

SRWRA

General Purpose Financial Report *For the year ended 30 June 2015*



SOUTHERN REGION WASTE RESOURCE AUTHORITY

General Purpose Financial Reports for the year ended 30 June 2015

TABLE OF CONTENTS

	<u>Page</u>
Authority Certificate	
Principal Financial Statements	
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N1
Note 2 - Income	N6
Note 3 - Expenses	N6-N7
Note 4 - Gain or Loss on Disposal of Assets	N7
Note 5 - Current Assets	N7
Note 6 - Infrastructure, Property, Plant & Equipment & Investment Property	N8-N9
Note 7 - Liabilities	N10
Note 8 - Reserves	N10
Note 9 - Reconciliation of Cash Flow Statement	N11
Note 10 - Financial Instruments	N12-N13
Note 11 - Expenditure Commitments	N14
Note 12 - Uniform Presentation of Finances	N15
Note 13 - Operating Leases	N16
Note 14 - Events Occurring After Reporting Date	N16
Note 15 - Contingencies & Assets & Liabilities Not Recognised in the Statement of Financial Performance	N17
Note 16 - Equity Accounted Joint Venture	N18
Note 17 - Fair Value Measurements	N19 - N20
EO Statement	
Audit Report	
Council Certificates of Audit Independence	

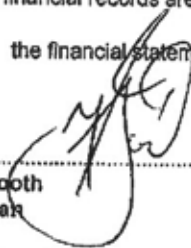
SOUTHERN REGION WASTE RESOURCE AUTHORITY

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2015

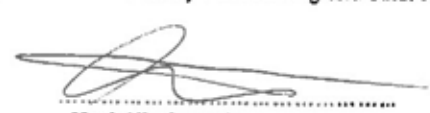
CERTIFICATION OF FINANCIAL STATEMENTS

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 2015 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 16TH day of SEPTEMBER 2015

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
INCOME			
User charges	2	9,171	9,137
Investment income	2	672	645
Other Income	2	1,302	1,274
Net gain - equity accounted Joint Venture	16	124	65
Total Income		11,269	11,121
EXPENSES			
Employee costs	3	1,005	1,023
Materials, contracts & other expenses	3	6,344	6,370
Depreciation, amortisation & impairment	3	1,034	2,314
Other Expenses	3	94	135
Total Expenses		8,477	9,842
OPERATING SURPLUS / (DEFICIT)		2,792	1,279
Net gain (loss) on disposal or revaluation of assets	4	-	2
NET SURPLUS / (DEFICIT)		2,792	1,281
transfer to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	(2,966)
Total Other Comprehensive Income		-	(2,966)
TOTAL COMPREHENSIVE INCOME		2,792	(1,685)

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 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	19,245	18,049
Trade & other receivables	5	1,049	1,387
Inventories	5	49	-
		<u>20,343</u>	<u>19,436</u>
Total Current Assets		<u>20,343</u>	<u>19,436</u>
Non-current Assets			
Equity Accounted Joint Venture	16	189	65
Infrastructure, Property, Plant & Equipment	6	16,614	17,100
		<u>16,803</u>	<u>17,165</u>
Total Non-current Assets		<u>16,803</u>	<u>17,165</u>
Total Assets		<u>37,146</u>	<u>36,601</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	1,414	1,686
Provisions	7	134	897
		<u>1,548</u>	<u>2,583</u>
Total Current Liabilities		<u>1,548</u>	<u>2,583</u>
Non-current Liabilities			
Provisions	7	18,870	19,882
		<u>18,870</u>	<u>19,882</u>
Total Non-current Liabilities		<u>18,870</u>	<u>19,882</u>
Total Liabilities		<u>20,418</u>	<u>22,465</u>
NET ASSETS		<u>16,728</u>	<u>14,136</u>
EQUITY			
Accumulated Surplus		16,728	14,136
Asset Revaluation Reserve	8	-	-
Other Reserves	8	-	-
		<u>16,728</u>	<u>14,136</u>
TOTAL EQUITY		<u>16,728</u>	<u>14,136</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 2015

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

2014	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Balance at end of previous reporting period		12,593	2,966	512	16,071
Adjustments due to compliance with revised Accounting Standards		-	-	-	-
Adjustments to give effect to changed accounting policies		-	-	-	-
Restated Opening Balance		12,593	2,966	512	16,071
Net Surplus/ (Deficit) for Year		1,281	-	-	1,281
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	(2,966)	-	(2,966)
Transfers between reserves		512	-	(512)	-
Distributions to Member Councils		(250)	-	-	(250)
Balance at end of period		14,136	-	-	14,136

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 2015

	Notes	2015 \$'000	2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		10,465	10,132
Investment receipts		667	642
<u>Payments</u>			
Operating payments to suppliers & employees		(8,497)	(8,252)
Finance payments		-	-
Net Cash provided by (or used in) Operating Activities	9 (b)	<u>2,635</u>	<u>2,522</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of surplus assets		-	43
Net disposal of investment securities		-	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(31)	(8)
Expenditure on new/upgraded assets		(1,208)	(832)
Purchase of Investments		-	-
Net Cash provided by (or used in) Investing Activities		<u>(1,239)</u>	<u>(797)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Payments</u>			
Distributions Paid to Constituent Councils		(200)	(250)
Net Cash provided by (or used in) Financing Activities		<u>(200)</u>	<u>(250)</u>
Net Increase (Decrease) in cash held		1,196	1,475
Cash & cash equivalents at beginning of period		<u>18,049</u>	<u>16,574</u>
Cash & cash equivalents at end of period	9 (a)	<u>19,245</u>	<u>18,049</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 2015

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 282 Main South Road, Morphett Vale SA 5162. These financial statements have been prepared for use by the Constituent Councils of the Authority.

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 2015

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 Subsequent Recognition

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 5.

5.4 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	50 years
Infrastructure:	
- Waste Facility	10 to 15 years
- Landfill Construction	Amortised proportionately to rate of filling

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 1 - Significant Accounting Policies (cont)

5.5 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. 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 outflows or value in use).

For 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 the Authority were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

6 Payables

6.1 Goods & Services

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

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

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

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

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

7.2 Superannuation

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

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2014/15; 9.25% in 2013/14). 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.

7.2 Superannuation (Cont.)

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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 1 - Significant Accounting Policies (cont)

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 Leases

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

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

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

10 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.

11 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.

12 Comparative Information

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

Annual Leave has this year been disclosed under Provisions for the first time due to the new requirements under AASB 119. In previous year, Annual Leave has been disclosed under Trade & Other Payables. Comparative information has been amended for comparability purposes and this has resulted in no change in the comparative financial position of performance of the Authority.

13 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2015 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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 1 - Significant Accounting Policies (cont)

14 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 2015

Note 2 - INCOME

	Notes	2015 \$'000	2014 \$'000
USER CHARGES			
Landfill Operations		9,171	9,137
		<u>9,171</u>	<u>9,137</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		633	587
Banks & other		20	45
Investment property rental income		19	13
		<u>672</u>	<u>645</u>
OTHER INCOME			
Movement in Landfill Capping Liabilities		1,182	865
Southern Recycling Centre		120	409
		<u>1,302</u>	<u>1,274</u>

During the 2014/15 financial year, the Authority completed a review of all landfill rehabilitation and capping costings which resulted in a reduction of \$1.182 million to the liability. This reduction in liability is a non-cash transaction reflected in Other Income.

Note 3 - EXPENSES

EMPLOYEE COSTS			
Salaries and Wages		911	1,059
Employee leave expense		6	(116)
Superannuation		72	90
Workers' Compensation Insurance		48	14
Less: Capitalised and distributed costs		(32)	(24)
Total Operating Employee Costs		<u>1,005</u>	<u>1,023</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		18	17
- 2013/14 Audit - Internal Controls Opinion		4	-
- 2014/15 Audit - Internal Controls Opinion		2	-
Board Expenses		36	35
Operating Lease Rentals - cancellable leases		28	27
Subtotal - Prescribed Expenses		<u>88</u>	<u>79</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors		254	292
Fuel		141	201
Equipment Hire		6	7
Maintenance		271	289
Legal Expenses		106	66
Levies paid- EPA Levy		5,152	4,653
Professional services		43	30
Southern Recycling Centre		32	484
Sundry		251	269
Subtotal - Other Materials, Contracts & Expenses		<u>6,256</u>	<u>6,291</u>
		<u>6,344</u>	<u>6,370</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 3 - EXPENSES (cont)

	Notes	2015 \$'000	2014 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Landfill Construction		641	1,357
Buildings & Waste Facility		29	20
Plant & Equipment		364	408
Impairment	6	-	529
		<u>1,034</u>	<u>2,314</u>
OTHER EXPENSES			
Transfer to Provision for Cell 2 Capping		-	30
Transfer to Provision of Cell 3-1 & 3-2 Capping		94	105
		<u>94</u>	<u>135</u>

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Assets renewed or directly replaced

Proceeds from disposal	-	43
Less: Carrying amount of assets sold	-	41
Gain (Loss) on disposal	<u>-</u>	<u>2</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>-</u>	<u>2</u>

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank	1,698	820
Deposits at Call	-	-
Short Term Deposits & Bills, etc	17,547	17,229
	<u>19,245</u>	<u>18,049</u>

TRADE & OTHER RECEIVABLES

Accrued Revenues	29	24
Debtors - general	882	1,218
Prepayments	138	145
Total	1,049	1,387
Less: Allowance for Doubtful Debts	-	-
	<u>1,049</u>	<u>1,387</u>

INVENTORIES

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

	2014 \$'000				2015 \$'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	-	-	1,427	1,427	400	-	1,827
Buildings	560	-	-	560	560	370	(12)	918
Waste Facility:								
Fencing	-	29	(19)	10	-	29	(26)	3
Concrete Slab	-	111	(79)	32	-	111	(84)	27
Oil Transfer Facility	-	68	(48)	20	-	68	(51)	17
Shed	-	25	(8)	17	-	25	(9)	16
Depot	-	67	(23)	44	-	67	(24)	43
Plant & Equipment	-	4,332	(2,285)	2,047	-	4,361	(2,638)	1,723
Motor Vehicles	-	31	(5)	26	-	31	(8)	23
Office Equipment	-	155	(137)	18	-	157	(145)	12
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	-	728	(588)	140	-	2,668	(588)	2,080
Cell 4	-	3,461	(938)	2,523	-	3,578	(1,189)	2,389
Cell 4 (Capping)	-	3,081	(828)	2,253	-	1,673	(908)	765
Site Rehabilitation	-	5,366	(1,088)	4,278	-	5,733	(1,317)	4,416
Future Restoration Costs	-	5,491	(2,227)	3,264	-	3,901	(2,309)	1,592
Work in Progress	-	-	-	-	-	322	-	322
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	1,987	32,771	(17,658)	17,100	1,987	33,320	(18,693)	16,614
Comparatives	4,648	32,177	(15,923)	20,902	1,987	32,771	(17,658)	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 2015

	CARRYING AMOUNT MOVEMENTS DURING YEAR								2015
	2014 \$'000	\$'000						Revaluation Movement	CARRYING AMOUNT
		CARRYING AMOUNT	Capital	Additions	Disposals	Depreciation	Impairment		
Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT									
Land	1,427	400	-	-	-	-	-	-	1,827
Buildings	560	370	-	-	(12)	-	-	-	918
Waste Facility:									
Fencing	10	-	-	-	(7)	-	-	-	3
Concrete Slab	32	-	-	-	(5)	-	-	-	27
Oil Transfer Facility	20	-	-	-	(3)	-	-	-	17
Shed	17	-	-	-	(1)	-	-	-	16
Depot	44	-	-	-	(1)	-	-	-	43
Plant & Equipment	2,047	-	29	-	(353)	-	-	-	1,723
Motor Vehicles	26	-	-	-	(3)	-	-	-	23
Office Equipment	18	-	2	-	(8)	-	-	-	12
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	140	1,940	-	-	-	-	-	-	2,080
Cell 4	2,523	116	-	-	(250)	-	-	-	2,389
Cell 4 (Capping)	2,253	-	-	-	(80)	-	(1,408)	-	765
Site Rehabilitation	4,278	367	-	-	(229)	-	-	-	4,416
Future Restoration Costs	3,264	-	-	-	(82)	-	(1,590)	-	1,592
Work in Progress	-	322	-	-	-	-	-	-	322
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	17,100	3,515	31	-	(1,034)	-	(2,998)	-	16,614
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 2015

Note 7 - LIABILITIES

		2015 \$'000		2014 \$'000
	Notes	Current	Non-current	Current Non-current
TRADE & OTHER PAYABLES				
Goods & Services		1,102	-	1,466 -
Accrued expenses - other		312	-	220 -
		<u>1,414</u>	<u>-</u>	<u>1,686</u> <u>-</u>
 PROVISIONS				
Annual Leave		77	-	87 -
Long Service Leave		57	11	42 9
Cell 2 Capping		-	-	768 -
Post Closure Site Rehabilitation		-	8,297	- 7,930
Cell Capping - 3-1 & 3-2		-	2,320	- 2,643
Cell Capping - 3-3 & 3-4 (Lower)		-	2,668	- 728
Cell 4 Capping		-	1,673	- 3,081
Future Restoration Costs Capitalised		-	3,901	- 5,491
		<u>134</u>	<u>18,870</u>	<u>897</u> <u>19,882</u>

Movements in Provisions - 2015 year only
(current & non-current)

	Opening Balance	Additional Amounts Recognised/ (Derecognised)	Payments	Closing Balance
Cell 2 Capping	768	(768)	-	-
Post Closure Site Rehabilitation	7,930	367	-	8,297
Cell Capping -3-1 & 3-2	2,643	(323)	-	2,320
Cell Capping - 3-3 & 3-4 (Lower)	728	1,940	-	2,668
Cell 4 Capping	3,081	(1,408)	-	1,673
Future Restoration Costs Capitalised	5,491	(1,590)	-	3,901
Total	<u>20,641</u>	<u>(1,782)</u>	<u>-</u>	<u>18,859</u>

Note 8 - RESERVES

	1/07/2014	Transfers to Reserve	Transfers from Reserve	30/06/2015
OTHER RESERVES				
Asset Revaluation Reserve	-	-	-	-
Waste Management Fund	-	-	-	-
TOTAL OTHER RESERVES	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Comparatives Totals	<u>3,478</u>	<u>-</u>	<u>(3,478)</u>	<u>-</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 9 - 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	2015 \$'000	2014 \$'000
Total cash & equivalent assets	5	19,245	18,049
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>19,245</u>	<u>18,049</u>

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

Net Surplus (Deficit)	2,792	1,281
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,034	2,314
Net (Gain) Loss on Disposals	-	(2)
	<u>3,826</u>	<u>3,593</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	338	(338)
Net (increase) decrease in inventories	(49)	-
Net (increase) decrease in other current assets	-	-
Net increase (decrease) in trade & other payables	(272)	398
Net increase (decrease) in other provisions	(1,208)	(1,131)
Net Cash provided by (or used in) operations	<u>2,635</u>	<u>2,522</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 2015

Note 10 - 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 2 - 3% (2014: 3 - 4%). Short term deposits have an average maturity of 90 days (2014: 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 2015

Note 10 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2015	Floating Interest Rate \$'000	Fixed interest maturing in ≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'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>	2.00%	3.00%				
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

2014	Floating Interest Rate \$'000	Fixed interest maturing in ≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
Financial Assets						
Fair Value through P&L						
Cash Assets	820	17,229	-	-	-	18,049
Loans & Receivables						
Receivables	-	-	-	-	1,387	1,387
Total	820	17,229	-	-	1,387	19,436
<i>Weighted Average Interest Rate</i>	3.00%	4.00%				
Financial Liabilities						
Payables	-	-	-	-	1,686	1,686
Total	-	-	-	-	1,686	1,686
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	820	17,229	-	-	(299)	17,750

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 11 - COMMITMENTS FOR EXPENDITURE

	2015 \$'000	2014 \$'000
<u>Notes</u>		
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Resource Recovery Facility	1,660	1,900
Administration Office Construction	146	300
Plant & Equipment	-	-
	<u>1,806</u>	<u>2,200</u>
These expenditures are payable:		
Not later than one year	1,806	2,200
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>1,806</u>	<u>2,200</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	-	18
	<u>-</u>	<u>18</u>
These expenditures are payable:		
Not later than one year	-	18
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>18</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 12 - 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.

	2015 \$'000	2014 \$'000
Income	11,269	11,121
less Expenses	(8,477)	(9,842)
Operating Surplus / (Deficit)	2,792	1,279
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	31	8
Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	(1,128)	(2,449)
Proceeds from Sale of Replaced Assets	-	-
	(1,097)	(2,441)
less Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	1,208	832
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	-	(43)
	1,208	789
Net Lending / (Borrowing) for Financial Year	2,681	2,931

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 13 - OPERATING LEASES

Lease payment commitments of the Authority

The Authority has entered into non-cancellable operating lease on a monthly renewal basis for the office building premises it currently occupies.

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

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

No lease contains any escalation clause.

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

	2015 \$'000	2014 \$'000
Not later than one year	-	16
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>16</u>

Note 14 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2015 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 2015

Note 15 - 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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 16 - 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.

	2015 \$'000	2014 \$'000
The Authority's respective interests are:		
- interest in operating result:	50%	-
- ownership of equity	50%	-
the proportion of voting power	50%	-
 <u>Movement in Investment in Joint Operation:</u>		
Opening Balance	65	-
New Capital Contributions	-	-
Share in Operating Result	124	65
Distributions Received	-	-
Share in Equity of Joint Operation	189	65

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.

Distributions

The Authority received a cash distribution from the SRC in July 2015 for the following amounts:

- 1 July 2015:	\$ 100,000
- 3 July 2015	\$ 50,000

Both cash distributions received will be recognised in the financial statements of the Authority in the 2015/16 financial year.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

Note 17 - 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 2015

Note 17 - 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 \$
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

2014					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
- Land	6	-	1,427	-	1,427
- Buildings	6	-	560	-	560
Total financial assets recognised at fair value		-	1,987	-	1,987

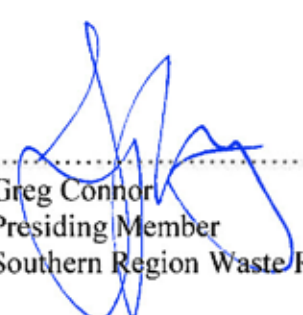
(b) **Disclosed fair value measurements**

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

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

**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, Edwards Marshall, 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

20.8.15.
Dated



SOUTHERN REGION WASTE RESOURCE AUTHORITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 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 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Executive Officer.

Board's Responsibility for the Financial Report

The Board of the Authority are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999. Financial reporting requirements of the company's constitution and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Board also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with the Australian equivalents to International Financial Reporting Standards (AIFRS).

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements 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 judgment, 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 entity's preparation and fair presentation 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 ethical pronouncements and the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.



SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Auditor's Opinion

In our opinion:

- (a) (i) the financial report presents fairly, in all material respects, the financial position of the Southern Region Waste Resource Authority as at 30 June 2015, and its financial performance and its cash flows for the financial year then ended; and
- (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999; and
- (b) the financial report also complies with Australian equivalents to International Financial Reporting Standards as disclosed in Note 1.

We have obtained all of the information and explanations required from the Authority.

Edwards Marshall
Chartered Accountants

Noel Clifford
Partner

Adelaide
South Australia

Dated 16 September 2015



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 requirements 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 2015 have been conducted properly and in accordance with the law.

The Authority's Responsibility for the 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 2014 to 30 June 2015. 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 assessed risks.

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 that which it was prepared.



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

Inherent Limitations

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with *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 the 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 expresses 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 2015.

Edwards Marshall
Chartered Accountants

Noel Clifford
Partner

Adelaide
South Australia

Dated 16 September 2015



**SOUTHERN REGION WASTE RESOURCE AUTHORITY
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015
STATEMENT BY AUDITOR**

I confirm that, for the audit of the financial statements of Southern Region Waste Resource Authority for the year ended 30 June 2015, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999* made under that Act.

This statement is prepared in accordance with the requirements of the Regulation 16A (4) *Local Government (Financial Management) Regulations 1999*.

Noel Clifford
Partner

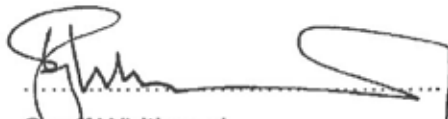
Edwards Marshall
Chartered Accountants

Adelaide
South Australia

Dated 16 September 2015

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

I, Geoff Whitbread, 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 confirm that to the best of my knowledge and belief (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the subsidiary, Edwards Marshall, 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.



Geoff Whitbread
Acting Chief Executive Officer
City of Marion

14.8.15

Dated



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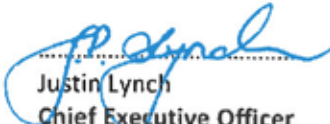
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2 Colley Terrace, Glenelg SA 5045

**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, Edwards Marshall, 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.

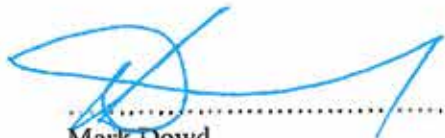

Justin Lynch
Chief Executive Officer
City of Holdfast Bay

12/8/15
Dated



**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, Edwards Marshall, 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

1/19/15
Dated

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