i>	<i>3.00%</i>				
Financial Liabilities						
Payables	-	-	-	-	1,414	1,414
Total	-	-	-	-	1,414	1,414
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,698	17,547	-	-	(365)	18,880

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 10 - COMMITMENTS FOR EXPENDITURE

	2016 \$'000	2015 \$'000
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Resource Recovery Facility	527	1,660
Administration Office Construction	-	146
Plant & Equipment	-	-
	<u>527</u>	<u>1,806</u>
These expenditures are payable:		
Not later than one year	527	1,806
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>527</u>	<u>1,806</u>
Other Expenditure Commitments		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	73	18
	<u>73</u>	<u>18</u>
These expenditures are payable:		
Not later than one year	18	18
Later than one year and not later than 5 years	55	-
Later than 5 years	-	-
	<u>73</u>	<u>18</u>

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

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

1. Potential Insurance Losses

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

The Authority 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 the Authority may have existed at reporting date.

2. Legal Expenses

All known costs have been recognised.

Note 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2016 that need to be disclosed in the Financial Statements

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 13 - UNIFORM PRESENTATION OF FINANCES

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

All Councils in South Australia voluntarily have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	2016 \$'000	2015 \$'000
Income	10,547	11,269
less Expenses	(8,752)	(8,477)
Operating Surplus / (Deficit)	1,795	2,792
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	39	31
Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	(859)	(1,128)
Proceeds from Sale of Replaced Assets	-	-
	(820)	(1,097)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	2,739	1,208
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	(5)	-
	2,734	1,208
Net Lending / (Borrowing) for Financial Year	(119)	2,681

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 14 - EQUITY ACCOUNTED JOINT VENTURE

Southern Recycling Centre (SRC)

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

	2016 \$'000	2015 \$'000
The Authority's respective interests are:		
- interest in operating result:	49.99%	49.99%
- ownership of equity	49.99%	49.99%
the proportion of voting power	50.00%	50.00%
<u>Movement in Investment in Joint Operation:</u>		
Opening Balance	189	65
New Capital Contributions	145	-
Share in Operating Result	124	124
Equity Adjustment	(144)	-
Distributions Received	(150)	-
Share in Equity of Joint Operation	164	189

Expenditure Commitments

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

Contingent Liabilities

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2016

Note 15 - 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 2016

Note 15 - FAIR VALUE MEASUREMENTS (Cont.)

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

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2016					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
- Land	6	-	1,827	-	1,827
- Buildings	6	-	1,340	-	1,340
Total financial assets recognised at fair value		-	3,167	-	3,167

2015					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
- Land	6	-	1,827	-	1,827
- Buildings	6	-	930	-	930
Total financial assets recognised at fair value		-	2,757	-	2,757

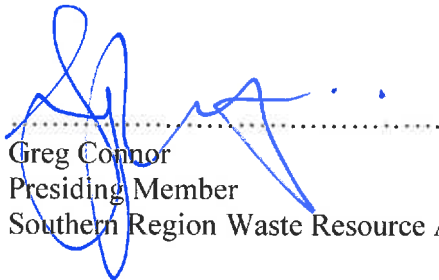
(b) **Disclosed fair value measurements**

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

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

**Presiding Member Southern Region Waste Resource Authority
Audit Committee – Auditor Independence**

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 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.


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

18816
.....
Dated



Accountants, Auditors
& Business Consultants

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under Professional Standards Legislation

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

Report on the Financial Report

We have audited the accompanying financial report of the Southern Region Waste Resource Authority ("the Authority"), which comprises the balance sheet as at 30 June 2016, 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.

Authority's Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Authority, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Audit Opinion

In our opinion, the financial report of the Southern Region Waste Resource Authority for the year ended 30 June 2016 is properly drawn up:

- (a) so as to give a true and fair view of:
 - (i) the Authority's state of affairs as at 30 June 2016 and its operating result and cash flows for the year ended on that date; and
 - (ii) the other matters required by Division IV of the Local Government Act 1999 to be dealt with in the accounts;
- (b) in accordance with the provisions of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011; and
- (c) in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.

Other Matter

The financial report of the Southern Region Waste Resource Authority for the year ended 30 June 2015 was audited by another auditor who expressed an unmodified opinion on that financial report on 16 September 2015.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Simon Smith, FCPA, Registered Company Auditor
Partner

26 / 8 / 2016



Accountants, Auditors
& Business Consultants

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

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

We have audited the Internal Controls of the Southern Region Waste Resource Authority ("the Authority") under the requirement of Section 129(1)(b) 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 year ended 30 June 2016 have been conducted properly and in accordance with the law.

The Authority's Responsibility for Internal controls

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

Auditor's responsibility

Our responsibility is to express an opinion on the Authority's compliance with Section 129(1)(b) 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 have been conducted properly and in accordance with the law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with Section 125 of the Local Government Act 1999 in relation only to the internal controls specified above for the period 1 July 2015 to 30 June 2016. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

Limitation of Use

This report has been prepared for the members of the Authority in Accordance with Section 129(1)(B) of the Local Government Act 1999 in relation to the Internal Controls Specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Authority, or for any purpose other than which it was prepared.

Inherent Limitation.

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

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

Independence

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

Opinion

In our opinion, the Authority has complied, in all material respects, with Section 129(1)(b) of the Local Government Act 1999 in relation to internal controls established by the Authority relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the authority have been conducted properly and in accordance with law for the year ended 30 June 2016.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Simon Smith, FCPA, Registered Company Auditor
Partner

26/8/2016

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

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


Mark Dowd
Chief Executive Officer
City of Onkaparinga

23 1 8 1 2016 Dated



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Document1

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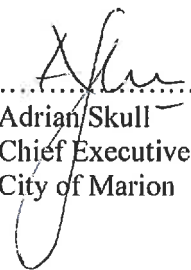
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**Chief Executive Officer's Certificate of Compliance – Auditor Independence
Southern Region Waste Resource Authority**

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


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

12 / 8 / 16
.....
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.

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

I, Justin Lynch, 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.


Justin Lynch
Chief Executive Officer
City of Holdfast Bay

9/8/16
Dated

Attendance at Board Meetings

July 2015 – June 2016

BOARD MEETINGS	A	B
BOARD MEMBERS		
Chairman Mark Booth	7	7
Ian Walker	7	4
Kirk Richardson	7	7
Vincent Mifsud	7	5
Steve Matthewson (to May 2016)	6	4
Paul Harwood (May 2016 to Jun 2016)	1	0
Lynda Yates	7	7
Ian Crossland	7	6
DEPUTY BOARD MEMBERS Please Note: Deputy Board Members are only required to attend a Board Meeting when the Board Member is an apology.		
Nick Kerry	7	0
John Smedley	7	4
Heidi Greaves	7	1

A = Number of meetings held during the period 1 July 2015 to 30 June 2016 during the time the Board Member or the Deputy Board Member was a member of the Board.

B = Number of meetings attended by the Board Member or Deputy Board Member from 1 July 2015 to 30 June 2016.

Attendance at Audit Committee Meetings

JULY 2015 – JUNE 2016

AUDIT COMMITTEE MEETINGS	A	B
Chairman Greg Connor	4	3
Vicki Brown	4	4
David Powell	4	4
Mark Booth	4	4
Steve Matthewson (to May 2016)	4	2

A = Number of meetings held during the period 1 July 2015 to 30 June 2016 during the time the Audit Committee Member was a member of the Committee.

B = Number of meetings attended by the Audit Committee Board Member from 1 July 2015 to 30 June 2016.





SRWRA Constituent Councils



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