



## **AGENDA**

**FOR AUDIT COMMITTEE MEETING TO BE HELD ON**

**13 OCTOBER 2020 AT 6:30PM**

**IN THE WITTBER AND DR RUBY DAVY ROOMS, 34 CHURCH STREET,  
SALISBURY**

### **MEMBERS**

Cr G Reynolds (Chairman)  
Mr N Ediriweera  
Mr C Johnson  
Ms K Verrall  
Cr K Grenfell (Deputy Chairman)

### **REQUIRED STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
Manager Governance, Mr M Petrovski  
Risk and Governance Program Manager, Ms J Crook

### **APOLOGIES**

### **LEAVE OF ABSENCE**

### **PRESENTATION OF MINUTES**

Presentation of the Minutes of the Audit Committee Meeting held on 12 August 2020.

Presentation of the Minutes of the Confidential Audit Committee Meeting held on 12 August 2020.

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## **REPORTS**

### *Administration*

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### *Reports*

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## **OTHER BUSINESS**

## **CLOSE**



**MINUTES OF AUDIT COMMITTEE MEETING HELD IN LITTLE PARA  
CONFERENCE ROOMS, SALISBURY COMMUNITY HUB, 34 CHURCH STREET,  
SALISBURY ON**

**12 AUGUST 2020**

**MEMBERS PRESENT**

Cr G Reynolds (Chairman)  
Mr N Ediriweera  
Mr C Johnson (*via videoconference*)  
Cr K Grenfell (Deputy Chairman)

**OBSERVERS**

Mr Matthew Brunato, Manager Audit and Assurance, Bentleys  
Mr David Papa, Partner Risk and Assurance Services, Bentleys  
Mr Tim Muhlhausler, Partner, Galpins

**STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
General Manager City Infrastructure, Mr J Devine  
Manager Financial Services, Ms K George  
Manager Business Systems and Solutions, Mr D Bevan  
Manager Property & Buildings, Ms K Pepe  
Manager Infrastructure Management, Mr D Roy  
Manager Governance, Mr M Petrovski  
IT Service Delivery Manager, Ms L Paltridge  
Risk and Governance Program Manager, Ms J Crook

The meeting commenced at 6.35pm

The Chairman welcomed the members, staff and the gallery to the meeting.

**APOLOGIES**

Apologies were received from Ms K Verrall.

**LEAVE OF ABSENCE**

Nil

**PRESENTATION OF MINUTES**

Moved Cr K Grenfell  
 Seconded Mr C Johnson

The Minutes of the Audit Committee Meeting held on 15 April 2020, be taken and read as confirmed.

**CARRIED**

Moved Cr K Grenfell  
 Seconded Mr N Ediriweera

The Minutes of the Confidential Audit Committee Meeting held on 15 April 2020, be taken and read as confirmed.

**CARRIED**

**REPORTS**

*Administration*

**4.0.1 Actions List**

Moved Mr C Johnson  
 Seconded Cr K Grenfell

1. The information is noted.

**CARRIED**

**4.0.2 Future Reports for the Audit Committee of Council**

Moved Cr K Grenfell  
 Seconded Mr C Johnson

1. The information is received.

**CARRIED**

*Reports*

**4.2.1 Bentley's Interim Report on Audit Findings**

*Bentleys representatives, David Papa, Partner Risk and Assurance Services and Matthew Brunato, Manager Audit and Assurance spoke to the interim report and provided the Audit Committee an opportunity to ask questions in regard to the audit.*

*Bentleys will provide the Audit Committee with information about which controls were tested.*

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Moved Cr K Grenfell  
Seconded Mr N Ediriweera

1. The information be received.

**CARRIED**

#### **4.2.2 Asset Management Audit - follow up report**

*Mr Tim Muhlhausler, Partner, Galpins, provided the Committee with an outline of the Asset Management Audit follow up report.*

Moved Mr N Ediriweera  
Seconded Mr C Johnson

1. That the updated responses of the Administration to the Asset Management audit as set out in Attachment 2 to this report (Item 4.2.2, Audit Committee, 12 August 2020) be endorsed for Council approval.
2. That the verification of the updated responses to the Asset Management Audit as set out in Attachment 2 to this report (Item 4.2.2, Audit Committee, 12 August 2020) be noted.

**CARRIED**

#### **4.2.3 Annual Report 2019/2020 - Internal Controls Framework and Audit Committee sections**

Moved Cr K Grenfell  
Seconded Mr N Ediriweera

1. That the proposed inclusions in the annual report relating to the operations and membership of the Audit Committee for the 2019/2020 financial year as set out in Attachment 1 to this report (Item 4.2.3, Audit Committee, 12/08/2020) be approved, subject to the feedback provided by members.

**CARRIED**

#### **4.2.4 Local Government Reforms: City of Salisbury response to Local Government Statutes Amendment (Review) Bill 2020**

Moved Mr N Ediriweera  
Seconded Mr C Johnson

1. That the information is noted and questions raised by the members at the meeting and the corresponding answers from management be noted by Council as follows:
  - a. What is the reason for opposing the deletion of section 12 of the *Local Government Act 1999* relating to Representation Reviews? The matter is to be read in conjunction with the proposed new section 11A which provides for the number of members of a council (including the Mayor) will be capped at 12. The City of Salisbury opposes the reduction of members to 12 or less, therefore we are opposed to the

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removal of the Representation Review process. The City of Salisbury believes that the community should decide how many councillors it has, and the Representation Review is a mechanism by which the community is consulted.

- b. What is the reason for opposing section 273 providing for the Minister to direct Councils? Opposition to this proposed amendment arises out of the notion that a body yet to be established with no connection to the community may make recommendations to the Minister about the business of a Council. City of Salisbury is of the view that the current oversight mechanisms of the ICAC, Ombudsman and Auditor-General enable councils to relate to its community and make decisions accordingly. City of Salisbury is of the view that the current oversight mechanisms are adequate and that there is no evidence to suggest that they are not working.

**CARRIED**

#### **4.2.5 Update on Internal Audit Plan**

Moved Cr K Grenfell  
Seconded Mr C Johnson

1. That the updates made to the 2018 - 2022 Internal Audit Plan as set out in Attachment 1 to this report (Item 4.2.5, Audit Committee, 12/08/2020) are endorsed.

**CARRIED**

#### **4.2.6 Risk Management and Internal Controls Activities**

Moved Cr K Grenfell  
Seconded Mr C Johnson

1. The information is received.
2. The Update on Risk Management and Internal Controls Activities for 2019/2020, as set out in Attachment 1 to this report (Item 4.2.6, Audit Committee, 12/08/2020) is endorsed.
3. The proposed schedule of Risk Management and Internal Controls Activities for 2020/2021, as set out in Attachment 6 to this report (Item No. 4.2.6, Audit Committee 12/08/2020), is endorsed.
4. Council notes the update on outstanding actions from completed Internal Audits, as set out in Attachment 7 to this report (Item 4.2.6, Audit Committee, 12/08/2020).

**CARRIED**

#### **OTHER BUSINESS**

Nil



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**CONFIDENTIAL ITEMS**

**4.4.1 Auditor General's Examination of Management of Road Asset Maintenance in the City of Salisbury**

Moved Cr K Grenfell

Seconded Mr C Johnson

1. *Pursuant to Section 90(2) and (3)(j)(i) of the Local Government Act 1999, the principle that the meeting should be conducted in a place open to the public has been outweighed in relation to this matter because:*

*- it relates to information the disclosure of which would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the Council, or a person engaged by the Council).*

2. *In weighing up the factors related to disclosure,*

*- disclosure of this matter to the public would demonstrate accountability and transparency of the Council's operations*

*- The Auditor General's Department have requested that this matter remain confidential*

*On that basis the public's interest is best served by not disclosing the Auditor General's Examination of Management of Road Asset Maintenance in the City of Salisbury item and discussion at this point in time.*

3. *Pursuant to Section 90(2) of the Local Government Act 1999 it is recommended the Council orders that all members of the public, except staff of the City of Salisbury on duty in attendance, be excluded from attendance at the meeting for this Agenda Item.*

**CARRIED**

The meeting moved into confidence at 8.22pm

The meeting moved out of confidence at 8.45pm

The meeting closed at 8.45pm.

CHAIRMAN.....

DATE.....



<b>ITEM</b>	4.0.1
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	13 October 2020
<b>HEADING</b>	Future Reports for the Audit Committee
<b>AUTHOR</b>	Michelle Woods, Projects Officer Governance, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community
<b>SUMMARY</b>	This item details reports to be presented to the Audit Committee of Council as a result of a previous Council resolution. If reports have been deferred to a subsequent meeting, this will be indicated, along with a reason for the deferral.

**RECOMMENDATION**

1. The information be received.

**ATTACHMENTS**

There are no attachments to this report.

**1. BACKGROUND**

- 1.1 A list of resolutions requiring a future report to Council (via the Audit Committee) is presented for noting at each meeting.

**2. CONSULTATION / COMMUNICATION**

- 2.1 Internal
  - 2.1.1 Report authors and General Managers.
- 2.2 External
  - 2.2.1 Nil.

### 3. REPORT

3.1 The following table outlines reports to be presented to the Audit Committee as a result of a previous Council resolution:

<b>Meeting Item</b>	<b>- Heading and Resolution</b>	<b>Officer</b>
23/03/2020 4.2.2	<b>Contract Management Audit Report</b> 3. That the Administration prepare a report for the July 2021 Audit Committee meeting informing the Committee on management's progress on completion of the agreed actions. <b>Due:</b> July 2021	Janet Crook
23/03/2020 4.2.6	<b>Update on Internal Audit Plan</b> 2. That a report be brought back to the Audit Committee on a model for the appointment of contractors for conduct of internal audits. <b>Due:</b> August 2020 <b>Deferred to:</b> November 2020 <b>Reason:</b> Development of model progressing as Internal Auditor and Risk Coordinator has now been appointed	Janet Crook

### 4. CONCLUSION / PROPOSAL

4.1 Future reports for the Audit Committee have been reviewed and are presented to Council for noting.

### CO-ORDINATION

Officer: Executive Group MG  
Date:

<b>ITEM</b>	4.2.1 <b>AUDIT COMMITTEE</b>
<b>DATE</b>	13 October 2020
<b>HEADING</b>	Report to the Audit Committee for the year ended 30 June 2020, prepared by Bentleys
<b>AUTHOR</b>	Janet Crook, Risk & Governance Program Manager, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community.
<b>SUMMARY</b>	<p>Bentleys have been engaged by the City of Salisbury (“CoS”) to perform an end of financial year audit on the financial statements, financial internal controls and the acquittals of certain specific grants programs, with the findings to be reported to the Audit Committee.</p> <p>This report presents Bentleys’ Final Report on Audit Findings for the year ended 30 June 2020 and provides a high level summary of the work undertaken at the financial year end, with any key findings highlighted. Overall, no issues were identified by Bentleys and an unqualified opinion will be given on the City of Salisbury’s financial statements and financial internal controls.</p>

**RECOMMENDATION**

1. That:
  - a. The information be received; and
  - b. Bentleys’ Final Report on Audit Findings 30 June 2020, appearing as Attachment 1 to this report (Item 4.2.1, Audit Committee, 13 October 2020) be endorsed for receipt by Council.

**ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. City of Salisbury - Final Report on Audit Findings 30 June 2020
2. Certification of Auditor Independence 2020

**1. BACKGROUND**

- 1.1 The CoS engaged Bentleys to perform a financial statement audit for the year ended 30 June 2020.
- 1.2 In addition to the financial statements audit an assurance engagement was conducted on the financial internal controls of the CoS for the year 1 July 2019 to 30 June 2020, to ensure that they were in line with the requirements of the South Australian Local Government Financial Management Group Inc. (SALGFMG) Better Practice Model and section 125 of the *Local Government Act 1999* (“the Act”).

- 1.3 Bentleys have audited the CoS' financial internal controls, over the:
- receipt, expenditure and investment of money;
  - acquisition and disposal of property; and
  - incursion of liabilities.
- for the period 1 July 2019 to 30 June 2020.
- 1.4 Bentleys also reviewed the acquittal of certain specific grant programs within the 2019/20 financial year.
- 1.5 Section 129(3) of the Act provides that Bentleys are required to provide council an opinion with respect to the financial statements and whether the controls audited are sufficient to provide reasonable assurance that council's financial transactions have been conducted properly and in accordance with the law. The audit must be carried out in accordance with the Australian Accounting and Assurance Standards, the *Local Government Act 1999* ("the Act") and the *Local Government (Financial Management) Regulations (2011)* ("the Regulations").

## 2. REPORT

- 2.1 Bentleys representatives David Papa, Partner and Matthew Brunato, Manager Audit and Assurance will attend the October 2020 Audit Committee meeting to present the findings of the Final Report of Audit Findings.
- 2.2 Attachment 1 to this report is the Final Report of Audit Finding for the CoS 2020 and provides a high level summary of the key areas of focus and the main findings from the work undertaken by Bentleys.
- 2.3 The procedures used by Bentleys included;
- Understanding the risk by completing risk assessments;
  - Understanding the control environment and testing it for reliability;
  - Undertaking substantive testing of the detail, (both the numbers and disclosures), based on the control environment and risks identified.
- 2.4 These procedures were used by Bentleys to test samples of financial internal controls.
- 2.5 Of the financial internal controls tested by Bentleys, no findings were identified which require addressing by CoS. Bentleys have confirmed that unqualified opinions will be provided on both financial statements and financial internal controls.
- 2.6 The Certification of Auditor Independence appears as Attachment 2 to this report.
- 2.7 The financial statements and financial internal controls opinions will be provided by Bentleys after the Audit Committee has reviewed the financial statements and all of the following documents have been sent to them:
- Financial Statements certified by the Mayor and CEO;
  - Management Representation Letter signed by the CEO and the General Manager Business Excellence.

**3. CONCLUSION / PROPOSAL**

- 3.1 No findings were identified with the CoS financial statements, and financial internal controls. This will result in CoS achieving unqualified audit opinions on both the financial statements and financial internal controls.

**CO-ORDINATION**

Officer: Executive  
Group

Date:





September 2020

## City of Salisbury

Report of Audit Finding – Final

David Papa, Partner  
Level 5, 63 Pirie St, Adelaide SA 5000  
Telephone +61 8 8372 7900  
[dpapa@adel.bentleys.com.au](mailto:dpapa@adel.bentleys.com.au) | [bentleys.com.au](http://bentleys.com.au)

➤ Advisors    ➤ Accountants    ➤ Auditors



**Executive summary**

**We are providing our Final report on the audit of City of Salisbury for the year ending 30 June 2020.**

Dear Cr Graham Reynolds,

We have conducted our Final audit of City of Salisbury for the year ending 30 June 2020 and report to management and those charged with governance the following matters for information purposes and for consideration of implementation or corrective action:

- At the conclusion of our testing, using the information obtained we determined if there were any material matters or concerns that would impact the decision-making ability of the users of the financial report.
- The following matters are reported to management:

	Internal controls	Financial Statements
<b>Critical</b>	-	-
<b>Significant</b>	-	-
<b>Not Material</b>	-	Accounting treatment for the development of real estate
<b>Area for Improvement</b>	-	-

- We intend to issue an unmodified audit opinion over the financial report of City of Salisbury.

We would like to take this opportunity to thank management and staff for the assistance provided to us during the course of our audit.

Sincerely,

David Papa  
 Partner,  
 +61 8 8372 7900  
[dpapa@edel.bentleys.com.au](mailto:dpapa@edel.bentleys.com.au)





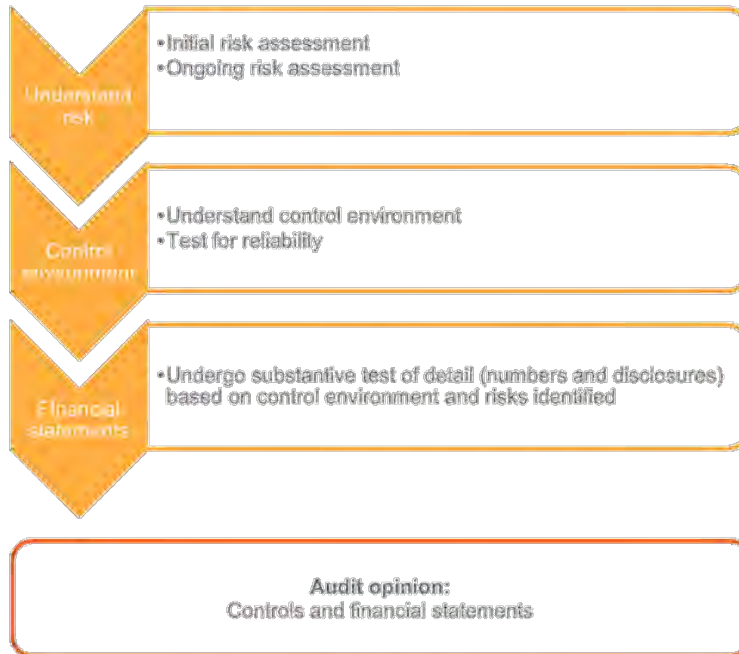


**Audit approach**

Helping businesses achieve their goals and aspirations.

Bentleys SA's audit approach is based on organisational and financial risk. We develop an understanding of risks for your organisation that relate to the financial statements based on our understanding of your people, your organisation and your sector. This understanding helps us build an audit program that is tailored to you each year and enables us to form an opinion on your financial statements through a target "risk based" approach. The benefits of this approach are:

- Audit efficiency
- Increased organisational assurance
- A review of your control environment
- Timely and effective audits





**Financial Identified audit risks**

**We have identified financial statement risk relating to this year's audit.**

As your auditor, our requirement to identify risk commences at the planning phase of our audit and continues throughout the audit process until complete and the audit report is signed. Below we have detailed identified risks relating to the financial statements.

**Risks identified at planning**

**Area**

**Impact of COVID-19 – Internal Controls**

**Risk**

Significant changes in work practices are occurring as organisations adapt to new working arrangements. This will likely result in a change to the control environment and therefore increase the risk of control failure.

**Audit Approach**

Conducted additional testing over the February to April period and tested changes in the control environment to ensure they were operating effectively.

**Outcome**

Satisfactory

**Area**

**Impact of COVID-19 - cashflows**

**Risk**

Organisational cashflow may undergo strain in the short term as relief/support is offered to rate payers and lease holders. Whilst we do not expect a material impact on revenue or annual surplus, there will likely be a strain on cash resources that will need to be factored into budgets and long term financial plans and may impact disclosure in the financial statement.

**Audit Approach**

Reviewed the controls surrounding budgeting. Reviewed the disclosure in the financial report for borrowings and impacts due to COVID-19

**Outcome**

Satisfactory



**Identified audit risks**

<b>Area</b>	Asset revaluations
<b>Risk</b>	The revaluation and useful lives assessment and timing process for buildings and infrastructure assets.
<b>Audit Approach</b>	We will be reviewing the Fixed Assets Registers and independent valuations and compared to the amounts reported at our year end visit.
<b>Outcome</b>	Satisfactory
<b>Area</b>	Capital WIP
<b>Risk</b>	Accounting treatment of items in the Capital WIP account including the Generational Investment projects.
<b>Audit Approach</b>	Reviewed the treatment of the capital WIP account.
<b>Outcome</b>	Satisfactory





**Identified audit risks**

**Area**

New accounting standards

**Risk**

Risk that adoption of new accounting standards being AASB 15, 16 and 1058 are materially incorrect.

Risk that disclosure within the financial statements is insufficient and not in line with the requirements of the new accounting standards.

**Audit Approach**

Reviewed the calculations for revenue received in advance and found it to be in accordance with AASB 15 & 1058. We also reviewed management's assessment of leases in accordance with AASB 16 and agree with their conclusion. All standards have been adopted correctly.

**Outcome**

Satisfactory



City of Salisbury // September 2020

## Financial statement matters for the year

We bring the following financial statement matters to your attention in relation to your financial statements.

### Issue

Accounting treatment for the development of real estate

### Observation

Council is currently accounting for the development of real estate as a disposal of assets, the results of which are being recorded in Note 4 to the financial report and is not impacting the operating result of the Council.

Discussions with management indicate that this treatment originated when the Council identified some excess land it was wanting to dispose.

Over the years the Council has since increased its land disposal activity, and management is now:

- Actively seeking out and identifying potential development sites,
- Budgeting for the activity in Council's strategic plans,
- Hiring of staff dedicated to land development projects.

Your accounting policy note currently states you are holding the development assets on the Statement of Financial Position as inventory and should be accounting for the activity under AASB 102 *Inventories* per Note 1 to the financial report.

### Requirement

Note 1 to your accounts states you apply AASB 102. This requires income and expenditure from inventories to be accounted for as operating income and operating expenditure.

### Significance

If the development of real estate was an isolated occurrence, then the current accounting treatment could be deemed appropriate.

While development of land may have started out as isolated, activity appears to be increasing and may be considered a commercial undertaking of the Council. As a result, the activity may meet the requirements of AASB 102 and need to be included as operating income and expenditure on the Statement of Financial Performance. This would impact the operating result and the operating ratios.

Currently the Council is not accounting for the development of real estate in accordance with AASB 102. However, for this year, as the net impact of from the projects for the current year is not material, this will not impact our audit opinion.

7



Financial statement matters for the year

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**Recommendation**

We work with management before next year end to consider whether the development of real estate is (or will become) a commercial undertaking. Once determined, treatment should be in accordance with the applicable Accounting Standards requirement.

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**Management Response**

Noted and will work with Bentleys over the coming year to resolve.

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**Status of prior points raised**

Below we list the matters identified throughout our audit, details of those matters and whether or not we believe the issue requires attention, or the matter is satisfactory, after consideration of qualitative and quantitative aspects of that business area.

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**Area**

Credit card approvals

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**Recommendation**

The previous review of the monthly management reports for the various managers may not reflect the most up to date expenditure, in turn impacting timely accurate reporting.

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**Status**

- An Executive Group report regarding the Purchase Card Review has been provided and recommendations have been endorsed.
- Our review has confirmed that the project initiated by the City of Salisbury is designed to improve the process for procurement cards and gain efficiencies by reducing the number of cards in circulation by an indicative 30%, re-align current credit limits and provide training for card holders in relation to the reconciliation process.
- We understand an independent review of purchasing cards is underway by an external party

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**Outcome**

Complete.

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**Matters for those charged with governance**

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**Fraud**

Whilst fraud is not the primary consideration when conducting an external audit, we have not identified any fraud as a result of our audit.

We believe it is important for management to continually consider and assess the control environment of the entity to identify areas where fraud can occur and ensure that those opportunities are removed and or monitored to reduce the risk and impact of fraud.

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**Legal compliance**

Through our audit procedures we have not become aware of any non-compliance with applicable laws and regulations.

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**Financial reporting and accounting policies**

We believe the accounting policies elected for the Council are reasonable and their application provides sufficient information for use of the decision makers.

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**Going concern**

As part of our assessment we considered the appropriateness of the going concern assumption concluded by the Council and management. Our procedures indicate that this assumption is fair and that the going concern convention is appropriate.

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**Cooperation with management**

The management team has been helpful and cooperative throughout the conduct of this year's audit.

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Level 5, 63 Pirie St Adelaide South Australia 5000  
Telephone +61 8 8372 7900  
[advice@adel.bentleys.com.au](mailto:advice@adel.bentleys.com.au) | [bentleys.com.au](http://bentleys.com.au)

➤ Advisors   ➤ Accountants   ➤ Auditors





**Bentleys SA Audit Partnership**

Level 5  
63 Flinders Street  
Adelaide SA 5000

GPO Box 989  
Adelaide SA 5001  
ABN 48 877 001 626

T +61 8 8672 7300  
F +61 8 8672 7300

[adelaide@bentleys.com.au](mailto:adelaide@bentleys.com.au)  
[bentleys.com.au](http://bentleys.com.au)

**Certification of Auditor Independence**

I confirm that, for the audit of the financial statements of City of Salisbury for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

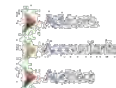
**Bentleys SA Audit Partnership**

David Papa  
Partner

**Dated at Adelaide this 30<sup>th</sup> day of September 2020**



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Item 4.2.1 - Attachment 2 - Certification of Auditor Independence 2020



<b>ITEM</b>	4.2.2
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	13 October 2020
<b>HEADING</b>	End of Financial Year Statements and Analysis
<b>AUTHORS</b>	Tim Aplin, Senior Accountant, Business Excellence Kate George, Manager Financial Services, Business Excellence
<b>CITY PLAN LINKS</b>	4.2 Develop strong capability and commitment to continually improve Council's performance. 4.3 Have robust processes that support consistent service delivery and informed decision making.
<b>SUMMARY</b>	This report and the associated attachments, provides the Audit Committee with the information required to review the Annual Financial Statements for 2020 in accordance with the requirements of the Local Government Act 1999.

### RECOMMENDATION

1. The information be received.
2. In accordance with Section 126(4)(a) of the Local Government Act 1999 the Audit Committee advises that it has reviewed the annual financial statements of the Council for the year ended 30 June 2020 and is satisfied they present fairly the state of affairs of Council.
3. In accordance with Regulation 22 of the Local Government (Financial Management) Regulations 2011 clauses (3) (a) and (4), that the Chief Executive Officer and the Chair of the City of Salisbury Audit Committee sign the statement to certify the independence of the Council Auditor, Bentleys.
4. The draft analysis of the Annual Financial Statements, as presented in Audit Committee Item 4.2.2 October 2020 Attachment 1, be recommended by the Audit Committee for inclusion in the End of Year Financial Statements Report to Council.

### ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Proposed Council General Business Item 1
2. City of Salisbury Annual Financial Statements 2020

#### 1. BACKGROUND

- 1.1 Section 126(4) of the Local Government Act 1999 details the functions of an audit committee which includes

*(a) reviewing annual financial statements to ensure that they present fairly the state of affairs of the council*

- 1.2 The Local Government (Financial Management) Regulations 2011 Regulation 22 part 3 requires annually that the Chief Executive Officer and the presiding member of the audit committee certify the independence of the council auditor for the respective financial year.

## **2. CONSULTATION / COMMUNICATION**

### **2.1 Internal**

- 2.1.1 This report provides the mechanism for consultation and communication with the Audit Committee regarding the City of Salisbury's Annual Financial Statements for the year ending 30 June 2020.

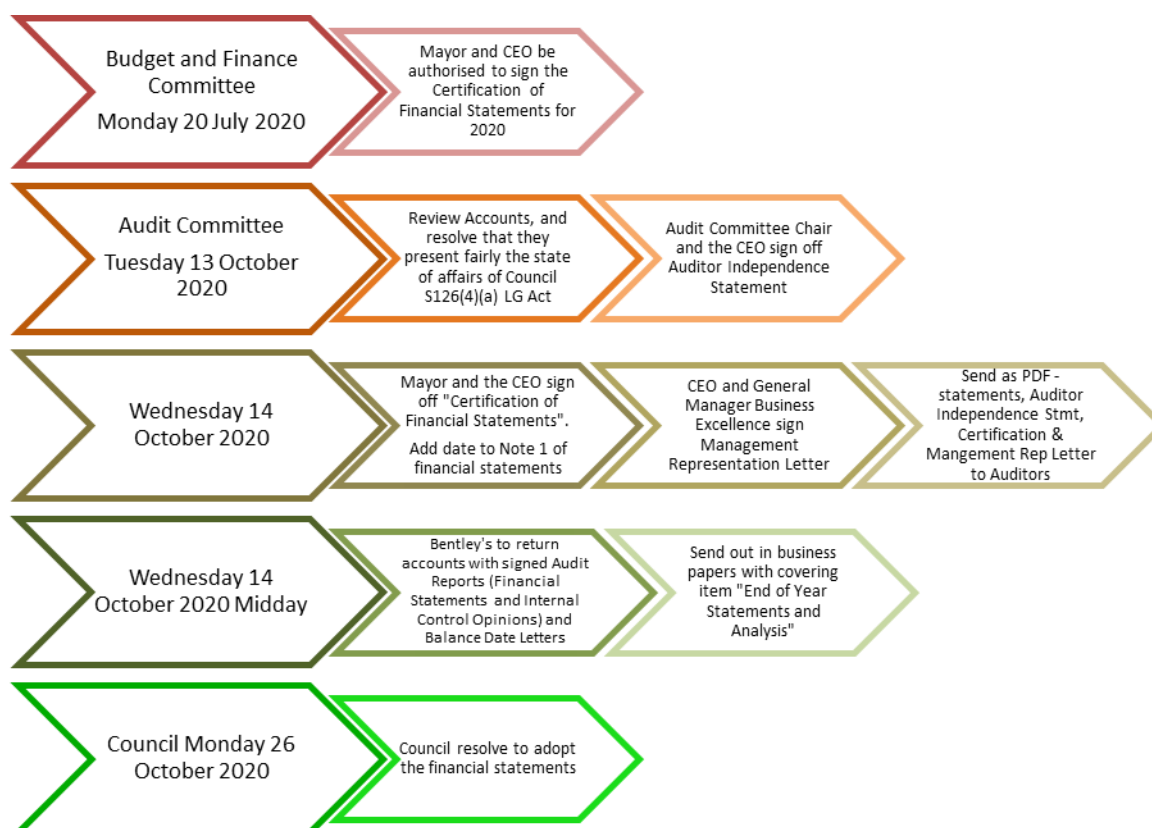
### **2.2 External**

- 2.2.1 The Annual Financial Statements have been reviewed by Council's external auditor Bentleys.

## **3. REPORT**

- 3.1 The City of Salisbury's Annual Financial Statements for 2020 have been prepared in accordance with the Local Government Act 1999, the Local Government (Financial Management) Regulations 2011, the Australian Accounting Standards and the South Australian Model Financial Statements 2020.
- 3.2 The City of Salisbury's Audit Committee is required under section 126(4)(a) of the Local Government Act 1999 to review the annual financial statements to ensure that they present fairly the state of affairs of the Council.
- 3.3 Our external auditors, Bentleys, have conducted their review of the Annual Financial Statements for 2020, and are awaiting the Audit Committee's review prior to signing their audit opinion, after which the Annual Financial Statements for 2020 can be certified and then adopted by Council.
- 3.4 The Chief Executive Officer and the Mayor will sign the Certification of the 2020 Annual Financial Statements following the Audit Committee review, and it should be noted that this is also required by Bentleys prior to them furnishing their audit opinions on the Annual Financial Statements and Internal Controls for 2020.
- 3.5 A timeline shown below demonstrates the process that is required to be followed to sign off the Annual Financial Statements for 2020.

### Sign off Process Annual Financial Statements for 2020



3.6 An analysis of the Annual Financial Statements and results for the year will be presented to Council on 26 October 2020, and a copy of that report is attached to this report for the Audit Committee's reference and review.

#### 3.7 Independence of Council Auditor

3.7.1 Regulation 22 of the Local Government (Financial Management) Regulations 2011 provide in clauses (3) (a) and (4) that:

(3) *The following persons must each provide, on an annual basis, a statement that provides a certification as to compliance for the relevant financial year with the requirement that the auditor be independent of the council, council subsidiary or regional subsidiary (as the case may be):*

(a) *In a case involving a council or council subsidiary – the chief executive officer of the relevant council and the presiding member of the audit committee of the relevant body;*

(4) *A statement under sub-regulation (3) must accompany the financial statements for the relevant body.*

**4. CONCLUSION / PROPOSAL**

- 4.1 The Annual Financial Statements for the year ended 30 June 2020 have been prepared by Council staff and have been audited by the City of Salisbury's external auditor Bentleys. Following the review of the Annual Financial Statements for 2020 by the Audit Committee, the Statements will be certified by the Chief Executive Office and the Mayor and then Bentleys will sign their audit opinion.
- 4.2 It is appropriate for the City of Salisbury's Audit Committee following their review of the Financial Statements to endorse, in accordance with Section 126 (4)(a) of the Local Government Act 1999, that they present fairly the state of affairs of Council and also that the external auditor's independence be certified in accordance with Regulation 22 of the Local Government (Financial Management) Regulations 2011.
- 4.3 The draft analysis of the Annual Financial Statements, as presented in Attachment 1 be recommended by the Audit Committee for inclusion in the End of Year Financial Statements Report to Council.

**CO-ORDINATION**

Officer:                                  Exec  
  Group  
Date:



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**ITEM****COUNCIL****DATE**

26 October 2020

**HEADING**

End of Year Financial Statement and Analysis

**AUTHORS**Tim Aplin, Senior Accountant, Business Excellence  
Kate George, Manager Financial Services, Business Excellence**CITY PLAN LINKS**4.3 Have robust processes that support consistent service delivery and informed decision making.  
4.2 Develop strong capability and commitment to continually improve Council's performance.**SUMMARY**

The City of Salisbury end of year processes for the financial year ended 30 June 2020 have been finalised and audited by Council's external auditor Bentleys. This report provides detail of actual results compared to prior year actuals and to the budget position.

The annual financial statements have been reviewed by the Audit Committee at the meeting on 13 October 2020. Further Council's external auditors are satisfied that they present fairly the state of affairs of the Council.

**RECOMMENDATION**

1. The information be received.
2. The Annual Financial Statements for the year ended 30 June 2020 be adopted.

**ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. Annual Financial Statements for the year ended 30 June 2020

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## 1. BACKGROUND

1.1 Regulation 10 of the Local Government (Financial Management) Regulations 2011 requires the Council to

- (1) *...prepare and consider a report showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statements of the Council, ... for the previous financial year compared with the estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements.*
- (2) *...council's operating surplus ratio, net financial liabilities ratio and asset renewal funding ratio compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.*

## 2. CONSULTATION / COMMUNICATION

### 2.1 Internal

2.1.1 This report provides the mechanism for consultation and communication with Council regarding the City of Salisbury's Annual Financial Statements (AFS) for the year ending 30 June 2020. This report has been reviewed by the City of Salisbury's Audit Committee at the meeting held 13 October 2020.

### 2.2 External

2.2.1 The AFS for 2020 have been audited by Council's Auditors Bentleys, and they have provided an unqualified audit opinion.

## 3. REPORT

3.1 The City of Salisbury's Financial Statements for the 2020 Financial Year have been prepared in accordance with the Local Government Act 1999, the Local Government (Financial Management) Regulations 2011, the Australian Accounting Standards and the South Australian 2020 Model Financial Statements.

3.2 In accordance with Section 126(4)(a) of the Local Government Act 1999 the Audit Committee advised that it has reviewed the annual financial statements of the Council for the year ended 30 June 2020 and is satisfied they present fairly the state of affairs of Council.

3.3 The external auditors Bentleys have conducted their audit and have provided an unqualified audit opinion.

3.4 The following comments are provided with respect to the 2020 AFS, with commentary highlighting significant movements' year on year.

3.5 Please note the date convention that has been used in this report, where 2020 refers to the 2019/20 financial year and 2019 refers to the 2018/19 financial year.

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**4. FINANCIAL STATEMENT ANALYSIS****4.1 Statement of Comprehensive Income**

- 4.1.1 The Statement of Comprehensive Income shows an Operating Surplus before capital amounts and other comprehensive income of \$9,520k compared to \$14,221k in the prior year.
- 4.1.2 The main factors contributing to this decrease in the Operating Surplus is an increase in depreciation costs, related to the addition of new assets including the Salisbury Community Hub (SCH) and prior year revaluations, enterprise agreements increasing Employee Costs and inflationary impacts on Materials, Contracts and Other Expenses, offset by planned additional rate revenue and significantly higher reimbursement income received, which related to prior year's expenditure associated with street lighting. Further Grants, Subsidies and Contributions have decreased in 2020 compared to 2019 as a result of Supplementary Local Road funding received two years in advance in the 2019. Further details on these movements are outlined in the paragraphs below.
- 4.1.3 Rates Revenue has increased by 3.89% from \$97,846k in 2019 to \$101,654k in 2020. This increase is due to the average rate increase of 2.9% for the 2020 financial year, combined with development growth in the city leading to a higher number of rateable properties. However it should be noted that there are also additional costs from this development growth primarily associated with infrastructure and provision of services.
- 4.1.4 Statutory Charges received have increased by 0.21% from \$2,989k in 2019 to \$2,995k in 2020. Whilst overall a minor increase, there has been significant impacts associated with increases in Parking Fines issued in 2020 of \$100k compared to 2019 and Building Fees \$105k higher than 2019 as a result of higher levels of external applications processed. Offsetting these favourable variances are decreases in Dog Registration income \$42k as a result of the shift to concessional registration fees for animals and \$55k lower expiations raised. Planning Application Fees are also lower in 2020 by \$68k as a result of a significant drop in development activity during the COVID-19 pandemic.
- 4.1.5 User Charges have decreased by 0.62% from \$4,824k in 2019 to \$4,794k in 2020, with the significant decreases within Home and Community Support Programs \$69k, Twelve25 Youth Enterprise Centre \$35k and Libraries \$18k as a result of impacts associated with COVID-19 closures. Offsetting these decreases is an \$85k increase in Salisbury Water charges primarily related to non-residential supply and usage.
- 4.1.6 Grants, Subsidies and Contributions have decreased by 15.24% from \$17,624k in 2019 to \$14,939k in 2020. The driving factor for this decrease is the Supplementary Local Road Grant and the timing of receipts of this funding. In 2019 we received two annual allocation of this funding in advance, that is for the 2020 and 2021 financial years, totaling \$1,580k, together with the 2019 allocation of \$790k, being a total of \$2,371k, and resulting in no allocations received in 2020.

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Financial Assistance Grant total for 2019 was \$8,368k, compared with 2020 allocation of \$8,386k, with an equal number of installments being received in each year, but with advance payments being based on estimates this has resulted in \$8,721k being received in 2019, compared with \$8,159k, being a \$562k unfavourable variance comparing year on year. This variance is partially offset by slightly higher roads to recovery funding in 2020 of \$286k.

<b>Supplementary Local Roads Funding</b>			
	<b>2020</b>	<b>2019</b>	
<b>Details of Payment</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>Notes</b>
Standard Payment	0	790	[A]
Advance Payment	0	1,581	[B]
	<b>0</b>	<b>2,371</b>	

[A] Standard Payment represents the annual allocation in 2019  
[B] Advance Payment represents the annual allocation for 2020 and 2021.

<b>Financial Assistance Grant</b>			
	<b>2020</b>	<b>2019</b>	
<b>Details of Payment</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>Notes</b>
Standard Payment	3,830	4,166	[A]
Advance Payment	4,329	4,556	[B]
	<b>8,159</b>	<b>8,721</b>	

[A] Standard Payment represents two quarters of 2019 and 2020 allocation.  
[B] Advance Payment represents estimated two quarters of the next years allocation.

- 4.1.7 Investment Income has decreased by 66.64% from \$743k in 2019 to \$248k in 2020, primarily as a result of lower levels of cash holdings due to an increase in expenditure on infrastructure associated with a larger capital program. Interest rates were also lower than the prior year; with the average interest rate on short-term investments for 2020 being 1.6%, which is slightly lower than the 1.74% average rate for 2019.
- 4.1.8 Reimbursements have increased by 188.40% from \$552k in 2019 to \$1,592k in 2020 which primarily relates to a significant reimbursement of \$1,087k received for previous financial year's public lighting payments pursuant to the Australian Energy Regulator Consent Orders and agreed with the energy supplier.
- 4.1.9 Other Income has decreased by 4.05% from \$1,112k in 2019 to \$1,067k in 2020 which is primarily a result of \$119k lower Workers Compensation and Insurance Special Distributions funds received in 2020 compared to the prior year. Also attributing are numerous small variances across a range of operations.
- 4.1.10 Net Gain – Equity Accounted Council Businesses has increased from \$62k in 2019 to \$102k in 2020. The prior year result was Council's

## ITEM

share of Council Solution's performance, producing a net surplus of \$373k in 2019 with Council's share being \$62k which has reduced to zero in 2020 as a result of the subsidiary being wound up during the 2020 year. The 2020 result reflects Council's share of NAWMA's performance, producing a net surplus of \$169k in 2020 and Council's share being \$102k, which has increased from an overall net loss of \$48k in the 2019 year.

- 4.1.11 Employee Costs have increased by 3.74% from \$35,533k in 2019 to \$36,863k in 2020, primarily as a result of the EB adjustment of 2.50% for MOA staff and 2.50% for LGE staff, and noting that 2019 actuals were favourable to budget as a result of vacancies which totaled approximately \$284k, with all funds from vacancies in 2020 being redirected through Salary and Wages Provision allocations.
- 4.1.12 Materials, Contracts and Other Expenses have increased by 3.79% from \$51,321k in 2019 to \$53,267k in 2020. The primary reasons for this increase are costs associated with the Solid Waste Levy which increased from \$100 per tonne at the beginning of 2020 to \$140 per tonne throughout the year, which has resulted in cost increase of \$1,026k. Also contributing are higher electricity costs primarily associated with a \$586k increase in Energy costs, primarily related to an increase in the Street Lighting contract which has increased from \$2,359k in 2019 to \$2,617k in 2020. There have also been net of existing budget provision additional operating requirements associated with the Community Hub totaling \$602k during 2020, noting that from a funding perspective these were funded from the transformational funds allocated and detailed as part of the Third Budget Review. Various other minor increases/decreases have occurred throughout the 2020 year as a result of variations in contracts and other factors.
- 4.1.13 Depreciation costs have increased from \$23,830k in 2019 as compared to \$26,950k in 2020. Infrastructure depreciation has increased from \$21,583k in 2019 to \$23,388k in 2020. This is primarily associated to the addition of new assets to our infrastructure asset stock in particular the addition of the SCH, as well as incremental adjustments to unit rates and indexation increases flowing from the prior year revaluation of these assets. Also contributing is an increase in Plant Furniture and Equipment depreciation from \$2,078k in 2019 to \$2,931k in 2020 as a result of furniture and equipment associated with the Community Hub and some large sized items of fleet such as Road Sweepers purchased during 2020.
- 4.1.14 Council has been required to apply AASB 16 *Leases* for the first time from 1 July 2019, whereby lease contracts are assessed at inception to determine if the contract conveys the right to control the use of an identified asset for a period of time. As a result of this, right-of-use assets and lease liabilities were identified totaling \$3,034k (being leases for IT equipment and Land at Parafield Airport) at 1 July 2019 and subsequently depreciated during the 2020 year, with depreciation costs of \$444k incurred in 2020, noting this is offset by an adjustment to actual lease costs of the same amount.

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- 4.1.15 Finance Costs have decreased by 2.75% from \$799k in 2019 to \$777k in 2020, which reflects a real decrease in Council's long term borrowings. Interest costs decreased \$139k from 2019 to 2020, however offsetting this decrease is the introduction of nominal interest costs associated with leased assets \$110k, with Council adopting AASB 16 *Leases* from 1 July 2019, noting this is offset by an adjustment to actual lease costs of the same amount.
- 4.1.16 Net Loss - Equity Accounted Council Businesses decreased from a \$48k net loss in 2019 to a \$14k net loss in 2020. In 2019 we recognised a net loss of \$48k in relation to NAWMA reflecting our share of their surplus of \$4k offset by our reduced equity share. A net loss of \$14k has been recognised in 2020 for Council Solutions, resulting from the final distribution received upon wind up of \$124k compared to the carrying value of our interest in Council Solution's \$138k.
- 4.1.17 Asset disposal and fair value adjustments, amounts received specifically for new or upgraded assets and physical resources received free of charge, which are all items below the operating surplus, are discussed in detail in the budget and variance analysis below (section 5.5)
- 4.2 Statement of Financial Position 30 June 2020**
- 4.2.1 The Statement of Financial Position as at 30 June 2020 shows Net Assets (Total Assets less Total Liabilities) or 'Equity' has increased by 1.21% or \$18,109k from \$1,500M in 2019 to \$1,518M in 2020.
- 4.2.2 Infrastructure, Property, Plant and Equipment has significantly increased from \$1,459M in 2019 to \$1,516M in the 2020 year and is largely the result of additions to our current asset portfolio \$75,046k, inclusive of the SCH. Also contributing to this is net asset revaluation increments totaling \$10,844k, primarily being revaluation increments for Land \$13,962k. Offsetting these increases is accumulated depreciation totaling \$26,950k and disposals of assets renewed or replaced \$4,668k. Further to the significant increase in Infrastructure Assets is a decrease in Capital Works in Progress from \$36,732k in 2019 to \$16,474k in 2020, which is primarily associated with the completion of the SCH.
- 4.2.3 Cash held by Council has decreased from \$27,777k in 2019 to \$1,776k in 2020 as a result of the Infrastructure spend during the financial year and the implementation of shorter payment terms to creditors, which was reduced from 30 days to 14 days during the COVID-19 pandemic, which have reverted back to 30 days from 31 August 2020. Further, there has been less Property Development sales in 2020. Trade and Other Payables have also reduced from \$21,256k as at 30 June 2019 to \$12,067k which is also the result of the shorter payment terms with fewer accounts due at balance date and the completion of the SCH.
- 4.2.4 As contained in AFS Note 15 'Financial Indicators', Net Financial Liabilities have increased from \$2,975k to \$21,896k, with the position as a proportion of total operating income having increased from 2.4% to 17.2%. Net Financial Liabilities are defined as total liabilities less financial assets expressed as a percentage of total operating revenue. The

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increase in the Net Financial Liabilities predominantly results from lower levels of cash holdings in 2020 when compared to 2019. Council's level of cash has decreased \$26,002k from the 2019 year and total financial liabilities have decreased by \$7,986k. The resulting ratio of 17.2% is well inside the target range for this indicator of less than 40%, noting that Council has resolved to increase this ratio to less than 70% from 1 July 2020.

- 4.2.5 The Asset Renewal Funding Ratio has trended upwards to 103.52% in 2020 from 82.2% achieved in 2019 (noting 2018 was 110.6%). This is a reflection of net cash expenditure on the renewal/replacement of assets \$17,398k in 2020 as compared to the planned expenditure as per the Infrastructure Asset Management Plans (IAMP) \$16,806k, and reflects timing of delivery of renewal impacts on the year on year results. The ratio as at 30 June 2020 is within the endorsed range of between 90% - 110%.

#### 4.3 Statement of Cash Flows 30 June 2020

- 4.3.1 The Statement of Cash Flows shows a net decrease in cash and investments of \$26,001k from \$27,777k at 30 June 2019 to \$1,776k at 30 June 2020.
- 4.3.2 Net cash provided by Operating Activities at 30 June 2020 was \$32,949k as compared with \$36,974k in 2019. This decrease is primarily due to an increase in the cash outflows for Materials, Contracts and Other Expenses, of \$8,405k from \$59,414k in 2019 to \$67,819k in 2020. This is the result of numerous factors including general cost increases; however one of the more significant impacts is GST paid (\$221k) associated with the infrastructure program which is required to be disclosed within the Materials, Contracts and Other Expenses category, and given the size of the 2020 program this has contributed to the increase. There is also a minor increase in Payments to Employees, increasing from \$35,386k in 2019 to \$36,299k in 2020 which reflects the EB increases and movements within employee entitlements.
- 4.3.3 Offsetting the increases in cash expenditure in Operating Activities is a decrease in Cash Receipts for Grants, Subsidies and Contributions, with cash received in 2019 of \$17,728k decreasing to \$15,007k in 2020. This is primarily related to the advance payment of the 2020 and 2021 Supplementary Local Road funding received in 2019 \$1,581k as well as the standard payment for 2019 of \$790k, resulting in no allocation being received in 2020. Also impacting is a decrease in Developer Contributions \$244k and other smaller decreases related to once off grants \$185k.
- 4.3.4 Net cash used in Investing Activities has increased from \$40,835k in 2019 to \$56,641k in 2020. This increase is primarily as a result of an increase in expenditure for Renewal/Replacement of Assets \$3,479k and New/Upgraded Assets \$9,730k as a result of the infrastructure program, including the SCH.

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- 4.3.5 Net cash used in Financing Activities relates solely to Council's investment and borrowings activities. Overall net cash used in financing activities has increased from \$2,142k in 2019 to \$2,309k in 2020. This is primarily related to the adoption of AASB 16 Leases and the subsequent recognition of lease liabilities as financing activities in the Statement of Cash Flows. Council's overall debt levels decreased from \$10,575k as at 30 June 2019 to \$8,598k as at 30 June 2020.



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**5. BUDGET ACTUAL ANALYSIS**

- 5.1 The analysis below is based on the comparison between the actual end of year results for the year ended 30 June 2020, and the 2020 original budget. The commentary on the Statement of Comprehensive Income is designed to explain the variations appropriate to this 'view'. Comment is made only to variances greater than \$50k unless there are significant issues that need to be brought to members' attention.

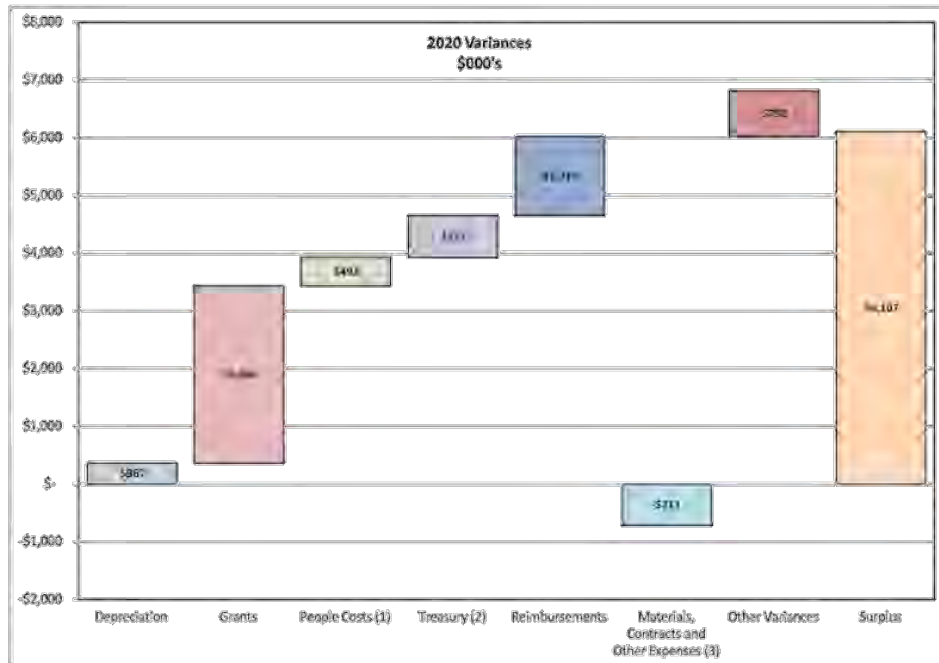
**City Of Salisbury**  
**Statement of Comprehensive Income**  
**As at 30 June 2020**

	Actual \$000	End of Financial Year Original Budget \$000	Variance \$000
<b>Income</b>			
Rates Revenues	101,654	101,277	377
Statutory Charges	2,995	2,819	176
User Charges	4,794	5,014	(220)
Grants, Subsidies & Contributions	14,939	11,871	3,068
Investment Income	248	158	90
Reimbursement	1,592	217	1,375
Other Income	1,067	696	371
Net Gain - Equity Accounted Council Businesses	102	-	102
<b>Total Income</b>	<b>127,891</b>	<b>122,052</b>	<b>5,339</b>
<b>Expenses</b>			
Employee Costs	36,863	38,375	1,512
Materials, Contracts and Other Expenses	53,267	51,537	(1,730)
Depreciation, amortisation & impairment	26,950	27,317	367
Finance Costs	777	1,410	633
Net Loss - Equity Accounted Council Businesses	14	-	(14)
<b>Total Expenses</b>	<b>117,871</b>	<b>118,639</b>	<b>768</b>
<b>Operating Surplus/(Deficit)</b>	<b>9,520</b>	<b>3,413</b>	<b>6,107</b>
Asset Disposal and Fair Value Adjustments	(3,532)	3,447	(6,979)
Amounts Received Specifically for New or Upgraded	1,277	3,703	(2,426)
Physical Resources Received Free of Charge	-	1,000	(1,000)
<b>Net Surplus/(Deficit) <sup>(1)</sup></b>	<b>7,265</b>	<b>11,563</b>	<b>(4,298)</b>
<b>Other Comprehensive Income</b>			
Changes in Revaluation Surplus - I, PP&E	10,844	21,804	(10,960)
<b>Total Other Comprehensive Income</b>	<b>10,844</b>	<b>21,804</b>	<b>(10,960)</b>
<b>Total Comprehensive Income</b>	<b>18,109</b>	<b>33,367</b>	<b>(15,258)</b>

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**5.2 Waterfall Analysis**

5.2.1 The graph below shows the major components contributing to the increased surplus achieved in 2020 compared to budget. Following the graph is a table which provides a high level commentary on the variances, with more detail contained in section 5.3 of this report.



- (1) People Costs is expenditure category "Employee Costs" less agency costs for backfilling vacancies which is disclosed within "Materials, Contracts and Other Expenses"
- (2) Treasury Costs is income category "Investment Income" together with savings on expenditure category "Finance Costs"
- (3) Materials, Contracts and Other Expenses have been adjusted for the variance in Agency costs for backfilling vacancies, which has been adjusted against People Costs.

2020 Variances	
Grants	The higher variance results from higher than budgeted Financial Assistance Grant funding \$1,054k and Roads to Recovery \$1,229k as compared to original budget.
Reimbursements	The higher variance relates to a significant one off reimbursement \$1,087k received for previous financial year's public lighting payments.

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**5.3 Income Analysis****5.3.1 Rates Revenues – Favourable Variance \$377k**

The favourable variance is primarily the result of higher final growth numbers compared to budget estimates and lower levels of objection adjustments throughout the financial year \$237k. Also contributing are the separate rates (NRM Levy) being \$57k above budget which will be adjusted for in the subsequent financial year and higher than budgeted Fines \$43k.

**5.3.2 Statutory Charges – Favourable Variance \$176k**

The favourable variance is primarily due to higher than budgeted Building and Development Lodgment fees \$303k predominantly associated to a higher number of external applications processed during the financial year. Offsetting this favourable variance is lower than budgeted charges across various areas as a result of COVID-19 implications, with the main areas affected being Planning application fees \$26k due to a reduction in applications lodged, Dog and Cat expiation fees \$79k with a higher number of unpaid expiations sent to the Fines Enforcement Agency. Further Parking fines were \$15k and Food Inspection fees \$12k unfavourable, both of which are primarily related to Council's response to the pandemic by waiving fees for the last quarter of the financial year.

**5.3.3 User Charges – Unfavourable Variance \$220k**

The unfavourable variance is primarily related to the impacts of COVID-19 within program areas. Council's response to the financial impacts on the community resulted in property rental/lease income and other associated charges to be waived for the period of April to June 2020 which resulted in these User Charges being \$138k lower than budgeted. Adjustments associated with property income were included as part of the Third Budget Review. Subsequent closures of Council facilities and the suspension of programs have resulted in lower than budgeted User Charges income within these areas, with the main contributors being the Home and Community Support area \$89k lower than budget, with lower Meal Income \$34k and Social Activities \$22k. Twelve25 Youth Enterprise Centre also completed the year \$41k lower than budget in program income as a result of the closure and suspension of programs during the COVID-19 peak period. Other minor variances occurred within Libraries and other Community areas as a result of COVID-19 implications as well. Offsetting these unfavourable variances is higher than budgeted Cemetery Licence income \$50k which is partially offset by \$9.6k lower burial income for the year.

**5.3.4 Grants, Subsidies & Contributions – Favourable Variance \$3,068k**

The favourable variance results from a number of impacts, with the most significant being higher than budget roads to recovery grant income of \$1,229k, higher than budgeted Financial Assistance Grant and untitled Local Road funding of \$1,053k, and unbudgeted developer contributions totaling \$493k were also received during the 2020 financial year; however these are restricted contributions and will be expended in upcoming years on related capital projects.

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- 5.3.5 Investment Income – Favourable Variance \$90k  
The favourable variance is primarily the result of higher than anticipated interest received on our investment activity resulting from higher cash holdings particularly at the start of the financial year.
- 5.3.6 Reimbursements – Favourable Variance \$1,375k  
The favourable variance is the result of a significant reimbursement received for previous financial year's public lighting payments \$1,087k pursuant to the Australian Energy Regulator Consent Orders and agreed with the energy supplier which was adjusted at Budget Review. Also contributing to the favourable variance are other various reimbursements received relating to works or services undertaken by Council, with the key areas being Recreational Services Contract Management \$251k and Security costs \$29k. These amounts relate to costs incurred within the materials, contracts and other expenses classification. Also impacting are numerous small amounts primarily from private works that are offset by the expenditure incurred.
- 5.3.7 Other Income – Favourable Variance \$371k  
The favourable variance is due to higher than budgeted amounts received including the unbudgeted distribution from the Local Government Risk Services \$120k, higher than budgeted Workers Compensation Bonus funds \$63k and Sundry Income \$188k made up of numerous minor variances, including revenue from the profit share arrangement with Belgravia \$71k, Equipment Salvage sale income \$20k and Traineeships Rebates \$12k.
- 5.3.8 Net Gain – Equity Accounted Council Businesses – Favourable Variance \$102k  
The favourable variance reflects Council's share of results in our Regional Subsidiary NAWMA, who produced a net surplus of \$169k in 2020, (details of which are contained in paragraph 4.1.10). It should be noted that from a budgeting perspective we budget for these entities to break even.

**5.4 Expenditure Analysis**

- 5.4.1 Employee Costs - Favourable Variance \$1,512k  
The favourable variance is primarily as a result of utilising contractors and agency staff \$1,760k to provide backup to operational roles during recruitment of vacancies as well as for other service delivery positions, which is reported in Materials, Contracts and Other Expenses below. Also contributing is lower than budgeted Workers Compensation insurance costs \$372k as a result of a reduction in the estimated percentage rate from the previous year (3.88% in 2019 as compared to 3.15% in 2020). Offsetting this is an unfavourable variance in overtime \$199k as well as a minor variance for Covid-19 Special Leave \$15k.
- 5.4.2 Materials, Contracts and Other Expenses - Unfavourable Variance \$1,730k  
Contract labour, which is required to be classified as a contractual expense for reporting purposes, resulted in an unfavourable variance of

## ITEM

\$1,760k compared to original budget. Contract labour utilised to backfill for vacant positions and offset by savings of \$700k in employee costs is reported in wages and salaries above. Also incorporated in the Contract labour unfavourable variance is \$400k associated with Grant funded positions, \$646k related to other service delivery positions and other minor variances. It should be noted that this is a variance against original budget and that amounts that have subsequently been adjusted for at Budget Reviews and through allocations from the wages and salaries provision.

Also contributing to the unfavourable variance is \$264k higher than anticipated external water expenditure in Park Maintenance associated with the reserve reactivation project and seasonal conditions, \$297k associated with the Domestic Hardwaste Service with a significant increase in both vouchers and kerbside services (noting an additional \$223k was allocated at the second Budget Review), \$436k and \$290k associated with the Drainage and Trees Program respectively resulting from increased reactive works throughout the financial year.

Offsetting these unfavourable variances is lower than budgeted operating components of various infrastructure projects \$528k, with \$434k associated with the Kerb and Gutter Replacement Program and \$190k associated with the Council Building Renewal Program as a result of delays some of which were caused by the impacts of COVID-19. Street Lighting is also \$372k favourable to original budget, with savings declared at Budget Reviews.

5.4.3 Depreciation, Amortisation and Impairment - Favourable Variance \$367k

The favourable variance is primarily related to Infrastructure Assets (Roads, Footpaths, Drainage and Reserves) as a result of budget estimates being based on prior years to enable the analysis of the impacts of road and building audits and also changes to the accounting treatment of residual values.

Depreciation for Infrastructure Assets is \$1,097k lower than original estimates which is primarily the result of the retiming of various projects as a result of COVID-19, in particular large scale projects such as the Bridgestone Athletics facility and St Kilda Masterplan. As such, various projects have been carried forward or retimed into the 2021 financial year; however the depreciation expense was budgeted for in 2020. This is offset by unfavourable variances within Plant, Furniture and Equipment \$235k as a result of the addition of Salisbury Community Hub assets during 2020 and \$444k associated with Right-of-Use assets required to be recognised for the first time in 2020 (refer to 4.1.14 for further explanation).

5.4.4 Finance Costs – Favourable Variance \$633k

The favourable variance relates to the timing of cash receipts and disbursements, with the budget allowing for the drawdown on cash advance debentures to fund major projects; however this was not required until later in the year. During the year there were project timing

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adjustments made totaling \$7.5M at the third Budget Review plus projects carried forward into the 2021 totaling \$15M which have the effect of reducing our cash requirements in 2020 and will increase our cash requirements in 2021.

5.4.5 Net Loss – Equity Accounted Council Businesses – Unfavourable Variance \$14k

At the end of the financial year we have recognised our share of the final results for Council Solutions, which has been wound up in October 2019. We received a final distribution of \$124k from Council Solutions as compared to the carrying value of our interest in Council Solutions \$138k resulting in a net loss of \$14k (details of which are contained in paragraph 4.1.16). It should be noted that from a budgeting perspective we budget for these entities to break even.

**5.5 Non-Operating Items Analysis**

5.5.1 Net Gain/(Loss) on disposal of assets is \$6,979k unfavourable, with the budget anticipating a gain of \$3,447k for net proceeds from property sales based on the pipeline of projects at the time of setting the budget, however net proceeds from property sales for 2020 was \$327k. The actual results are primarily from \$4,020k accounting losses representing the written down value of assets that have been disposed of as part of the infrastructure renewal process. This includes Building Assets \$519k, Land Improvement Assets \$612k, Infrastructure Assets \$3,112k and Land \$38k. All of these assets have been renewed or replaced earlier than anticipated, resulting in a residual value needing to be written off. There is also \$161k accounting gain on disposal of items of Plant, Furniture and Equipment.

5.5.2 Amounts specifically for new or upgraded assets were unfavourable \$2,426k primarily as a result of lower levels of grant funding received for infrastructure projects than originally budgeted as a result in Council being unsuccessful in receiving grant funding, primarily associated with Kesters Road/Nelson Road Roundabout \$750k, Bicycle Network Program \$100k and Mawson Lakes Central CCTV \$395k projects. These were adjusted for in Budget Reviews throughout the financial year.

5.5.3 Physical resources received free of charge had an unfavourable variance of \$1,000k. This amount normally represents the assets donated to Council which are associated with external property development and residential infill, with typical assets being road, kerbing, footpaths, drainage, and verges. It should be noted that the budget is an estimated figure due to the complexities involved in determining the expected levels of donated assets. There have been no assets donated to Council during the 2020 year.

**5.6 Other Comprehensive Income Analysis**

5.6.1 Changes in Revaluation Surplus – IPP&E resulted in an unfavourable variance to budget of \$10,960k. Budgeting for infrastructure revaluations is inherently complex, however the variance is the result of revaluation increments for Land \$13,962k, Land Improvements \$567k,

ITEM

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and Infrastructure \$86k, offset by a revaluation decrement for Buildings \$3,771k.

## ITEM

**5.7 Statement of Financial Position Analysis**

5.7.1 The Statement of Financial Position for 2020 is set out below and details the actual end of financial year position against the original endorsed budget. Commentary has been made on significant variances between the estimates as presented at the adoption of the budget and the 2020 end of year position.

**City Of Salisbury**  
Statement of Financial Position  
As at 30 June 2020

	Actual \$000	End of Financial Year Original Budget \$000	Variance \$000
<b>Current Assets</b>			
Cash and Cash Equivalents	1,776	-	1,776
Trade and Other Receivables	8,067	5,333	2,734
Inventories	2,385	2,159	26
<b>Total Current Assets</b>	<b>12,028</b>	<b>7,492</b>	<b>4,536</b>
<b>Non Current Assets</b>			
Financial Assets	1,117	395	722
Equity Accounted Investments in Council Businesses	3,855	3,877	(22)
Infrastructure, Property, Plant and Equipment	1,515,971	1,507,898	8,073
Other Non-Current Assets	18,079	24,287	(6,208)
<b>Total Non Current Assets</b>	<b>1,539,022</b>	<b>1,536,457</b>	<b>2,565</b>
<b>Total Assets</b>	<b>1,551,050</b>	<b>1,543,949</b>	<b>7,101</b>
<b>Current Liabilities</b>			
Cash Advance Debentures	-	16,364	16,364
Trade and Other Payables	12,067	15,033	2,966
Borrowings	2,060	1,773	(287)
Provisions	7,722	7,058	(664)
<b>Total Current Liabilities</b>	<b>21,849</b>	<b>40,228</b>	<b>18,379</b>
<b>Non Current Liabilities</b>			
Borrowings	9,240	6,825	(2,415)
Provisions	1,767	1,662	(105)
<b>Total Non Current Liabilities</b>	<b>11,007</b>	<b>8,487</b>	<b>(2,520)</b>
<b>Total Liabilities</b>	<b>32,856</b>	<b>48,715</b>	<b>15,859</b>
<b>Net Assets</b>	<b>1,518,194</b>	<b>1,495,234</b>	<b>22,960</b>
<b>Equity</b>			
Accumulated Surplus	373,183	374,152	(969)
Asset Revaluation Reserves	1,118,053	1,097,146	20,907
Other Reserves	26,958	23,936	3,022
<b>Total Equity</b>	<b>1,518,194</b>	<b>1,495,234</b>	<b>22,960</b>



## ITEM

5.7.2 The Statement of Financial Position as at 30 June 2020 shows a favourable variance when compared to budget for Net Assets (Total Assets less Total Liabilities) or 'Equity' of \$22,960k. This variance is made up of the following:

- Total Current Assets are \$4,536k favourable when compared to the original budget. This is primarily the result of trade and other receivables being \$2,734k higher than originally anticipated. Cash and cash equivalents are also \$1,776k favourable with the budget forecast being in a Cash Advance Debenture position however the actuals reflect the timing of delivery of the infrastructure program.
- Infrastructure, Property, Plant and Equipment is \$8,073k higher than originally budgeted. This is primarily the recognition of leased assets \$2,590k resulting from the adoption of Accounting Standard AASB 16 *Leases* and the subsequent accounting effects of this (refer 4.1.14 for further explanation) plus other revaluation adjustments on infrastructure assets, noting that these adjustments are inherently complex, and are derived from periodic detailed asset audits.
- Other Non-current assets are \$6,208k lower than budget estimates, which is primarily the result of lower than anticipated infrastructure projects in progress at the end of 2020. The budget was set with the last known actual result (30 June 2019), as it is expected to remain relatively static, although the mix of projects will of course change over time.
- Liabilities are overall lower than budget by \$15,859k predominantly due to the Original Budget including an expectation that Council would need to drawdown on Cash Advance Debentures \$16,364k which was not required as a result of the level of carry forwards included in the actual results \$15M, as well as project retiming of \$7.5M into the 2021 year. This will have the potential impact of increasing our cash requirements in 2021.

## 5.8 Financial Indicator Analysis

5.8.1 The Financial Indicators as presented in the original budget are set out below and have been compared to actual results for the 2020 financial year. Also included are adjusted Financial Indicators which normalise the ratios for the timing of the Financial Assistance Grant.

Financial Indicators	Endorsed Operating Range	2019-20 Original Budget	2019-20 Actuals	Variance to Original Budget	2019-20 Adjusted Actuals	Variance to Original Budget
Operating Surplus Ratio	0.5% - 5%	2.50%	7.47%	4.97%	7.56%	4.81%
Net Financial Liabilities Ratio	<40%	35.20%	17.19%	18.01%	17.16%	18.04%
Asset Renewal Funding Ratio	96-110%	100.00%	103.52%	3.52%	N/A	N/A

## ITEM

- 5.8.2 The operating surplus ratio of 7.47% provides a favourable variance of 4.67% when compared to budget. However, when adjusted for the year on year timing impact of the early receipt of the 2021 Financial Assistance Grant, plus the advance payment in the prior year of the 2020 Financial Assistance Grant the ratio increases slightly to 7.64%, which is a favorable variance of 4.84%. Excluding the favourable Grant receipts, the main factors contributing to this variance are Reimbursements \$1,375k and Employee costs \$1,512k, with reasons for these variances explained above. The current endorsed operating range for this indicator is 0.5%-5%.
- 5.8.3 Net Financial Liabilities was 17.19% for 2020 which is favourable by 18.01% when compared to the original budget, primarily as a result of our budget expectations that we would be in a Cash Advance Debentures of \$16,364k in 2020 which was ultimately not required, primarily as a result of the timing of the delivery of the infrastructure program. When adjusted for the timing impact of the early receipt of the 2021 Financial Assistance Grant, the ratio reduces slightly to 17.16%. The actual result falls within the current endorsed operating range for this indicator, being less than 40%.
- 5.8.4 The Asset Renewal Funding Ratio of 103.5% provides a variance of 3.52% when compared to budget, and is higher than the 82.2% achieved in 2019 and the 110.6% in 2018. The ratio for 2020 is which the endorsed range of between 90% - 110%. Further it should be noted that the calculated three year weighted average ratio is 98.8% which is also within the endorsed range.

**6. CONCLUSION / PROPOSAL**

- 6.1.1 The Annual Financial Statements for 2020 have been prepared in accordance with the applicable Australian Accounting Standards and legislative requirements, and are recommended to Council for adoption.

**CO-ORDINATION**

Officer:

Date:

# City of Salisbury

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2020

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*Salisbury - a flourishing City with opportunity for all*



## City of Salisbury

General Purpose Financial Statements  
for the year ended 30 June 2020

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City of Salisbury

General Purpose Financial Statements  
for the year ended 30 June 2020

Certification of Financial Statements

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

**In our opinion:**

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

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John Harry  
CHIEF EXECUTIVE OFFICER

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Gillian Aldridge  
MAYOR

Date:

## City of Salisbury

### General Purpose Financial Statements for the year ended 30 June 2020

#### Understanding Council's Financial Statements

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##### Introduction

Each year, individual Local Governments across South Australia are required to present a set of audited Financial Statements to their Council and Community.

##### About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer and Mayor as "presenting a true and fair view" of the Council's financial results for the year and ensuring both responsibility for and ownership of the Financial Statements across Council.

##### What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2020.

The format of the Financial Statements is standard across all South Australian Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and the requirements as set down in the South Australia Model Financial Statements.

The Financial Statements incorporate four "primary" financial statements:

##### **1. Statement of Comprehensive Income**

A summary of Council's financial performance for the year, listing all income and expenditure.

##### **2. Statement of Financial Position**

A 30 June snapshot of Council's financial position including its assets and liabilities.

##### **3. Statement of Changes in Equity**

The overall change for the year (in dollars) of Council's "net wealth".

##### **4. Statement of Cash Flows**

Indicates where Council's cash came from and where it was spent.

##### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the four Primary Financial Statements.

##### About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialise in Local Government).

In South Australia, the Auditor provides an audit report, with an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

##### About the Independence Certificates

Council's Financial Statements are also required to include signed Certificates by both the Council and the Auditors that the Council's Auditor has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

##### Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Local Government Association of South Australia, the SA Local Government Grants Commission, and Financiers including Banks and other Financial Institutions.

Under the *Local Government Act 1999* the Financial Statements must be made available at the principal office of the Council and on Council's website.

## City of Salisbury

Statement of Comprehensive Income  
for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Income</b>			
Rates	2a	101,654	97,846
Statutory Charges	2b	2,995	2,989
User Charges	2c	4,794	4,824
Grants, Subsidies and Contributions	2g	14,939	17,624
Investment Income	2d	248	743
Reimbursements	2e	1,592	552
Other Income	2f	1,067	1,112
<b>Net Gain - Equity Accounted Council Businesses</b>	1e	<b>102</b>	<b>62</b>
<b>Total Income</b>		<b>127,391</b>	<b>125,752</b>
<b>Expenses</b>			
Employee Costs	3a	36,863	35,533
Materials, Contracts and Other Expenses	3b	53,267	51,321
Depreciation, Amortisation and Impairment	3c	26,950	23,830
Finance Costs	3d	777	799
<b>Net Loss - Equity Accounted Council Businesses</b>	1e	<b>14</b>	<b>48</b>
<b>Total Expenses</b>		<b>117,871</b>	<b>111,531</b>
<b>Operating Surplus / (Deficit)</b>		<b>9,520</b>	<b>14,221</b>
Asset Disposal and Fair Value Adjustments	4	(3,532)	(1,952)
Amounts Received Specifically for New or Upgraded Assets	2g	1,277	2,958
Physical Resources Received Free of Charge	2i	-	1,090
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>7,265</b>	<b>16,317</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	3a	10,844	48,920
<b>Total Other Comprehensive Income</b>		<b>10,844</b>	<b>48,920</b>
<b>Total Comprehensive Income</b>		<b>18,109</b>	<b>65,237</b>

<sup>1</sup> Transferred to Statement of Changes in Equity

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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## City of Salisbury

Statement of Financial Position  
as at 30 June 2020

\$ '000	Notes	2020	2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	8a	1,776	27,777
Trade and Other Receivables	8b	8,067	8,974
Inventories	8c	2,185	2,212
<b>Total Current Assets</b>		<b>12,028</b>	<b>38,963</b>
<b>Non-Current Assets</b>			
Financial Assets	8a	1,117	1,116
Equity Accounted Investments in Council Businesses	8b	3,855	3,891
Infrastructure, Property, Plant and Equipment	7a	1,515,971	1,458,665
Other Non-Current Assets	8c	18,079	38,292
<b>Total Non-Current Assets</b>		<b>1,539,022</b>	<b>1,501,964</b>
<b>TOTAL ASSETS</b>		<b>1,551,050</b>	<b>1,540,927</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	8a	12,067	21,256
Borrowings	8b	2,060	1,978
Provisions	8c	7,722	7,481
<b>Total Current Liabilities</b>		<b>21,849</b>	<b>30,715</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	9,240	8,597
Provisions	8c	1,767	1,530
<b>Total Non-Current Liabilities</b>		<b>11,007</b>	<b>10,127</b>
<b>TOTAL LIABILITIES</b>		<b>32,856</b>	<b>40,842</b>
<b>Net Assets</b>		<b>1,518,194</b>	<b>1,500,085</b>
<b>EQUITY</b>			
Accumulated Surplus		373,183	372,291
Asset Revaluation Reserves	8a	1,118,053	1,107,209
Other Reserves	8b	26,958	20,585
<b>Total Council Equity</b>		<b>1,518,194</b>	<b>1,500,085</b>

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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## City of Salisbury

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

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
<b>2020</b>					
Balance at the end of previous reporting period		372,291	1,107,209	20,585	1,500,085
Net Surplus / (Deficit) for Year		7,265	-	-	7,265
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	10,844	-	10,844
Other Comprehensive Income		-	10,844	-	10,844
Total Comprehensive Income		7,265	10,844	-	18,109
Transfers between Reserves		(6,373)	-	6,373	-
Balance at the end of period		373,183	1,118,053	26,958	1,518,194
<b>2019</b>					
Balance at the end of previous reporting period		352,267	1,058,289	24,292	1,434,848
Net Surplus / (Deficit) for Year		16,317	-	-	16,317
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	48,920	-	48,920
Other Comprehensive Income		-	48,920	-	48,920
Total Comprehensive Income		16,317	48,920	-	65,237
Transfers between Reserves		3,707	-	(3,707)	-
Balance at the end of period		372,291	1,107,209	20,585	1,500,085

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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## City of Salisbury

Statement of Cash Flows  
for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Cash Flows from Operating Activities</b>			
<u>Receipts</u>			
Rates		100,847	97,802
Statutory Charges		3,082	3,111
User Charges		5,517	3,545
Grants, Subsidies and Contributions (operating purpose)		15,007	17,728
Investment Receipts		265	737
Reimbursements		1,751	607
Other Receipts		11,375	9,043
<u>Payments</u>			
Payments to Employees		(36,299)	(35,386)
Payments for Materials, Contracts and Other Expenses		(67,819)	(59,414)
Finance Payments		(777)	(799)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>32,949</b>	<b>36,974</b>
<b>Cash Flows from Investing Activities</b>			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,277	2,958
Sale of Replaced Assets		347	1,096
Sale of Surplus Assets		462	118
Net Disposal of Investment Securities		-	71
Sale of Real Estate Developments		525	1,011
Repayments of Loans by Community Groups		14	31
Distributions Received from Equity Accounted Council Businesses		124	-
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(17,745)	(14,248)
Expenditure on New/Upgraded Assets		(41,501)	(31,771)
Development of Real Estate for Sale		(144)	(101)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(56,641)</b>	<b>(40,835)</b>
<b>Cash Flows from Financing Activities</b>			
<u>Payments</u>			
Repayments of Borrowings		(1,977)	(2,142)
Repayment of Lease Liabilities		(332)	-
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(2,309)</b>	<b>(2,142)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(26,001)</b>	<b>(6,003)</b>
plus: <b>Cash and Cash Equivalents at beginning of period</b>	11	<b>27,777</b>	<b>33,780</b>
<b>Cash and Cash Equivalents at end of period</b>	11	<b>1,776</b>	<b>27,777</b>
Additional Information:			
plus: <b>Investments on hand - end of year</b>	8c	<b>690</b>	<b>690</b>
<b>Total Cash, Cash Equivalents and Investments</b>		<b>2,466</b>	<b>28,467</b>

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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## City of Salisbury

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

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## City of Salisbury

### Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

#### Note 1. Summary of Significant Accounting Policies

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

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

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 14 October 2020.

##### 1.2 Historical Cost Convention

Except as 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 Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

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

##### 1.4 Rounding

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

#### 2 The Local Government Reporting Entity

The City of Salisbury is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 34 Church Street, Salisbury. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions.

#### 3 Income Recognition

Council recognises revenue under AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) or AASB 15 *Revenue from Contracts with Customers* (AASB 15) when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer. In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In cases where there is an enforceable contract with a customer with sufficiently specific performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

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## City of Salisbury

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

#### Note 1. Summary of Significant Accounting Policies

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In recent years the payment of untied grants (financial assistance grants / local roads / supplementary grants) has varied from the annual allocation. The advanced payments received are summarised in the below table:

Financial Year	Payment Received In Advance \$'000	Comments
2016/17	3,995	Relates to 2017/18
2017/18	4,208	Relates to 2018/19
2018/19	4,556	Relates to 2019/20
2019/20	4,329	Relates to 2020/21

Because these grants as applicable for the current reporting period are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

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

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

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 1999*. Other receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

#### 5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

##### 5.1 Real Estate Assets Developments

Real Estate Assets developments have been classified as Inventory in accordance with *AASB 102 Inventories* and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

##### 5.2 Other Real Estate Held for Resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

## City of Salisbury

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

#### Note 1. Summary of Significant Accounting Policies

##### 6 Infrastructure, Property, Plant and Equipment

###### 6.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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

###### 6.2 Materiality

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

Examples of capitalisation thresholds applied during the year are disclosed in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

###### 6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties and of existing valuations, methods and valuers are provided at Note 7.

###### 6.4 Depreciation of Non-Current Assets

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

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually; these reviews are conducted either internally or externally through the completion of asset audits and valuations.

Major depreciation periods for each class of asset are detailed in Note 7. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

###### 6.5 Intangible Assets

Intangible Assets have been accounted for in accordance with the requirements of AASB 138 *Intangible Assets*. An item is recognised as an intangible if it meets the definition of an intangible asset, it is probably that future economic benefits will flow to Council and the cost of the asset can be reliably measured.

Intangible Assets are tested for impairment yearly or when there is objective evidence or an indication that these assets may be impaired. Further determinations on useful lives are reviewed annually.

###### 6.6 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

## City of Salisbury

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

#### Note 1. Summary of Significant Accounting Policies

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

#### 7 Payables

##### 7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice, however during the COVID-19 pandemic Council introduced measures to assist the community and payment terms were amended to 14 day terms up to 30 June 2020. No interest is payable on these amounts.

##### 7.2 Payments Received in Advance and Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

#### 8 Borrowings

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of 'Payables'.

#### 9 Employee Benefits

##### 9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are

accrued at nominal amounts (including payroll based oncosts) measured in accordance with *AASB 119 Employee Benefits*.

Liabilities for employee benefits not expected to be paid or settled within twelve 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.

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

##### 9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

#### 10 Leases

##### Accounting policy applicable from 1 July 2019

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

Lease arrangements have been accounted for in accordance with *AASB 16 Leases* which was applied by Council for the first time from 1 July 2019. This supersedes *AASB 117 Leases*.

## City of Salisbury

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

#### Note 1. Summary of Significant Accounting Policies

##### 10.1 Council as a lessee

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

##### i) Right of Use Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Plant and equipment right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Land is amortised over a period of 30 years; details for both as follows:

Plant and equipment	3 to 5 years
Water Harvesting Site	30 years

The right of use assets are also subject to impairment. Refer to the accounting policies above.

##### ii) Lease Liabilities

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

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

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Further information on the adoption of this new accounting standard is provided below in Point 13.

##### 11 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interest in cooperative arrangements are accounted for in accordance with *AASB 128 Investments in Associates and Joint Ventures* and set out in detail in Note 19.

##### 12 GST Implications

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

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

##### 13 New and amended accounting standards and interpretations

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



## City of Salisbury

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

## Note 1. Summary of Significant Accounting Policies

**Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities**

Council applied AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not for Profit Entities, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations.

The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in Note 1 Significant Accounting Policies. The Council has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019.

**AASB 16 Leases**

Council applied AASB 16 Leases for the first time from 1 July 2019. AASB 16 supersedes AASB 117 Leases, Interpretation 4 determining whether an Arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. Council has lease contracts for various items of plant, equipment and computers. Before the adoption of AASB 16, the Council classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Council adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

Council recognise right-of-use assets (ROU) and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within twelve months of the date of initial application and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities. No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption of AASB 16 as at 1 July 2019 (increase/(decrease)) is as follows:

	\$'000
<b>Assets</b>	
- IPP&E ROU Assets	3,034
<b>Total Assets</b>	<b>3,034</b>
<b>Liabilities</b>	
Interest-bearing loans and borrowings	(3,034)
<b>Total Liabilities</b>	<b>(3,034)</b>
<b>Accumulated Surplus</b>	Nil

**Standards issued by the AASB not yet effective**

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

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

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

## City of Salisbury

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

#### Note 1. Summary of Significant Accounting Policies

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##### **14 Comparative Figures**

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

##### **15 Disclaimer**

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

## City of Salisbury

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

## Note 2. Income

\$ '000	Notes	2020	2019
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		100,748	96,973
Less: Mandatory Rebates		(1,249)	(1,222)
Less: Discretionary Rebates, Remissions and Write Offs		(362)	(343)
<b>Total General Rates</b>		<b>99,137</b>	<b>95,408</b>
<b>Other Rates (including Service Charges)</b>			
Natural Resource Management Levy		2,067	2,016
Salisbury Business Association Separate Rate		156	162
Globe Derby Community Club Separate Rate		6	6
<b>Total Other Rates</b>		<b>2,229</b>	<b>2,184</b>
<b>Other Charges</b>			
Penalties for Late Payment		288	254
<b>Total Other Charges</b>		<b>288</b>	<b>254</b>
<b>Total Rates Revenues</b>		<b>101,654</b>	<b>97,846</b>
<b>(b). Statutory Charges</b>			
Development Act Fees		1,028	946
Town Planning Fees		398	466
Animal Registration Fees and Fines		828	1,046
Parking Fines / Expiation Fees		316	215
Other Licences, Fees and Fines		425	316
<b>Total Statutory Charges</b>		<b>2,995</b>	<b>2,989</b>
<b>(c). User Charges</b>			
Cemetery Fees		536	541
Property Lease		875	878
Waste Disposal Fees		9	12
Water Supply		2,420	2,335
Aged and Disability Services		450	519
Sundry		504	539
<b>Total User Charges</b>		<b>4,794</b>	<b>4,824</b>

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## City of Salisbury

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

## Note 2. Income (continued)

\$ '000	Notes	2020	2019
<b>(d). Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		137	203
- Banks and Other		89	521
- Loans to Community Groups		22	19
<b>Total Investment Income</b>		<b>248</b>	<b>743</b>
<b>(e). Reimbursements</b>			
Contract Maintenance		251	242
Street Lighting		1,023	-
Other		318	310
<b>Total Reimbursements</b>		<b>1,592</b>	<b>552</b>
<b>(f). Other Income</b>			
Insurance and Other Recoupments - Infrastructure, IPP&E		-	9
Rebates Received		661	728
Sundry		406	375
<b>Total Other Income</b>		<b>1,067</b>	<b>1,112</b>

## City of Salisbury

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

## Note 2. Income (continued)

\$ '000	Notes	2020	2019
<b>(g). Grants, Subsidies and Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		1,277	2,958
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>		<b>1,277</b>	<b>2,958</b>
Other Grants, Subsidies and Contributions		6,780	6,532
Untied Financial Assistance Grant		3,830	4,956
Individually Significant Item - Additional Financial Assistance Grant (refer below)		4,329	6,136
<b>Total Other Grants, Subsidies and Contributions</b>		<b>14,939</b>	<b>17,624</b>
<b>Total Grants, Subsidies and Contributions</b>		<b>16,216</b>	<b>20,582</b>

The functions to which these grants, subsidies and contributions relate are disclosed in Note 12, with the exception of Amounts Received Specifically for New or Upgraded Assets.

**(i) Sources of grants**

Commonwealth Government	2,876	2,599
State Government	12,738	17,287
Other	602	696
<b>Total</b>	<b>16,216</b>	<b>20,582</b>

**(ii) Individually Significant Items**

Advanced Financial Assistance Grant Recognised as Income	4,329	4,556
Advanced Supplementary Local Road Funding Recognised as Income	-	1,580

On 27 May 2020, Council received advance payment of the first two quarters of the 2020/2021 Financial Assistance Grant, totalling \$4,329k (comprising of \$3,300k in general purpose funding and \$1,029k in untied local road funding). This has materially increased Council's operating results in the current year, as these amounts are recognised as income upon receipt, as detailed in Note 1. Potential material effects will be experienced when the timing of these grant payments are once again restored to a normal schedule.

## City of Salisbury

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

## Note 2. Income (continued)

\$ '000	Notes	2020	2019
<b>(h). Conditions over Grants and Contributions</b>			
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:			
<b>Unexpended at the close of the previous reporting period</b>		2,115	1,752
<i>Less:</i>			
<i>Expended during the current period from revenues recognised in previous reporting periods</i>			
Dry Creek Park Way - City Wide Trails		(800)	-
Pauls Drive Valley View - Major Flooding		(657)	-
Tea Tree Gully Business Advisory Services		(80)	(30)
Fostering Integration Grant		(49)	-
Home and Community Support Program		(41)	-
Drug and Alcohol Framework		(7)	(11)
The Shed Project		(5)	-
Bridgestone Athletic Track		-	(860)
Salisbury Oval Female Changerooms		-	(397)
Digital Growth Program		-	(64)
Footpath Development Program		-	(63)
Pooraka Farm CCTV		-	(39)
Northern Adelaide Industry Development		-	(39)
Salisbury Oval CCTV		-	(19)
Street Tree Developer Program		-	(17)
Playford Business Services		-	(12)
Duke of Edinburgh School Program		-	(7)
Other		-	(61)
<b>Subtotal</b>		<b>(1,619)</b>	<b>(1,619)</b>

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## City of Salisbury

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

## Note 2. Income (continued)

\$ '000	Notes	2020	2019
<i>Plus:</i>			
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
Tea Tree Gully Business Advisory Services		182	60
NDIS Participants		75	-
Risk & Governance - Special Distribution Fund		58	-
OH&S - Special Distribution Fund		52	-
Mindset for Life Program		41	-
Preventative WHS Programs - Special Distribution Fund		39	-
Waterwatch General		38	-
ACE Project (Accredited)		21	-
Perspex Screens for Public PC's - Special Distribution Fund		15	-
ACE Project (Non-Accredited)		13	-
Drug and Alcohol Framework		8	7
Pooraka Farm Family Fun Day		5	-
Dry Creek Park Way - City Wide Trails		-	1,000
Pauls Drive Valley View - Major Flooding		-	657
Fostering Integration Program		-	49
Home and Community Support Program		-	41
The Shed Project		-	5
Other		-	163
<b>Subtotal</b>		<b>547</b>	<b>1,982</b>
<b>Unexpended at the close of this reporting period</b>		<b>1,043</b>	<b>2,115</b>
<b>Net increase (decrease) in assets subject to conditions in the current reporting period</b>		<b>(1,072)</b>	<b>363</b>
 (i). Physical Resources Received Free of Charge			
Land and Improvements		-	96
Roads, Bridges and Footpaths		-	375
Stormwater Drainage		-	619
<b>Total Physical Resources Received Free of Charge</b>		<b>-</b>	<b>1,090</b>

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## City of Salisbury

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

## Note 3. Expenses

\$ '000	Notes	2020	2019
<b>(a). Employee Costs</b>			
Salaries and Wages		30,608	28,825
Employee Leave Expense		5,094	5,121
Superannuation - Defined Contribution Plan Contributions	18	743	793
Superannuation - Defined Benefit Plan Contributions	18	2,698	2,349
Workers' Compensation Insurance		1,416	1,387
Less: Capitalised and Distributed Costs		(3,696)	(2,942)
<b>Total Operating Employee Costs</b>		<b>36,863</b>	<b>35,533</b>
Total Number of Employees (full time equivalent at end of reporting period)		412	403
<b>(b). Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		32	46
Bad and Doubtful Debts		2	16
Elected Members' Expenses		472	470
Election Expenses		41	540
Operating Lease Rentals - Cancellable Leases (2019 only)		-	697
Lease Expense - Low Value Assets / Short Term Leases		524	-
<b>Subtotal - Prescribed Expenses</b>		<b>1,071</b>	<b>1,769</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		35,722	34,476
Energy		4,737	4,160
Legal Expenses		425	314
Levies Paid to Government - NRM Levy		2,038	2,014
Levies - Other		350	378
Parts, Accessories and Consumables		2,874	2,733
Insurance		1,058	951
Water Rates		911	858
Sundry		4,081	3,668
<b>Subtotal - Other Material, Contracts and Expenses</b>		<b>52,196</b>	<b>49,552</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>53,267</b>	<b>51,321</b>

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## City of Salisbury

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

## Note 3. Expenses (continued)

\$ '000	Notes	2020	2019
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Land Improvements		5,545	5,293
Buildings and Other Structures		3,112	2,418
Infrastructure		14,731	13,872
Right-of-Use Assets		444	-
Plant and Equipment		2,931	2,078
Library Books		187	169
<b>Subtotal</b>		<b>26,950</b>	<b>23,830</b>
<b>Total Depreciation, Amortisation and Impairment</b>		<b>26,950</b>	<b>23,830</b>
<b>(d). Finance Costs</b>			
Interest on Loans		659	799
Interest on Leases		110	-
Interest on Cash Advance Debentures		8	-
<b>Total Finance Costs</b>		<b>777</b>	<b>799</b>

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## City of Salisbury

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

## Note 4. Asset Disposal and Fair Value Adjustments

\$ '000	Notes	2020	2019
<b>Infrastructure, Property, Plant and Equipment</b>			
<b>(i) Assets Renewed or Directly Replaced</b>			
Proceeds from Disposal		347	1,096
Less: Carrying Amount of Assets Sold		<u>(3,914)</u>	<u>(3,581)</u>
<b>Gain (Loss) on Disposal</b>		<b>(3,567)</b>	<b>(2,485)</b>
<b>(ii) Assets Surplus to Requirements</b>			
Proceeds from Disposal		462	118
Less: Carrying Amount of Assets Sold		<u>(754)</u>	<u>(199)</u>
<b>Gain (Loss) on Disposal</b>		<b>(292)</b>	<b>(81)</b>
<b>Real Estate Development Assets</b>			
Proceeds from Disposal		525	1,011
Less: Carrying Amount of Assets Sold		<u>(198)</u>	<u>(397)</u>
<b>Gain (Loss) on Disposal</b>		<b>327</b>	<b>614</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>		<b><u>(3,532)</u></b>	<b><u>(1,952)</u></b>

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## City of Salisbury

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

## Note 5. Current Assets

\$ '000	Notes	2020	2019
<b>(a). Cash and Cash Equivalent Assets</b>			
Cash on Hand at Bank		689	156
Short Term Deposits		1,087	27,621
<b>Total Cash and Cash Equivalent Assets</b>		<b>1,776</b>	<b>27,777</b>
<b>(b). Trade and Other Receivables</b>			
Rates - General and Other		3,950	2,986
Accrued Revenues		-	17
Debtors - General		2,458	3,162
GST Recoupment		1,168	2,106
Prepayments		461	671
Loans to Community Organisations		30	32
<b>Total Trade and Other Receivables</b>		<b>8,067</b>	<b>8,974</b>
<b>(c). Inventories</b>			
Stores and Materials		285	256
Real Estate Developments	6c	1,865	1,920
Cemetery Plinths, Vaults and Inurnments		35	36
<b>Total Inventories</b>		<b>2,185</b>	<b>2,212</b>

## City of Salisbury

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

## Note 6. Non-Current Assets

\$ '000	Notes	2020	2019
<b>(a). Financial Assets</b>			
<b>Receivables</b>			
Council Rates Postponement Scheme		28	15
Loans to Community Organisations		399	411
<b>Subtotal</b>		<b>427</b>	<b>426</b>
<b>Total Receivables</b>		<b>427</b>	<b>426</b>
<b>Other Financial Assets (Investments)</b>			
Mortgages over Property - Affordable Housing Scheme		690	690
<b>Total Other Financial Assets (Investments)</b>		<b>690</b>	<b>690</b>
<b>Total Financial Assets</b>		<b>1,117</b>	<b>1,116</b>
<b>(b). Equity Accounted Investments in Council Businesses</b>			
Northern Adelaide Waste Management Authority	19	3,855	3,753
Council Solutions	19	-	138
<b>Total Equity Accounted Investments in Council Businesses</b>		<b>3,855</b>	<b>3,891</b>
Council Solutions was wound up as at 15 October 2019 and the net equity was distributed to the Constituent Councils in line with the respective interests.			
<b>(c). Other Non-Current Assets</b>			
<b>(i) Inventories</b>			
Real Estate Developments		1,395	1,394
<b>Total Inventories</b>		<b>1,395</b>	<b>1,394</b>
<b>(ii) Other</b>			
Capital Works-in-Progress		16,474	36,732
Intangible Assets		210	166
<b>Total Other</b>		<b>16,684</b>	<b>36,898</b>
<b>Total Other Non-Current Assets</b>		<b>18,079</b>	<b>38,292</b>

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## City of Salisbury

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

## Note 6. Non-Current Assets

\$ '000	Notes	2020	2019
<b>Real Estate Developments - Current and Non-Current</b>			
(Valued at the lower of cost and net realisable value)			
Residential		3,260	3,314
<b>Total Real Estate for Resale</b>		<b>3,260</b>	<b>3,314</b>
<b>Represented by:</b>			
Acquisition Costs		1,771	1,570
Development Costs		1,489	1,744
<b>Total Real Estate of Resale</b>		<b>3,260</b>	<b>3,314</b>
<b>(ii) Apportionment of Real Estate Developments</b>			
Current Assets		1,865	1,920
Non-Current Assets		1,395	1,394
		<b>3,260</b>	<b>3,314</b>

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City of Salisbury

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

Note 7a (i). Infrastructure, Property, Plant and Equipment

\$ '000	Fair Value (cost)	as at 30/06/2019				Asset Movements during the Reporting Period					as at 30/06/2020						
		At Fair Value	At Cost	Accumulated Dep'n	Impairment	Carrying Value	Transfers adjustment - AAAS 20	Asset Additions	WDV of Asset Disposal	Depreciation Expense (Note 3c)	Revaluation increments to Equity (ARR) (Note 5)	At Fair Value	At Cost	Accumulated Dep'n	Impairment	Carrying Value	
								State / Upgrade	Renovals								
Land - Other	2	459,413	-	-	-	459,413	-	1,230	-	(58)	-	15,962	474,567	-	-	-	474,567
Land Improvements	3	190,679	-	73,899	-	116,780	-	5,432	2,411	(612)	(5,545)	567	198,484	-	79,445	-	119,039
Buildings and Other Structures	3	91,020	-	26,137	-	64,883	-	36,059	1,212	(519)	(3,112)	(3,771)	121,857	-	27,055	-	94,792
Infrastructure	3	1,236,706	-	432,184	-	804,522	-	9,487	12,824	(2,851)	(14,731)	86	1,249,534	-	440,247	-	809,337
Right-of-Use Assets	-	-	-	-	-	-	3,034	-	-	-	(144)	-	-	3,034	444	-	2,590
Plant and Equipment	-	-	27,464	15,646	-	11,818	-	4,826	1,329	(648)	(2,931)	-	-	32,013	17,619	-	14,394
Library Books	-	-	1,243	-	-	1,243	-	196	-	-	(187)	-	-	2,494	1,242	-	1,252
<b>Total Infrastructure, Property, Plant and Equipment</b>		<b>1,977,816</b>	<b>28,707</b>	<b>547,660</b>	<b>-</b>	<b>1,458,665</b>	<b>3,034</b>	<b>57,270</b>	<b>17,776</b>	<b>(4,668)</b>	<b>(26,950)</b>	<b>10,344</b>	<b>2,044,492</b>	<b>37,841</b>	<b>566,062</b>	<b>-</b>	<b>1,515,971</b>
<b>Comparatives</b>		<b>1,883,767</b>	<b>26,227</b>	<b>509,039</b>	<b>-</b>	<b>1,409,955</b>	<b>-</b>	<b>23,989</b>	<b>12,411</b>	<b>(3,780)</b>	<b>(23,830)</b>	<b>48,920</b>	<b>1,977,816</b>	<b>28,707</b>	<b>547,860</b>	<b>-</b>	<b>1,458,665</b>

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## City of Salisbury

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and  
Investment Property

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 \$ '000
 

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## Valuation of Assets

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

- Land
- Land Improvements
- Infrastructure
- Buildings and Other Structures

Council 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 characterised into. The levels are outlined below:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset.

The fair value of assets 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 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.

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## City of Salisbury

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and  
Investment Property

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 \$ '000
 

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**b) Valuation Techniques**

Council 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 upon the specific characteristics of the asset being measured. The valuation techniques selected by Council 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.
- *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, including assumptions about risks. When selecting a valuation technique, Council 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 is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

During 2017/18 Council initially undertook a review of the internal overhead costs, such as project management, supervision and design, that are directly related to the renewal of Council's Transport and Stormwater assets. The purpose of the review was to ensure that the appropriate level of direct internal overhead costs (expressed as a percentage) were being reflected in the unit rates that are utilized to revalue these asset classes. These overhead percentages were independently reviewed by Tonkin Consulting and continue to be incorporated into their review of Council's Asset Valuations.

**c) Capitalisation Thresholds**

Capitalisation thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

	\$
Office Furniture and Equipment	5,000
Plant and Light Vehicles	5,000
Buildings - new construction/extensions	10,000
Park and Playground Furniture and Equipment	5,000
Road construction and reconstruction	10,000
Paving and footpaths, Kerb and Gutter	5,000
Drains and Culverts	10,000
Reticulation extensions	5,000
Sidelines and household connections	5,000
Artworks	5,000

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## City of Salisbury

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

Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and  
Investment Property

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\$ '000

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**d) Estimated Useful Lives**

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

	Years
<i>Plant, Furniture and Equipment</i>	
Office Equipment	3 to 10 years
Office Furniture	3 to 10 years
Vehicles and Road-making Equipment	2 to 20 years
Other Plant and Equipment	3 to 20 years
<i>Building and Other Structures</i>	
Building Components	10 to 80 years
Playground Equipment	15 to 25 years
Benches, Seats, etc	10 to 15 years
<i>Infrastructure</i>	
Roads - Seal	20 to 40 years
Roads - Base	50 to 150 years
Roads - Sub-Base	150 to 300 years
Unsealed Roads	5 to 10 years
Bridges	100 years
Footpaths	8 to 80 years
Kerb, Gutter and Medians	50 to 300 years
Drainage Pipes	80 to 100 years
Culverts, Headwalls and Junction Boxes	40 to 100 years
Dams and Reservoirs	400 years
Bores	75 years
Reticulation Pipes - PVC	50 to 80 years
Pumps and Telemetry	10 to 50 years
<i>Other Assets</i>	
Library Books	3 to 7 years
Artworks/Local History	Indefinite
Street Trees	50 years
Right-of-Use Assets	3 to 5 years

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## City of Salisbury

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

Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and  
Investment Property

\$ '000

	Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s	Total \$'000s
Land	-	474,567	-	474,567
Land Improvements	-	-	119,039	119,039
Buildings and Other Structures	-	-	94,792	94,792
Infrastructure	-	-	809,337	809,337
<b>Total</b>	-	<b>474,567</b>	<b>1,023,168</b>	<b>1,497,735</b>

f) Disclosed Fair Value Measurements

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$,'000's
Land	2	Market Value	\$474,567

Valuations of assets in this category are undertaken using the State Valuer Generals Site Values.

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$,'000's
Land Improvements	3	Cost Approach	\$119,039

Valuations of assets in this category are undertaken via one of the following methods:

- Independent valuations are provided by Tonkin Consulting using a methodology that utilises observable Council specific contract rates to derive a unit rate used to calculate a current replacement cost for each asset. Assets valued via this method include Footpaths and Carpark Pavement/Seals all situated on Council Reserves.
- Revalued using the Local Government Pricing Index (LGPI) for 2019/20. Assets valued via this method include Fencing, Irrigation Equipment, Playgrounds, Kerbing, Sports Courts/Facilities, Reserve Furniture, Landscaping and Other Structures all situated on Council Reserves.
- Independent valuations provided by Tonkin Consulting in 2019/20 using a methodology that utilises observable Council cost information as well as their knowledge of the water industry and references to various construction guides (such as Rawlinsons Australian Construction Handbook) to derive an index for each asset component associated with Councils Recycled Stormwater Business Unit, which includes assets such as Pipework, Pumps, Bores, Valves, Electrical and Computer Equipment.
- Independent valuations initially provided by JLL in 2017/18 using a methodology that utilises observable rates and cost information from their research across the Playground and Fitness Equipment industries. Assets valued via this method included Playgrounds and Fitness Equipment. These assets have been revalued using the LGPI for 2019/20.

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## City of Salisbury

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and  
Investment Property

\$ '000

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$,000's
Buildings and Other Structures	3	Cost Approach	\$94,792

Valuation of assets in this category are undertaken via the following method:

a. Independent valuation of the current replacement cost for buildings at a component level was undertaken by GHD for the year ending 30 June 2017 using a methodology that utilises observable rates and cost information from their extensive knowledge across Building Infrastructure. In 2019/20 an independent valuation of the current replacement cost for these assets was undertaken using Building Component Indexes provided by Tonkin Consulting, derived from references to the Rawlinsons Australian Construction Handbook.

Asset Category	Fair Value Hierarchy Level	Valuation Technique	Fair Value \$,000's
Infrastructure	3	Cost Approach	\$809,337

Valuation of assets in this category are undertaken via one of the following methods:

a. Independent valuations are provided by Tonkin Consulting using a methodology that utilises observable Council specific contract rates to derive a unit rate used to calculate a current replacement cost for each asset. Assets valued via this method include Footpaths, Kerbing, Carpark Pavements/Seals, Road Pavement/Seals and Drainage Pipes/Pits all situated on or under Council Roads.

b. Independent valuations initially provided by SMEC in 2016/17 using a methodology that utilises observable rates and cost information from their extensive knowledge of water retention related infrastructure. Assets valued via this method include Major Drainage Dams. In 2019/20 these assets were revalued using the Local Government Pricing Index (LGPI).

c. Revalued using the Local Government Pricing Index (LGPI). Assets valued via this method include Bridges, Irrigation Equipment on Roads, Road Furniture, Landscaping on Roads, Open Drainage Systems and Minor Drainage Dams.

The requirements of AASB 13 *Fair Value Measurement* have been applied to all valuations undertaken since 1 July 2013. There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements from previous years.

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## City of Salisbury

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2020Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and  
Investment Property (continued)

\$ '000

## Valuation of Assets (continued)

**Highest and best use**

All of Council's non financial assets are considered as being utilised for their highest and best use, unless market or other factors suggest a different use by market participants would maximise the value of the asset.

**Land Under Roads**

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

**Land**

Much of the land under Council's care and control is Crown land or has been declared as community land under the provision of the *Local Government Act 1999*. Other types of restrictions on the land may also apply. Valuations of this land are based on the State Valuer General's Site Values, which are based on observable sales in an active market of similar properties with a similar land use on both vacant land and land with improvements. Adjustments to these values are then made by the State Valuer General taking into consideration the highest and best use of the property e.g. if there is a single house on the land but zoning would allow it to be divided for home units.

**Infrastructure, Buildings and Land Improvements**

As there is no known active market for the majority of infrastructure, building and land improvement assets owned by Council, these assets have been valued at current replacement cost using the *Cost Approach*. Upon revaluation, the current replacement cost and accumulated depreciation are restated such that the difference (the current replacement cost) represents the fair value of the asset determined in accordance with AASB 13 *Fair Value Measurement*.

This method involves the determination of the current cost to construct the asset (or its modern engineering equivalent) and then calculating the value of its remaining service capacity (current replacement cost). Council utilises a number of observable and unobservable inputs in the calculation of these values which may include:

## Observable Inputs:

- Council specific contract rates
- Recent construction costs for similar assets
- Independent valuations

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## City of Salisbury

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

**Note 7b. Valuation of Infrastructure, Property, Plant and Equipment and  
Investment Property (continued)**

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\$ '000

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**Unobservable Inputs/Estimates:**

- Quantities of materials used
- Economic (Useful) Lives of assets
- Residual Value of assets
- Preserved Value of assets
- Pattern of consumption of an assets economic benefits
- Condition
- Obsolescence
- Impairment
- Industry construction pricing indexes e.g. Rawlinson's Construction Handbook and Cost Guide
- Other construction pricing indexes e.g. Local Government Pricing Index which is an index developed by the Australian Bureau of Statistics and is prepared quarterly by the South Australia Centre for Economic Studies and is based on price movements in the goods and services purchased by Local Governments.

**Intangible Assets**

Intangible Assets have been accounted for in accordance with the requirements of AASB 138 *Intangible Assets*. Council owns Water Licences that enable the harvesting and sale of stormwater. These Water Licences meet the definition and recognition requirements of Intangible Assets, specifically classified as Intangible assets with an indefinite useful life. Initial recognition of these Water Licences is at cost, and after initial recognition they are carried at cost less any accumulated impairment losses.

Testing for impairment, in accordance with AASB 136 *Impairment of Assets*, is undertaken annually, or whenever there may be an indication that the intangible assets may be impaired. The determination that these Water Licences have an indefinite useful life is reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment.

**Street Trees**

Council is of the opinion that street trees and tree screens are tangible assets that Council uses to support the provision of environmental and recreational services to the community, and have an initial cost that can be reliably measured, that is the cost of planting and establishment. It is therefore considered that costs relating to tree plantings for Street Tree and Tree Screen renewal programs only meet the recognition criteria of property, plant and equipment and are recognised as an asset.

**Plant, Furniture and Fittings**

Assets are carried at cost, less any accumulated depreciation and impairment losses.

**Library Books**

Library books are accounted for under the replacement method. Library stock at 30 June 2020 is valued using nominal values recommended by PLS (Public Library Service). All new purchases are treated as replacement items and the expense is classified as depreciation. This expense is then adjusted by the movement in the calculated value of the library stock.

**Right-of-Use Assets**

Valued as the initial measurement of the lease liability being the present value of future lease payments and any initial direct costs, pre-paid lease payments and any estimated costs to dismantle.

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## City of Salisbury

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

## Note 8. Liabilities

\$ '000	Notes	2020		2019	
		Current	Non Current	Current	Non Current
<b>(a). Trade and Other Payables</b>					
Goods and Services		10,104	-	19,468	-
Payments Received in Advance		1,558	-	1,541	-
Accrued Expenses - Employee Entitlements		238	-	-	-
Accrued Expenses - Other		45	-	43	-
Deposits, Retentions and Bonds		122	-	204	-
<b>Total Trade and Other Payables</b>		<b>12,067</b>	<b>-</b>	<b>21,256</b>	<b>-</b>
<b>(b). Borrowings</b>					
Loans		1,773	6,825	1,978	8,597
Lease Liabilities	17	287	2,415	-	-
<b>Total Borrowings</b>		<b>2,060</b>	<b>9,240</b>	<b>1,978</b>	<b>8,597</b>
All interest bearing liabilities are secured over the future revenues of the Council					
<b>(c). Provisions</b>					
Employee Entitlements (including accruals)		7,722	1,654	7,481	1,427
Salisbury Memorial Park Maintenance Provision		-	90	-	80
Mortgage Loss Provision		-	23	-	23
<b>Total Provisions</b>		<b>7,722</b>	<b>1,767</b>	<b>7,481</b>	<b>1,530</b>
			Salisbury Memorial Park Maintenance Provision		Mortgage Loss Provision
Opening Balance			80		23
Additional Amounts Recognised			10		-
<b>Closing Balance</b>			<b>90</b>		<b>23</b>

## City of Salisbury

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

## Note 9. Reserves

\$ '000	1/7/2019	Increments (Decrements)	Transfers	Impairments	30/6/2020
<b>(a). Asset Revaluation Reserve</b>					
Land - Other	359,962	13,962	-	-	373,924
Land Improvements	27,628	567	-	-	28,195
Buildings and Other Structures	10,969	(3,771)	-	-	7,198
Infrastructure	706,312	86	-	-	706,398
Library Books	2,338	-	-	-	2,338
<b>Total Asset Revaluation Reserve</b>	<b>1,107,209</b>	<b>10,844</b>	<b>-</b>	<b>-</b>	<b>1,118,053</b>
<b>Comparatives</b>	<b>1,058,289</b>	<b>48,920</b>	<b>-</b>	<b>-</b>	<b>1,107,209</b>
\$ '000	1/7/2019	Tf's to Reserve	Tf's from Reserve	Other Movements	30/6/2020
<b>(b). Other Reserves</b>					
Development and Public Infrastructure Reserve	1,279	475	(324)	-	1,430
Open Space Reserve	1,423	33	(100)	-	1,356
Car Parking Reserve	941	6	-	-	947
Property Disposal Reserve	464	287	-	-	751
Mausoleum Perpetual Care Reserve	850	8	-	-	858
Salisbury Memorial Park Reserve	906	6	-	-	912
Carried Forward Funds Reserve	12,720	18,595	(12,720)	-	18,595
Salisbury Water Business Unit Reserve	2,002	107	-	-	2,109
<b>Total Other Reserves</b>	<b>20,585</b>	<b>19,517</b>	<b>(13,144)</b>	<b>-</b>	<b>26,958</b>
<b>Comparatives</b>	<b>24,292</b>	<b>14,241</b>	<b>(17,948)</b>	<b>-</b>	<b>20,585</b>

City of Salisbury

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

Note 9. Reserves

PURPOSES OF RESERVES

**Asset Revaluation Reserves**

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

**Development and Public Infrastructure Reserve**

The Development and Public Infrastructure Reserve contains developer contributions towards future footpaths, street signs and street trees specific to the development site. It also contains developer contributions towards future works associated with drainage systems, water pipes and pumps, Council road network, trails and bridges necessary to facilitate the development and external to the development site.

**Open Space Reserve**

For developer contributions received that are to be utilised towards the future acquisition of open space areas.

**Carpark Reserve**

For the provision of future renewal and maintenance of car parking areas within the Salisbury Town Centre, Ingle Farm Town Centre and Mawson Lakes Town Centre.

**Property Disposal Reserve**

To retain the proceeds of any property sales, including surplus land and redevelopments, under the provision of Section 194 of the *Local Government Act 1999* and subject to compliance with all legal requirements thereof, and to be utilised to repay debt or reduce future borrowings.

**Mausoleum Perpetual Care Fund Reserve**

To provide maintenance for the Mausoleum situated at Salisbury Memorial Park.

**Salisbury Memorial Park Reserve**

To fund future development work and maintenance at the Salisbury Memorial Park.

**Carried Forward Funds Reserve**

Used for unspent budget funds at the end of financial year that are to be carried forward for use in the following year.

**Salisbury Water Business Unit Reserve**

Generated by the allocation of surpluses, and offset by deficits resulting from the operations of the Salisbury Water Business Unit. Allocations from the Reserve can only be made following a resolution of Council and can only be utilised to fund either business development, asset renewal, offset losses or to distribute dividends to Council.



## City of Salisbury

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

## Note 10. Assets Subject to Restrictions

\$ '000	2020	2019
<p>The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.</p>		
<b>Cash and Financial Assets</b>		
Open Space Contributions	1,356	1,423
Developer Contributions	2,377	2,220
Unexpended Grants and Subsidy Funds	1,043	2,115
<b>Total Cash and Financial Assets</b>	<b>4,776</b>	<b>5,758</b>
<b>Total Assets Subject to Externally Imposed Restrictions</b>	<b>4,776</b>	<b>5,758</b>

Open Space Contributions are received primarily to fund reserves/playspaces and other recreational areas within new subdivisions. Developer Contributions are received primarily to fund infrastructure works in new subdivisions. These funds are held in Reserves (as disclosed in Note 9) until required and as such are regarded as restricted. Grant and Subsidy Funds received but not yet expended are regarded as restricted, and are disclosed in Note 2f.

## City of Salisbury

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

## Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2020	2019
<b>(a). Reconciliation of Cash</b>			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash and Equivalent Assets	8	1,776	27,777
Balances per Statement of Cash Flows		<u>1,776</u>	<u>27,777</u>
<b>(b). Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
Net Surplus/(Deficit)		7,265	16,317
Non-Cash Items in Income Statements			
Depreciation, Amortisation and Impairment		26,950	23,830
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(88)	(14)
Non-Cash Asset Acquisitions		-	(1,090)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,277)	(2,958)
Net (Gain) Loss on Disposals		<u>3,532</u>	<u>1,952</u>
		<b>36,382</b>	<b>38,037</b>
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		892	(2,954)
Net (Increase)/Decrease in Inventories		(28)	(4)
Net (Increase)/Decrease in Other Current Assets		(44)	-
Net Increase/(Decrease) in Trade and Other Payables		(4,731)	1,604
Net Increase/(Decrease) in Unpaid Employee Benefits		468	286
Net Increase/(Decrease) in Other Provisions		<u>10</u>	<u>5</u>
Net Cash provided by (or used in) operations		<u><b>32,949</b></u>	<u><b>36,974</b></u>
<b>(c). Non-Cash Financing and Investing Activities</b>			
Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	21	-	1,090
Amounts recognised in Income Statement		-	1,090
- Leases		-	-
Total Non-Cash Financing and Investing Activities		<u>-</u>	<u>1,090</u>
<b>(d). Financing Arrangements</b>			
Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdrafts		500	500
Corporate Credit Cards		500	500
LGFA Cash Advance Debenture Facility		78,917	16,917

The significant increase in LGFA Cash Advance Debenture Facilities from \$16,917k to \$78,917k is as a response to COVID-19 and the financial support measures implemented to assist the community. Council established a short-term \$80,000k Cash Advance Debenture facility for the specific purpose of supporting the organisations potential cash flow associated with the potential deferral of rates payment due dates.

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

City of Salisbury

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

Note 12a. Functions

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

Functions/Activities	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019
	<b>\$ '000</b>									
Public Order and Safety	2,941	2,935	3,705	3,505	(764)	(570)	-	-	879	843
Health	242	277	1,757	1,662	(1,515)	(1,385)	5	31	529	531
Social Security and Welfare	3,528	3,533	7,586	7,064	(4,058)	(3,551)	2,996	2,893	25,221	24,268
Housing and Community Services	4,470	3,329	31,139	29,564	(26,669)	(26,235)	230	243	483,403	477,563
Recreation and Culture	1,156	1,238	30,251	28,320	(29,095)	(27,082)	614	679	470,930	438,560
Transport and Communication	4,081	6,143	19,413	18,139	(15,332)	(11,996)	4,080	6,142	496,906	495,075
Economic Affairs	155	203	6,297	5,956	(6,142)	(5,753)	63	110	256	258
Other, Not Attributed and Admin	110,716	108,032	17,709	17,253	93,007	90,779	6,951	7,526	70,926	103,816
<b>Total Functions/Activities</b>	<b>127,289</b>	<b>125,630</b>	<b>117,857</b>	<b>111,483</b>	<b>9,432</b>	<b>14,207</b>	<b>14,939</b>	<b>17,624</b>	<b>1,551,050</b>	<b>1,540,927</b>

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

Correction of an classification error relating to 2019

It has been ascertained that in the 2019 Annual Financial Statements that a total of \$188,080k worth of Transportation Assets (Roads, Footpaths, Bridges etc.) had been incorrectly classified within the Recreation and Culture Function and should have been classified within the Transport and Communication Function. In the 2020 the value of these transportation assets is \$492,271k and has been correctly classified within the Transport and Communication Function. Accordingly, in order to maintain comparability the prior year comparatives have been adjusted, resulting in a decrease in the Recreation and Culture Function of \$488,080k and a corresponding increase in Transportation and Communication Function of \$488,080k.

## City of Salisbury

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

### Note 12b. Components of Functions

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\$ '000

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**The activities relating to Council functions are as follows:**

**Public Order and Safety**

Supervision of various laws, fire prevention, crime prevention and repair, road safety and dog control.

**Health**

Health Act administration, immunisation services and pest and pest plant control.

**Social Security and Welfare**

Operation of a senior leisure centre, aged care services, youth services and community information.

**Housing and Community Services**

Town planning, community development planning, road sweeping, roadside rubbish collection, domestic refuse collection, operating of waste transfer station, stormwater drainage, operation of the St Kilda Mangrove trail, street signs, landscape design, tree management and operation of cemetery.

**Recreation and Culture**

Maintenance and operation of libraries, recreation centres, swimming pool, community centres, parks, gardens and reserves, clubrooms, playgrounds, sports grounds and halls.

**Transport and Communication**

Construction and maintenance of roads, footpaths, bridges, parking facilities and bus shelters.

**Economic Affairs**

Building Act administration, economic initiatives, tourism.

**Other, Not Attributed and Administration**

Rates, public debt transactions, administration costs, capital works in progress and costs which relate to multiple functions but cannot accurately be split between these functions.

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## City of Salisbury

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

## Note 13. Financial Instruments

\$ '000

**Recognised Financial Instruments****Bank, Deposits at Call, Short Term Deposits****Accounting Policy:**

Carried at lower of cost and net realisable value; interest is recognised when earned.

**Terms & Conditions:**

Deposits are returning fixed interest rates between 1.3% and 1.9% (2019: 1.6% and 2.15%). Short term deposits have an average maturity of 91 days and an average interest rate of 1.6% (2019: 37 days and 1.74%).

**Carrying Amount:**

Approximates fair value due to the short term to maturity.

**Receivables****Rates and Associated Charges**

(including legals and penalties for late payment)

**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.

**Terms & Conditions:**

Secured over the subject land, arrears attract interest of 2.0% (2019: 2.0%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

**Receivables****Fees and Other Charges****Accounting Policy:**

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

**Terms & Conditions:**

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

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## City of Salisbury

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

## Note 13. Financial Instruments (continued)

\$ '000

**Recognised Financial Instruments****Receivables****Other Levels of Government****Accounting Policy:**

Carried at nominal value.

**Terms & Conditions:**

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

**Carrying Amount:**

Approximates fair value.

**Liabilities****Creditors and Accruals****Accounting Policy:**

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

**Terms & Conditions:**

Liabilities are normally settled on 30 day terms, however due to the financial impacts of COVID-19 on the community terms were changed by Council to settle on 14 days terms from March 2020. Subsequently, this decision was reverted back to 30 day terms in August 2020.

**Carrying Amount:**

Approximates fair value.

**Liabilities****Interest Bearing Borrowings****Accounting Policy:**

Carried at the principal amounts. Interest is charged as an expense as it accrues.

**Terms & Conditions:**

Secured over future revenues, borrowings are repayable biannually; interest is charged at fixed rates between 4.0% and 7.01% (2019: 4.0% and 7.01%).

**Carrying Amount:**

Approximates fair value.

**Liabilities****Leases****Accounting Policy:**

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

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## City of Salisbury

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

## Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due ≥ 5 years	Total Contractual Cash Flows	Carrying Values
<b>2020</b>					
<b>Financial Assets</b>					
Cash & Equivalents	1,776	-	-	1,776	1,776
Receivables	6,438	427	-	6,865	6,865
Other Financial Assets	-	-	690	690	690
<b>Total Financial Assets</b>	<b>8,214</b>	<b>427</b>	<b>690</b>	<b>9,331</b>	<b>9,331</b>
<b>Financial Liabilities</b>					
Payables	10,509	-	-	10,509	10,509
Current Borrowings	2,310	-	-	2,310	1,773
Non-Current Borrowings	-	7,721	246	7,967	6,825
Lease Liabilities	287	2,415	-	2,702	2,702
<b>Total Financial Liabilities</b>	<b>13,106</b>	<b>10,136</b>	<b>246</b>	<b>23,488</b>	<b>21,809</b>
<b>2019</b>					
<b>Financial Assets</b>					
Cash & Equivalents	27,777	-	-	27,777	27,777
Receivables	6,197	426	-	6,623	6,623
Other Financial Assets	-	-	690	690	690
<b>Total Financial Assets</b>	<b>33,974</b>	<b>426</b>	<b>690</b>	<b>35,090</b>	<b>35,090</b>
<b>Financial Liabilities</b>					
Payables	19,715	-	-	19,715	19,715
Current Borrowings	2,644	-	-	2,644	1,978
Non-Current Borrowings	-	9,354	923	10,277	8,597
<b>Total Financial Liabilities</b>	<b>22,359</b>	<b>9,354</b>	<b>923</b>	<b>32,636</b>	<b>30,290</b>

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

	30 June 2020		30 June 2019	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	6.47%	-	7.12%	-
Fixed Interest Rates	5.99%	8,598	6.07%	10,575
		<b>8,598</b>		<b>10,575</b>

**Net Fair Value**

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

## City of Salisbury

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

## Note 13. Financial Instruments (continued)

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 \$ '000
 

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Risk Exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 and 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries and there is no material exposure to any individual debtor.

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

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.



## City of Salisbury

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

## Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	Notes	2020	2019
<b>(a). Capital Commitments</b>			
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>			
Buildings		2,530	19,327
Infrastructure		5,904	4,542
Plant & Equipment		715	1,115
		<u>9,149</u>	<u>24,984</u>
<b>These expenditures are payable:</b>			
Not later than one year		<u>9,149</u>	<u>24,984</u>
		<u>9,149</u>	<u>24,984</u>
<b>(b). Other Expenditure Commitments</b>			
<b>Other expenditure commitments for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:</b>			
Audit Services		33	36
		<u>33</u>	<u>36</u>
<b>These expenditures are payable:</b>			
Not later than one year		<u>33</u>	<u>36</u>
		<u>33</u>	<u>36</u>

## City of Salisbury

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

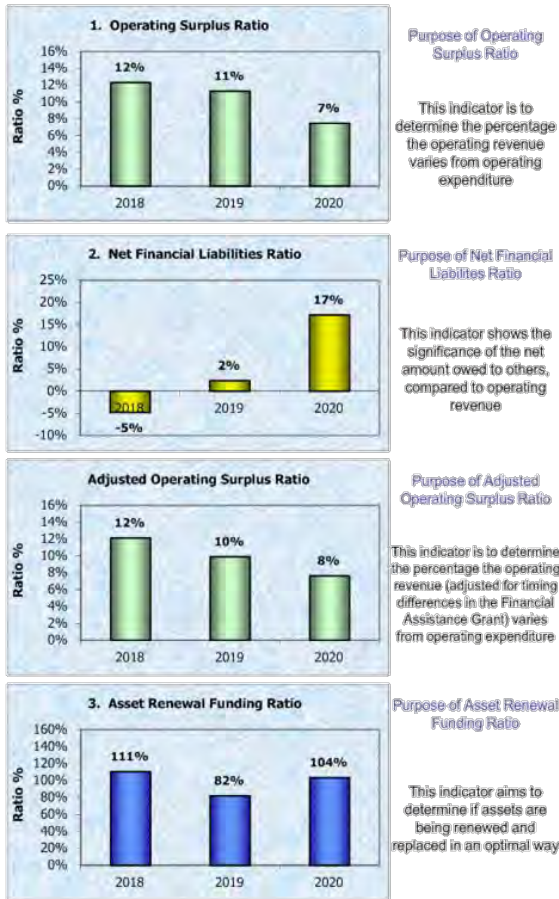
## Note 15. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2020		2020	2019
<p>These Financial Indicators have been calculated in accordance with <i>Information paper 9 - Local Government Financial Indicators</i> prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</p>				
<b>1. Operating Surplus Ratio</b>				
Operating Surplus	9,520	7.5%	11.3%	12.3%
Total Operating Income	127,391			
<p><i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i></p>				
<b>1a. Adjusted Operating Surplus Ratio</b>				
Adjusted Operating Surplus	9,747	7.6%	9.9%	12.1%
Total Operating Income	127,618			
<p><i>In recent years the Federal Government has made advance payments prior to 30 June from future year allocations of financial assistance and supplementary local roads grants, as explained in Note 1. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.</i></p>				
<b>2. Net Financial Liabilities Ratio</b>				
Net Financial Liabilities	21,896	17.2%	2.4%	(4.8%)
Total Operating Income	127,391			
<p><i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i></p>				
<b>3. Asset Renewal Funding Ratio</b>				
Net Asset Renewals	17,398	103.5%	82.2%	110.0%
Infrastructure & Asset Management Plan required expenditure	16,806			
<p><i>Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.</i></p>				

City of Salisbury

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

Note 15. Financial Indicators - Graphs (continued)



## City of Salisbury

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

## Note 16. Uniform Presentation of Finances

\$ '000	2020	2019
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia 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.		
Income	127,391	125,752
less Expenses	<u>(117,871)</u>	<u>(111,531)</u>
Operating Surplus / (Deficit)	9,520	14,221
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(17,745)	(14,248)
add back Depreciation, Amortisation and Impairment	26,950	23,830
add back Proceeds from Sale of Replaced Assets	<u>347</u>	<u>1,096</u>
Subtotal	9,552	10,678
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(41,645)	(31,872)
add back Amounts Received Specifically for New and Upgraded Assets	1,277	2,958
add back Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	<u>987</u>	<u>1,129</u>
Subtotal	<u>(39,381)</u>	<u>(27,785)</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<u>(20,309)</u>	<u>(2,886)</u>

## City of Salisbury

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

## Note 17. Leases

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 \$ '000
 

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## Council as a Lessee

## Terms and conditions of leases

Council leases information technology equipment and a parcel of land utilised as part of its recycled water operations. The repayments for the information technology assets are fixed and the land is subject to yearly increases in-line with contractual requirements. Information technology leases are either 3 or 5 year terms, and the land has a contractual agreement in place until 2048, with another right of renewal.

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

## Right of use assets

	Information Technology Assets \$'000	Land \$'000	Total \$'000
<b>2020</b>			
Adoption of AASB 16 at 1 July 2019	1,832	1,202	3,034
Depreciation charge	(403)	(41)	(444)
<b>Balance at 30 June 2020</b>	<b>1,429</b>	<b>1,161</b>	<b>2,590</b>

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

<b>Balance at 1 July 2019</b>	<b>3,034</b>
Accretion of interest	112
Payments	(444)
<b>Balance at 30 June 2020</b>	<b>2,702</b>
<b>Classified as:</b>	
Current	399
Non Current	2,303
	<b>2,702</b>

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

The Group had total cash outflows for leases of \$968k

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	444
Interest expense on lease liabilities	112
Expense relating to short term leases	524
<b>Total amount recognised in profit or loss</b>	<b>1,080</b>

## City of Salisbury

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

## Note 17. Leases

\$ '000	2020	2019
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## Council as a Lessor

## Leases Providing Revenue to the Council

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

## (i) Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

## Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:

Not later than one year	878	694
Later than one year and not later than 5 years	2,843	2,436
Later than 5 years	<u>3,467</u>	<u>2,435</u>
	<u>7,188</u>	<u>5,565</u>

## City of Salisbury

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

#### Note 18. Superannuation

\$ '000

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

##### Accumulation only Members

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

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

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

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

##### Contributions to Other Superannuation Schemes

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

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## City of Salisbury

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

## Note 19. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2020	2019	2020	2019
Joint Ventures	88	14	3,855	3,891
<b>Total</b>	<b>88</b>	<b>14</b>	<b>3,855</b>	<b>3,891</b>

## (i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

## (a) Carrying Amounts

Name of Entity	Principal Activity	2020	2019
Northern Adelaide Waste Management Authority	Waste Management	3,855	3,753
Council Solutions	Procurement	-	138
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>3,855</b>	<b>3,891</b>

**Northern Adelaide Waste Management Authority**

Manages the waste collection, recycling and waste disposal for the Cities of Salisbury and Playford and the Town of Gawler.

Whilst the City of Salisbury has a 56% share of equity in NAWMA for the 2020 Financial Year, Council is of the opinion that it does not have control over NAWMA's operations. The rationale being that all three Constituent Councils hold equal voting power at 33% and NAWMA's Chairperson and CEO are independent from the constituent Councils. Therefore the ability for Council to control NAWMA's operations is limited to Council's voting power at 33%, not its share of equity at 56%. Accordingly Council has utilised the equity accounting method to recognise its share of equity in NAWMA for the 2020 Financial Year.

**Council Solutions**

Established by the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully in December 2012, this regional subsidiary was established for the purposes of providing a centre of excellence in procurement to the Constituent Councils. Council Solutions was formally wound up as at 15 October 2019 and the net equity was distributed to the Constituent Councils in-line with the respective interests.

## (b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2020	2019	2020	2019	2020	2019
Northern Adelaide Waste Management Authority	56%	56%	56%	56%	33%	33%
Council Solutions	17%	17%	17%	17%	17%	17%

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## City of Salisbury

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

## Note 19. Interests in Other Entities

\$ '000

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

	Northern Adelaide Waste Management Authority		Council Solutions	
	2020	2019	2020	2019
Opening Balance	3,753	3,801	138	76
Share in Operating Result	102	(48)	(14)	62
Adjustments to Equity	-	-	(124)	-
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>3,855</b>	<b>3,753</b>	<b>-</b>	<b>138</b>

## (d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position	Northern Adelaide Waste Management Authority		Council Solutions	
	2020	2019	2020	2019
Cash and Cash Equivalents	3,804	2,613	-	539
Other Current Assets	3,873	3,236	743	342
Non-Current Assets	23,828	14,709	-	-
<b>Total Assets</b>	<b>31,505</b>	<b>20,558</b>	<b>743</b>	<b>881</b>
Current Trade and Other Payables	5,856	3,410	743	37
Current Financial Liabilities	2,522	1,186	-	15
Current Provisions	255	191	-	-
Non-Current Financial Liabilities	12,446	6,318	-	-
Non-Current Provisions	3,502	2,698	-	-
<b>Total Liabilities</b>	<b>24,581</b>	<b>13,803</b>	<b>743</b>	<b>52</b>
<b>Net Assets</b>	<b>6,924</b>	<b>6,755</b>	<b>-</b>	<b>829</b>

Statement of Comprehensive Income	Northern Adelaide Waste Management Authority		Council Solutions	
	2020	2019	2020	2019
Other Income	38,648	33,825	81	270
Management Fees	-	-	218	1,056
Interest Income	210	209	2	7
<b>Total Income</b>	<b>38,858</b>	<b>34,034</b>	<b>301</b>	<b>1,333</b>
Employee Costs	3,042	2,753	-	-
Materials, Contracts & Other Expenses	33,754	29,756	386	960
Depreciation, Amortisation and Impairment	2,841	1,394	-	-
Finance Costs	529	351	-	-
<b>Total Expenses</b>	<b>40,166</b>	<b>34,254</b>	<b>386</b>	<b>960</b>
<b>Operating Result</b>	<b>(1,308)</b>	<b>(220)</b>	<b>(85)</b>	<b>373</b>

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## City of Salisbury

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

## Note 19. Interests in Other Entities

\$ '000

**(e). Share of Joint Operations Expenditure Commitments**

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

	Northern Adelaide Waste Management Authority		Council Solutions	
	2020	2019	2020	2019
Not later than one year	18,976	14,049	-	-
Later than one year and not later than 5 years	62,492	56,136	-	-
Later than 5 years	-	10,526	-	-
	<u>81,468</u>	<u>80,711</u>	<u>-</u>	<u>-</u>

The Northern Adelaide Waste Management Authority manages multiple external contracts with external suppliers for the collection, processing and disposal of waste on behalf of its Constituent Councils and customers. The commitments disclosed above reflect a consolidation of multiple contracts entered into with external suppliers. In future years, all contracts will be required to be renewed with external suppliers in accordance with adopted procurement policies and procedures of the Authority.

	Northern Adelaide Waste Management Authority		Council Solutions	
	2020	2019	2020	2019
<b>(iii) Lease Payments Commitments Payable</b>				
Not later than one year	1,466	1,035	-	-
Later than one year and not later than 5 years	4,899	2,620	-	-
Later than 5 years	-	3,004	-	-
	<u>6,365</u>	<u>6,659</u>	<u>-</u>	<u>-</u>

**(iv) INDIVIDUALLY IMMATERIAL COUNCIL BUSINESSES**

Council did not have any individually immaterial businesses

**(v) UNCONSOLIDATED STRUCTURED ENTITIES**

Council has no Unconsolidated Structured Entities

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## City of Salisbury

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

#### Note 20. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

##### 1. LAND UNDER ROADS

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

##### 2. POTENTIAL INSURANCE LOSSES

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

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

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

##### 3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of nil appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

##### 4. CEMETERY

Council operates a Cemetery Facility - Salisbury Memorial Park. A Contingent Liability exists for the ongoing maintenance of this Cemetery. This liability remains for a period of 100 years after the expiry of the lease on the last burial of the site. In addition, Council is party to a leasing arrangement for the management and operations of the Mausoleum situated at Salisbury Memorial Park. As part of this lease the lessee is required to contribute to the Perpetual Care Fund which was established to fund the long term maintenance of the Mausoleum upon expiry of the lease.

City of Salisbury

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

Note 21. Events After the Statement of Financial Position Date

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

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

Accordingly, the "authorised for issue" date is 14/10/20.

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

## City of Salisbury

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

## Note 22. Related Party Transactions

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

## Key Management Personnel

## Transactions with Key Management Personnel

The Key Management Personnel (KMP) of the Council include the Mayor, Councillors, CEO, General Managers and certain prescribed officers under section 112 of the *Local Government Act 1999*, as well as other personnel that satisfy the criteria of KMP as contained within AASB 124 *Related Party Transactions*. In some circumstances members of the KMP have left Council during the financial year, however their compensation has still been included. In all, 44 persons were paid the following total compensation:

## The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	5,419	5,477
Post-Employment Benefits	451	455
Long-Term Benefits	704	627
Total	<u>6,574</u>	<u>6,559</u>

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

## Receipts from Key Management Personnel comprise:

There have been no other material amounts received from KMP during the financial year, other than amounts paid in their capacity as ratepayers or residents (e.g. rates, swimming pool entry fees, etc).

## Transactions with Regional Subsidiaries:

In regards to Council's Regional Subsidiaries, further information relating to their specific activities and carrying amounts are disclosed in Note 19. Council is an equity owner, along with other member Councils, of both these Subsidiaries. Member Councils have equal representation on the Board of both Regional Subsidiaries and accordingly have influence over both the financial and operational decisions of the Subsidiaries. However, no one Member Council individually has control over these decisions. The following material transactions occurred with Council's Regional Subsidiaries, during the financial year:

	Payments	Outstanding
Northern Adelaide Waste Management Authority	14,158	1,550
Total	<u>14,158</u>	<u>1,550</u>

## Budgeted future year expenditure at the reporting date but not recognised in the financial statements as liabilities:

Northern Adelaide Waste Management Authority	14,527
Total	<u>14,527</u>

The budgeted expenditures are payable no later than one year from the reporting date



Bentleys SA Audit Partnership

Level 6  
63 Pine Street  
Adelaide SA 5000

GPO Box 999  
Adelaide SA 5001  
ABN 43 627 661 606

T +61 8 8372 7300  
F +61 8 8372 7367

admin@adel.bentleys.com.au  
bentleys.com.au

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CITY OF SALISBURY

### Opinion

We have audited the accompanying financial report of the City of Salisbury, which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of the City of Salisbury as of 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

### Basis for Opinion

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

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

### Responsibilities of Management and Those Charged with Governance for the Financial Report

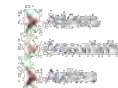
Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and for such internal control as the committee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

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.



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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>). This description forms part of our auditor's report.

**BENTLEYS SA AUDIT PARTNERSHIP**

DAVID PAPA  
PARTNER

Dated at Adelaide this xx<sup>th</sup> day of October 2020



Bentleys SA Audit Partnership

Level 6  
68 Pine Street  
Adelaide SA 5000

GPO Box 999  
Adelaide SA 5001

ABN 43 677 661 656

T 08 8466 7300  
F 08 8466 7366

admin@adel.bentleys.com.au  
bentleys.com.au

## INDEPENDENT ASSURANCE REPORT ON INTERNAL CONTROLS OF THE CITY OF SALISBURY

### Opinion

We have audited the compliance of the City of Salisbury (the Council) with the requirements of *Section 125 of the Local Government Act 1999* in relation to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2019 to 30 June 2020 are in accordance with legislative provisions.

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

### Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129 of the Local Government Act 1999* in relation to Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

### Limitations of Controls

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

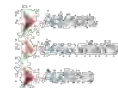
An assurance engagement on internal controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods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

### Independence

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



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### **The Council's Responsibility for the Internal Controls**

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with *Section 125 of the Local Government Act 1999* in relation to Internal Controls, to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and incurring of liabilities are in accordance with legislative provisions.

### **Our Responsibility**

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

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

### **BENTLEYS SA AUDIT PARTNERSHIP**

DAVID PAPA  
PARTNER

Dated at Adelaide this xx<sup>th</sup> day of October 2020

## City of Salisbury

### General Purpose Financial Statements for the year ended 30 June 2020

#### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Salisbury for the year ended 30 June 2020, the Council's Auditor, Bentleys has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

---

John Harry  
CHIEF EXECUTIVE OFFICER

---

Graham Reynolds  
PRESIDING MEMBER, AUDIT COMMITTEE

Date:



**Bentleys SA Audit Partnership**

Level 6  
63 Pine Street  
Adelaide SA 5000

GPO Box 989  
Adelaide SA 5001  
ABN 48 877 001 608

T +61 8 8672 7300  
F +61 8 8672 7328

enquiries@adel.bentleys.com.au  
bentleys.com.au

**Certification of Auditor Independence**

I confirm that, for the audit of the financial statements of City of Salisbury for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

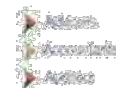
**Bentleys SA Audit Partnership**

David Papa  
Partner

**Dated at Adelaide this 30<sup>th</sup> day of September 2020**



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Item 4.2.2 - Attachment 2 - City of Salisbury Annual Financial Statements 2020



<b>ITEM</b>	4.2.3
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	13 October 2020
<b>HEADING</b>	Treasury Policy
<b>AUTHOR</b>	Kate George, Manager Financial Services, Business Excellence
<b>CITY PLAN LINKS</b>	4.2 We deliver quality outcomes that meet the needs of our community

**SUMMARY** This report presents the Treasury Management Policy to the Audit Committee prior to presentation to Council for consideration and endorsement.

### **RECOMMENDATION**

1. Information be received.
2. The Audit Committee recommend to Council that the amended Treasury Policy, as set out in Attachment 1 to this report (Item 4.2.3, Audit Committee, 13/10/2020 be endorsed, reflecting greater guidance on funding bids and projects.

### **ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. Treasury Policy

### **1. BACKGROUND**

- 1.1 The Local Government Act, 1999, sets out Council's powers in relation to investments and borrowings. The policy set out in Attachment 1 details Council's position in relation to Treasury Management and is aligned to the requirements of the legislation.
- 1.2 The attached Treasury Policy is effectively Council's mandate to the administration as it provides the direction and also limitations to undertake investment activities, to be exercised under appropriate delegations.
- 1.3 Council resolved in February 2020 when considering the Second Quarter Budget Review for 2019/2020 (Budget and Finance Item 6.5.1) that:

*That a further report be provided that reviews the Treasury Policy, Part E – Policy Statement, paragraph 1-2, for non-discretionary bids and sundry projects. (Resolution 0426/2020 extract)*

### **2. CONSULTATION / COMMUNICATION**

- 2.1.1 N/A

### 3. REPORT

- 3.1 The Treasury Policy has been reviewed having regard to the legislative requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.
- 3.2 Further the policy has also been reviewed against the recommendations contained within the LGA 'Financial Sustainability' Information Paper No. 15: Treasury Management (revised February 2015) which provides guidance to councils in determining Treasury Management guidelines.

#### Budget Review Process / Funding Requests Arising throughout the Financial Year

- 3.3 In response to the Council resolution to review the Treasury Policy with regards to non-discretionary bids and sundry projects, the revised Policy as set out in Attachment 1 of this report has additional guidance included in Section E – Policy Statement Part 1.2 for funding of projects arising during the year. This section sets out a decision hierarchy being:
  - 3.3.1 Refer the project/initiative to the next budget process
  - 3.3.2 Defer another project to enable funding to be provided for the emerging bid/project
  - 3.3.3 If the project is urgent and deferral of another project is not possible, increase borrowing which is a significant decision as this limits Councils ability to fund projects at the next budget, and is made without considering all other projects requiring funding
  - 3.3.4 Only if the matter is so urgent that funds must be expended without delay should a project or bid be treated as non-discretionary.
- 3.4 The policy has been expanded to provide clarity to the administration and to Council for consideration and decision making related to funding requests. Essentially every additional item that Council decides to fund during the year is done so without fair consideration of all other projects and bids, and consequently, Council must only decide to allocate funds should there be no alternative.

### 4. CONCLUSION / PROPOSAL

- 4.1 The Treasury Management Policy has been reviewed as resolved by Council, as set out in Attachment 1, and is provided to the Audit Committee for review and the provision of feedback prior to the policy being presented to Council for consideration at its November meeting.

### CO-ORDINATION

Officer:

Date:



## Treasury Policy

<b>Policy Type:</b>	Policy		
<b>Approved By:</b>	Council	<b>Decision No:</b>	2010/2128, 2011/327, 2013/1927, 1026/2016, 2173/2017, <del>0333/2019</del>
<b>Approval Date:</b>	23 March 2010	<b>Last Reapproval Date:</b>	<del>27 November 2017</del> <del>201725</del> November 2019
<b>Review Date:</b>	<del>November 2019</del> September 2020	<b>Internal Reference No.:</b>	
<b>Department:</b>	Business Excellence	<b>Division:</b>	Financial Services
<b>Function:</b>	7 - Financial Management	<b>Responsible Officer:</b>	Manager, Financial Services

### A - PREAMBLE

1. This policy provides clear direction to management, staff and Council in relation to the treasury function. It underpins Council's decision-making regarding the financing of its operations as documented in its annual budget and long-term financial plan and associated projected and actual cash flow receipts and outlays.
2. Council is committed to adopting and maintaining a Long-term Financial Plan and operating in a financially sustainable manner.
3. Section 3 of the Local Government Act, 1999, requires Councils to act in a way that is effective, efficient and accountable. This is especially important when managing monies acquired by Council in order to benefit the Community.

### C – POLICY PURPOSE/OBJECTIVES

1. This Treasury Management Policy establishes a decision framework to ensure that:
  - Funds are available as required to support approved outlays;
  - Interest rate and other risks (e.g. liquidity and investment credit risks) are acknowledged and responsibly managed;
  - The net interest costs associated with borrowing and investing are reasonably likely to be minimised on average over the longer term.
  - Further it clarifies the treatment of surplus funds, identified through Budget Reviews

### E - POLICY STATEMENT

1. **Treasury Management Strategy**
  - I.1. Council's operating and capital expenditure decisions are made on the basis of:

- Identified community need and benefit relative to other expenditure options;
  - Cost effectiveness of the proposed means of service delivery; and,
  - The affordability of proposals having regard to Council's long-term financial sustainability (including consideration of the cost of capital and the impact of the proposal on Council's Net Financial Liabilities and Interest Cover ratios).
- 1.2. Council manages its finances holistically in accordance with its overall financial sustainability strategies and targets. This means Council will:
- Maintain target ranges for its Net Financial Liabilities ratio;
  - Generally only borrow funds when it needs cash and not specifically for particular projects;
  - Apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.

Budget Review Process / Funding Requests Arising throughout the financial year

- Apply surplus contained within the Sundry Projects Fund, following adjustments for variations to existing estimates, to a reduction in borrowings.
- ~~Any new bids/projects arising through the year are to be referred to the budget planning process for the subsequent year, unless they are of sufficient urgency, in which case Council may finance such projects by reducing/cancelling an existing budgeted project, or approving an increase to the borrowing requirement.~~
- ~~To ensure ongoing financial sustainability and appropriate deliberation of arising matters, it is imperative that wherever possible any new bids/projects arising through the year are to be referred to the budget process for the subsequent year as this enables Council to consider the merits of these proposals with all other bids/projects.~~
- ~~To be considered for funding during the year the project must be urgent, and where possible Council must consider options for cancelling or deferring existing projects to enable funds to be made available with no increase to borrowings. It should be considered a last resort to add to the program and increase borrowings as this does not enable Council to consider the merits of the specific project in light of all other proposed projects.~~
- ~~From time to time a matter may be so urgent that it is referred to the next budget review as a "Non-discretionary Budget Review Bid". This mechanism is only to be used when funds must be expended without delay, and consequently should be regarded as an extraordinary situation, such as dealing with a natural disaster.~~

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**2. Interest Rate Risk Exposures**

- 2.1. Council has set range limits for both fixed and variable interest rate borrowings in order to minimise net interest costs on average over the longer term and at the same time manage interest rate movement risks within acceptable limits.
- 2.2. **Fixed Interest Rate Borrowings**



- To ensure an adequate mix of interest rate exposures, Council will structure its portfolio of borrowings to maintain on average in any year, not less than 20% of its facilities in the form of fixed interest rate borrowings.
  - In order to spread its exposure to interest rate movements, Council will aim to have a variety of maturity dates on its fixed interest rate borrowings over the available maturity spectrum.
- 2.3. Variable Interest Rate Borrowings**
- Council will structure its portfolio of borrowings to maintain not less than 20% of its facilities in any year in the form of variable interest rate borrowings.
  - Council will utilize long-term variable interest rate borrowing facilities, such as the LGFA's Cash Advance Debenture, that require interest payments only and that enables any amount of principal to be repaid or redrawn at call. The redraw facility will provide Council with access to liquidity when needed.
- 3. Investments**
- 3.1. Council funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings will be invested. The balance of funds held in any operating bank account that does not provide investment returns at least consistent with 'at call' market rates shall be kept at a level that is no greater than is required to meet immediate working capital requirements.
- 3.2. Council funds available for investment will be lodged 'at call' or, having regard to differences in interest rates for fixed term investments of varying maturity dates, may be invested for a fixed term. In the case of fixed term investments the term should not exceed a point in time where the funds otherwise could be applied to cost-effectively either defer the need to raise a new borrowing or reduce the level of Council's variable interest rate borrowing facility.
- 3.3. When investing funds, Council will select the investment type which delivers the best value, having regard to investment returns, transaction costs, and other relevant and objectively quantifiable factors.
- 3.4. Council management may from time to time invest surplus funds in:
- Deposits with the Local Government Finance Authority; and/or
  - Bank interest bearing deposits
  - Bank accepted/endorsed bank bills
  - State/ Commonwealth Government Bonds
- 3.5. Any other investment requires the specific approval of Council.
- 4. Reporting**
- 4.1. During the year Council will receive a report detailing total fixed borrowings and variable fixed borrowings at the end of the preceding month, together with all investments held, their term and interest rate. Timing of these reports will be November, February, May, unless there is an opportunity to report earlier, with the end of year reported as soon as practicable as part of our end of year reporting. *(Council Resolution, Item No. 734 dated 28 November 2011)*
- 4.2. At least once a year Council shall receive a specific report regarding treasury

management performance relative to this Policy. The report shall highlight:

- For each of Council's borrowings and investments - the quantum of funds, its interest rate and maturity date, and changes in the quantum since the previous report; and,
- The proportion of fixed interest rate and variable interest rate borrowings at the end date of the reporting period along with key reasons for significant variances compared with the targets specified in this policy.

#### F - LEGISLATION

##### For Borrowings

*Local Government Act, 1999 (Sections 44, 122 and 134)*

*Local Government (Financial Management) Regulations 2011*

##### For Investments

*Local Government Act, 1999 (Sections 47, 139 and 140)*

#### Document Control

Document ID	Treasury Policy
Prepared by	Kate George
Release	1.00
Document Status	Endorsed
Date Printed	23/09/2020

<b>ITEM</b>	4.2.4
	<b>AUDIT COMMITTEE</b>
<b>DATE</b>	13 October 2020
<b>HEADING</b>	Draft Annual Report 2019/2020
<b>AUTHOR</b>	Helen Atkins, Team Leader Communications and Marketing, Business Excellence
<b>CITY PLAN LINKS</b>	4.5 We engage meaningfully and our community is aware of Council initiatives

**SUMMARY** The Annual Report is a legislative document required following each financial year to highlight the achievements and financial statements of the City of Salisbury. This has been developed under the City Plan 2030 and its key directions. It also features Key Performance Indicators, showcases work based on Council's Objectives, financial statements and annual reports from Council subsidiaries.

#### **RECOMMENDATION**

1. That the Draft 2019/20 Annual Report forming attachment 1 to this report be recommended to Council for endorsement, subject to any amendments by the Audit Committee.

#### **ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. Draft Annual Report 2019/2020

#### **1. BACKGROUND**

- 1.1 The Draft 2019/20 Annual Report reflects the performance and achievements made by Council during the past financial year under the key directions of The Prosperous City, The Sustainable City, The Liveable City and Enabling Excellence as outlined in the City of Salisbury's Strategic Management Plan 'City Plan 2030'.
  - 1.1.1 The Draft 2019/20 Annual Report has been collated with information from the different business divisions across the organisation.
- 1.2 In view of sustainable practices, the final version of the Annual Report will be available on the Council website for download or print. A small print run of 10 copies will be arranged for distribution to required legislative authorities, as well as each Elected Member receiving a final printed copy.

**2. CITY PLAN CRITICAL ACTION**

2.1 N/A

**3. CONSULTATION / COMMUNICATION**

3.1 Internal

3.1.1 Governance, Business Excellence, Executive Group

**4. REPORT**

4.1 Attached for endorsement is the Draft 2019/20 Annual Report

4.2 It is a legislative requirement that Council's endorsed Annual Report is received by both Houses of Parliament no later than 31 December 2020.

4.3 The City of Salisbury's Financial Statements that will be included in the Draft 2019/20 Annual Report are to be endorsed by the Audit Committee in the 13 October 2020 meeting.

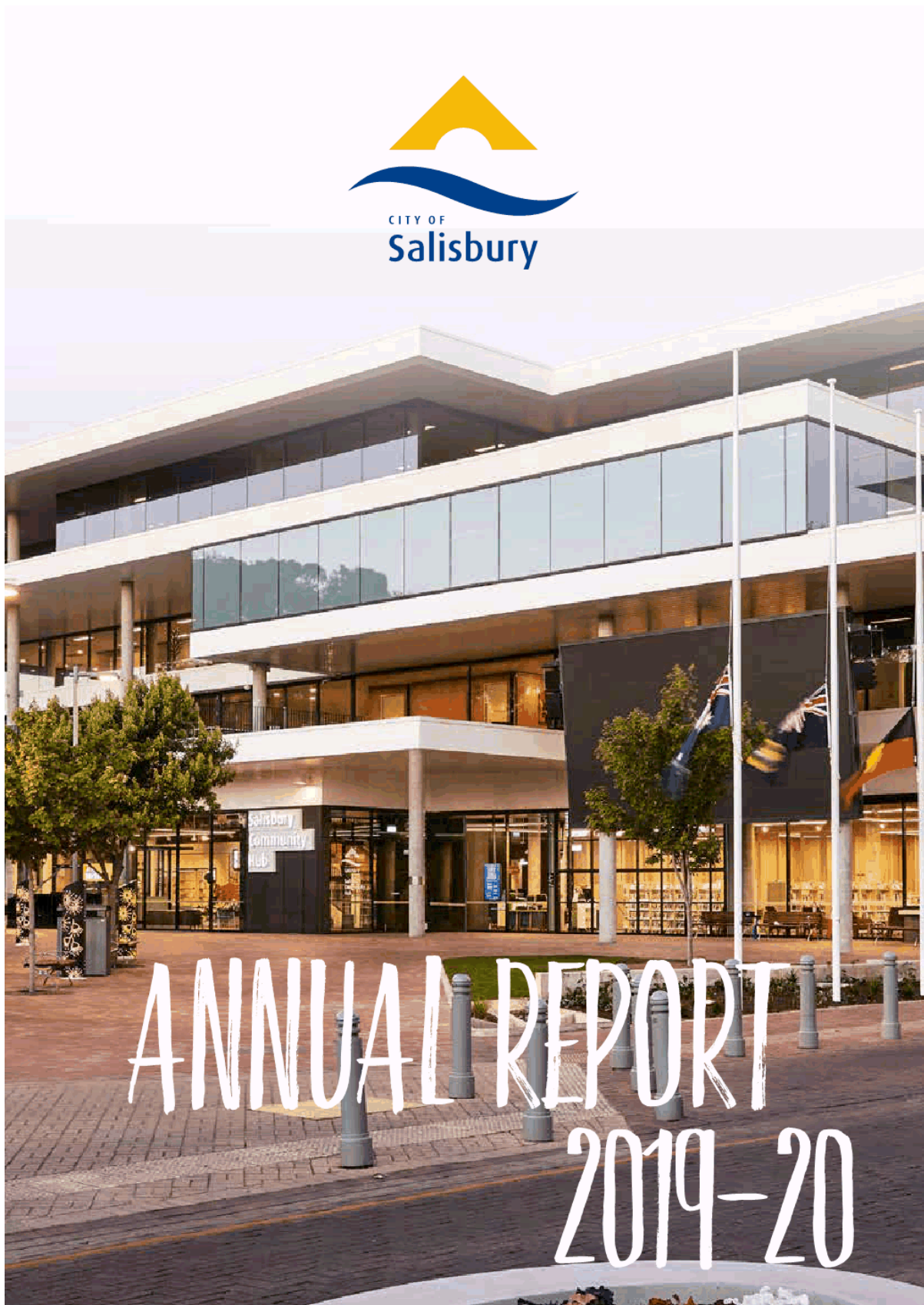
**5. CONCLUSION / PROPOSAL**

5.1 Audit Committee consider and recommend the Draft 2019/20 Annual Report for endorsement.

**CO-ORDINATION**

Officer:

Date:



Item 4.2.4 - Attachment 1 - Draft Annual Report 2019/2020

City of Salisbury  
34 Church Street  
Salisbury 5108  
South Australia  
PO Box 8  
Salisbury SA 5108

Telephone  
08 8406 8222

Facsimile  
08 8406 5466

Email  
[city@salisbury.sa.gov.au](mailto:city@salisbury.sa.gov.au)

**f** @cityofsalisbury  
**t** @cityofsalisbury  
**@** @cityofsalisbury

[www.salisbury.sa.gov.au](http://www.salisbury.sa.gov.au)



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# foreword



2019/20 was a memorable year for City of Salisbury in more ways than one. Our diverse and vibrant community came together to celebrate and learn in a range of formats, while the onset of COVID-19 created the need for us to rethink the ways in which we connect with one another.

A milestone was celebrated in December 2019, when the Salisbury Community Hub was officially opened, with both Council's Municipal Offices and Council Chambers on James Street and the Len Beadell Library relocating to the new site. Since then, more than 150,000 visitors have been welcomed through the doors of the Salisbury Community Hub to participate, learn, celebrate and come together in a variety of flexible and innovative spaces.

The Salisbury Community Hub was a key component of Council's vision of a reinvigorated City Centre, with plans to upgrade Church and John Streets also progressed this year. Other key projects in 2019/20 included the development of an athletics centre at Bridgestone Reserve, and the progression of the St Kilda and Paddocks Master Plans.

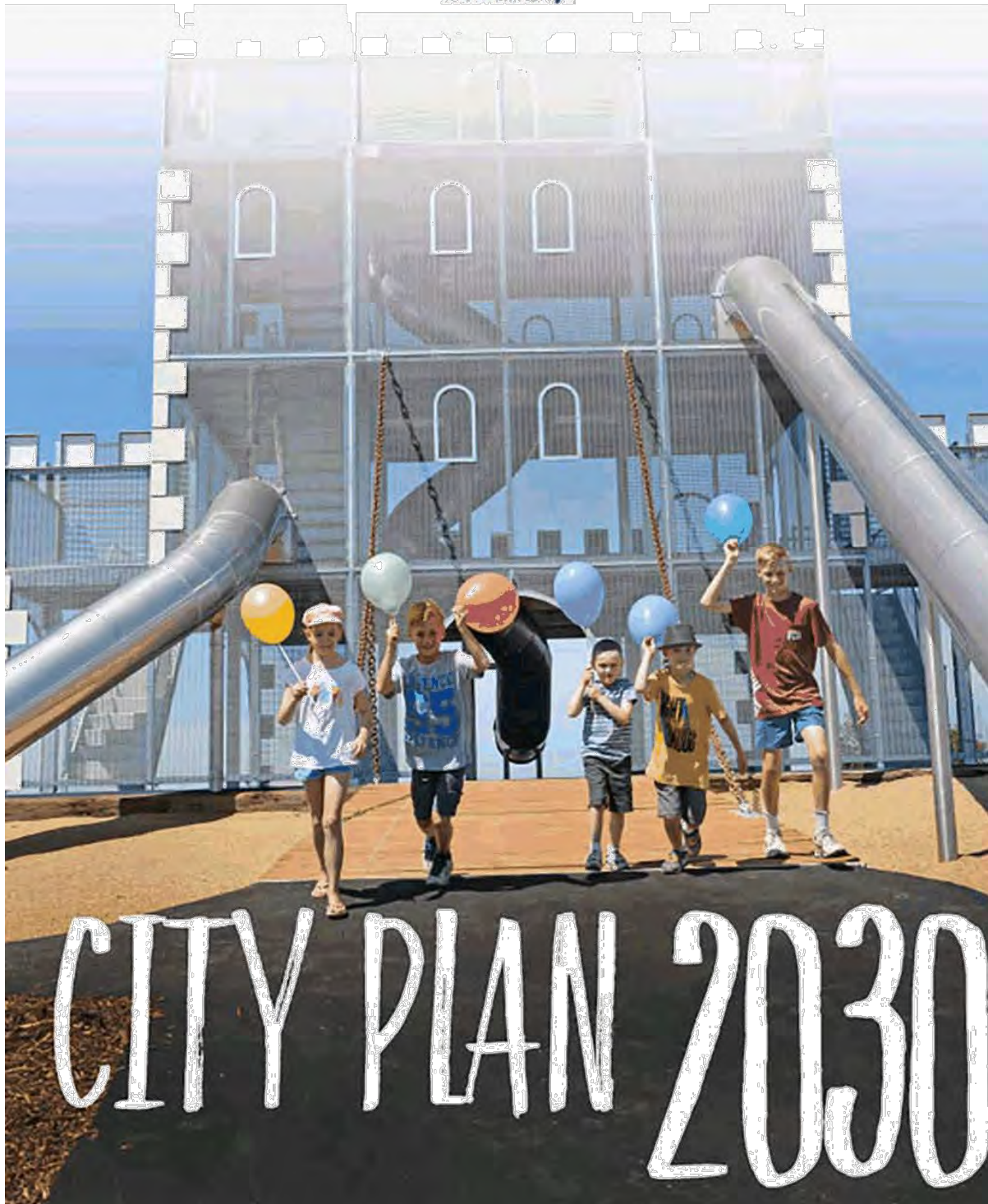
Our response to COVID-19 was centred on ensuring the safety and wellbeing of our community, while prioritising business continuity. In order to achieve this, Council adopted an innovative approach to efficiently adapt the way important services were delivered. This included initiatives

such as the library's Click and Collect and home delivery services, the provision of care packages and welfare checks for vulnerable community members and the adaptation of social, learning and business-assistance programs to online formats.

A number of initiatives were meanwhile adopted to support the community to recover from the economic impact of the pandemic, including a grants program for community and sporting clubs, a zero per cent rate increase for the majority of ratepayers in 2019/20 and an \$100 million COVID-19 Infrastructure Recovery Program – which will accelerate capital works projects across the coming two years, contracting local northern businesses and spurring on greater investment in the Salisbury region.

In 2020/21, we look forward to continuing through a new chapter, which is underpinned by Salisbury's vision as a sustainable, prosperous, and highly liveable city which promotes excellence.





# CITY plan



The development of City Plan 2030 was a collective effort comprising a diverse range of partnerships with stakeholders, the community, organisations and all tiers of government. Early engagement has meant the strategic document is meaningful and reflects the needs and wants of the community.

Through this early engagement, a series of key directions were formulated which underpin the community's vision for the future.

Following on from the development of the City Plan 2030, Council in July 2020 adopted its City Plan 2035, which builds on this existing blueprint for achieving the vision the community helped us develop. This plan will inform the progression of Council's critical actions and key priorities going forward.

The Plan is visionary and broad-ranging and provides practical strategies and actions that will build on our existing assets. This is so we can make the most of opportunities that have the potential to be transformative for not only for the City of Salisbury, but the northern Adelaide region more broadly.

# KEY directions

The City of Salisbury’s City Plan 2030 contains four key directions. Each direction includes a statement of what we want to aspire to achieve, how we will achieve it and the indicators to monitor our progress.



### The Prosperous City

Driving economic growth in South Australia, creating more jobs, providing people with the skills and knowledge to connect to those jobs and sustainably increasing our population.



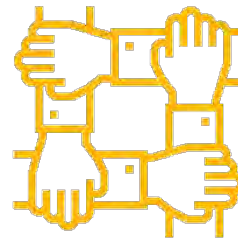
### The Sustainable City

A place where people actively experience and care for their natural environment, where green industries thrive and our urban and natural spaces are adaptive to future changes in climate.



### The Liveable City

A welcoming community that celebrates its diversity, embraces change and where people are able to participate in community life. It is a City with interesting places and experiences.



### Enabling Excellence

A Council where people work because they can make a difference, an organisation that anticipates, understands and meets community needs, a Council with a positive attitude.

# OUR vision

Our vision for Salisbury is simply:

*'Salisbury - A flourishing City with opportunity for all'*

If we are able to capture these opportunities, the community will see:

- Increased investment and a wider range of job opportunities
- Well designed and maintained neighbourhoods and places that are inclusive and accessible
- A strong economy consisting of well established businesses and innovative entrepreneurs
- A broader range of education options and more people engaged in learning
- More opportunities to use technology in the way they work, study, relax and interact with Council
- A healthy natural environment enjoyed by more people
- New communities and a regeneration of existing urban areas

- A City that celebrates its diversity and provides opportunities for all to engage in community life regardless of ability; and
- A transport network that enables people to move easily around the City and supports freight movement.

Salisbury has unique features that make it appealing for residents, visitors and businesses.

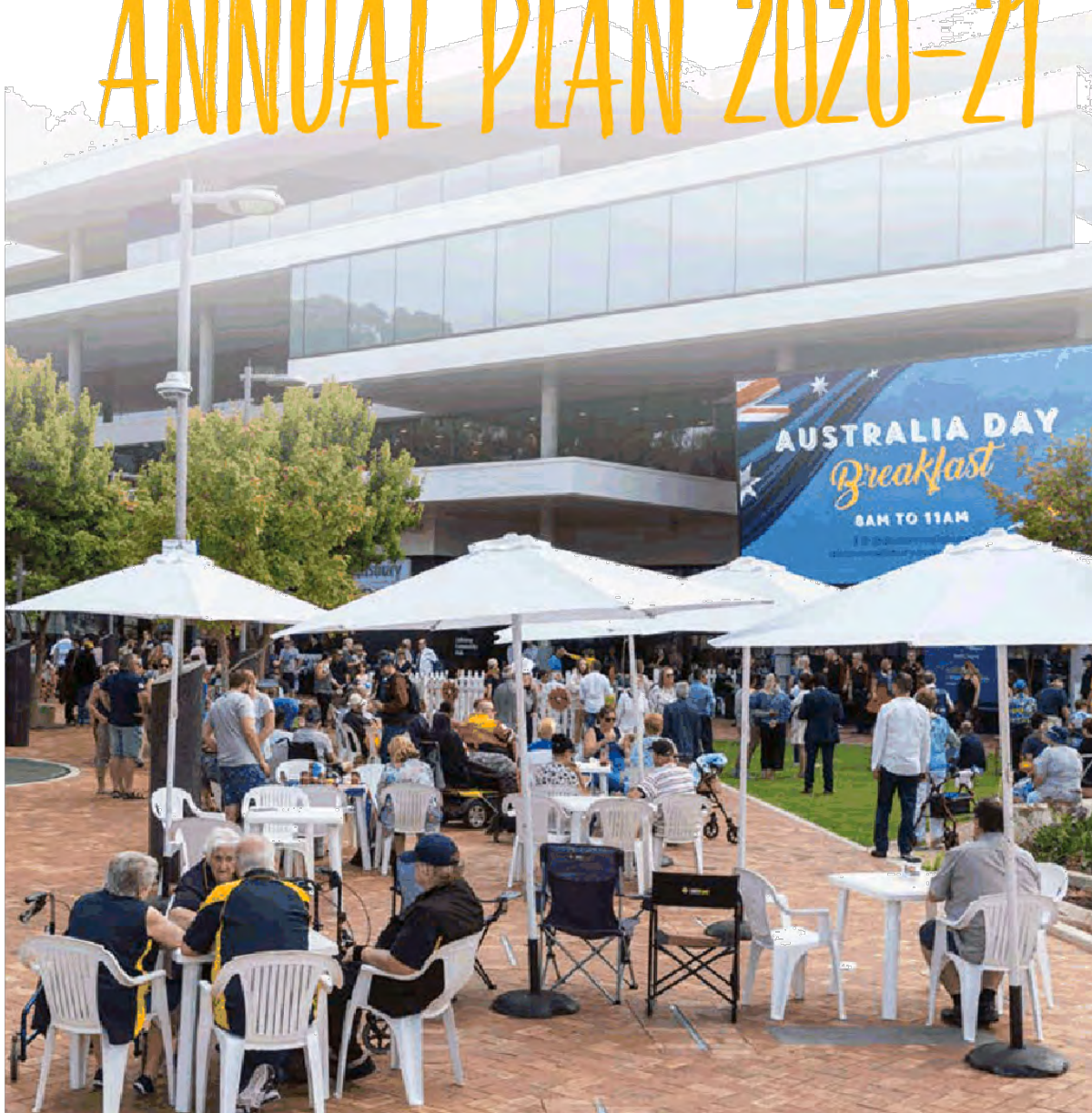
A Living City is a city that is flourishing and provides opportunity for our residents, businesses and visitors through investment in its future, by valuing our stunning natural environments, by providing a great lifestyle, encouraging and supporting a vibrant innovative culture, is a destination for business and is a diverse and proud community.

Salisbury is a Living City. A place we are proud to be part of.





# ANNUAL PLAN 2020-21



## Looking ahead to 2020/21

The City of Salisbury's 2020/21 Annual Plan is centred on bolstering a sustainable recovery from the financial and social impact of COVID-19 for all parts of the community. The Annual Plan details a range of new measures that have been put in place to achieve this goal.

Council is committed to supporting the City of Salisbury as it navigates the ongoing financial impact of COVID-19 with measures including a 0% rate increase (except where it relates to growth or exceptions contained within the rating policy), no increase to Council fees and charges, and a \$100 million COVID-19 Infrastructure Recovery Program to be carried out across two years.

The program has been designed to support local businesses and employment and stimulate economic recovery by accelerating the existing capital works program.

It includes a number of large scale projects including the development of a Burton Community Hub, the revitalisation of John and Church Streets in Salisbury's CBD and The Paddocks Master Plan. We will also deliver a number of projects that promote City pride such as upgrades to playgrounds and dog parks, sporting fields and streetscape renewal.

In doing so, Council is committed to maintaining a strong financial position and has budgeted for a surplus of \$1.7 million in 2020/21.

## Features of the 2020/21 Budget

Our 2020/21 Budget is informed by Council's updated City Plan 2035, which was adopted by Council in July 2020.

The new City Plan envisages Salisbury as a progressive, sustainable and connected community. Our key directions going forward are focused on enhancing Salisbury's status as a welcoming and liveable City, a sustainable City and a growing City that creates new opportunities, while focusing on innovation and business development. Our priorities for 2020/21 are centred on bolstering the recovery of our local economy from COVID-19. This is an opportunity to invest in the features that draw people to the Salisbury region and make it a great place to live, visit and do business.

The 2020/21 year will mark the first of two years during which the \$100 million COVID-19 Infrastructure Recovery Program, will be implemented. This will assist in economic recovery, employment and business stimulation.

Key projects for this year will include the development of the Burton Community Hub, the implementation of the Paddocks Master Plan and the implementation of the Salisbury Oval Master Plan.

The revitalisation of John and Church Streets will also take place as part of a larger strategy to invigorate the Salisbury city centre.

Budget highlights:

- Burton Community Hub - \$3 million
- John Street & Church Street Revitalisation - \$3 million
- Paddocks Master Plan Implementation - \$1.3 million
- Verge Development Program - \$1.7 million
- Salisbury Oval Master Plan Implementation - \$2.3 million
- Road Reseal Program - \$8.5 million
- Street Tree Program - \$1.5 million
- Building Renewal Program - \$1.2 million
- Watercourse Management Works - \$1.2 million
- Little Para Catchment Native Forest, 10,000 new native trees - \$0.4 million
- Upgrades and new playgrounds - \$1.5 million
- St Kilda Master Plan - Stage 2 Implementation & Breakwater Renewal - \$2.4 million

Please note: The above figures only include the budget allocated for 2020/21 and may not reflect the total value of the project.

## How Do We Set Rates?

Setting rates is a balance between funding Council operations, maintaining our financial sustainability and the need to contain increases to minimise the impact on ratepayers. Council is mindful of the impact and affordability of rates and regularly compares our rates with those of other metropolitan councils; in terms of average rates Salisbury ranks third lowest based on 2019/20 data.

The first step we take in setting rates is to remove the impact of the average market increase/decrease in property values for the year. What this means is that if property values go up 15 per cent on average in a year, we adjust our calculations down to remove this impact. Then we apply the increase we need to fund Council services and projects for the coming year.

In light of the economic impacts of COVID-19, Council has determined that there is no increase in rates for 2020/21, except where rates have increased as a result of improvements, a change in land use or zoning, a change in ownership, or a correction to the property value. Excluding these impacts this results in an increase of 0.0% for 2020/21.

## Rate Categories

Minimum Rates apply to all properties where the capital value falls below a certain level so that all ratepayers make a fair contribution. In light of the economic impacts of COVID-19, Council has determined that there is no increase in minimum rates for 2020/21. This results in minimum rates remaining at \$1,016 for 2020/21.

Differential Rating – different rates may be applied to different categories of property called ‘land uses’ as determined by the Valuer General. A loading is applied to commercial and industrial properties and to vacant land. Residential and other properties pay the base rate.

The differential rate for vacant land is 30 per cent higher compared to residential rate which reflects Council’s desire to promote the development of large land holdings in the city.

Separate Rates – Council collects rates for three distinct purposes:

- Salisbury Business Association - to enable it to market and promote the City Centre
- Globe Derby Community Club - to maintain an area of common land held through 63 shares
- Regional Landscape (RL) Levy (Previously called the NRM Levy) is a State Government imposed tax, which councils are required to collect on behalf of the State Government with all funds going to the State Government. All enquiries about the RL Levy can be directed to the Green Adelaide Board on 08 8204 1910 or at dew.greenadelaide@sa.gov.au

These separate rates are paid to the respective entities and not held by Council.

## Key Services

OPERATING BUDGET BY KEY DIRECTION	2020/21		
	EXP \$000's	INC \$000's	NET \$000's
<b>THE PROSPEROUS CITY</b>			
Economic Development	1,515	185	1,330
Development Services	3,311	1,492	1,819
Urban Planning and Development	1,184	-	1,184
Roads	4,099	3,296	802
Footpaths	1,529	-	1,529
<b>TOTAL THE PROSPEROUS CITY</b>	<b>11,637</b>	<b>4,973</b>	<b>6,664</b>
<b>THE SUSTAINABLE CITY</b>			
Water Management	4,081	2,664	1,417
Waste Management	17,401	167	17,234
Parks and Landscapes	20,667	120	20,547
City Infrastructure	-	1,007	(1,007)
<b>TOTAL THE SUSTAINABLE CITY</b>	<b>42,149</b>	<b>3,958</b>	<b>38,191</b>
<b>THE LIVING CITY</b>			
Community Development	3,289	30	3,259
Library Services	5,730	737	4,994
Community Centres	2,284	341	1,944
Recreation Services	1,970	-	1,970
Community Sport and Club Facilities	2,270	-	2,270
Community Health and Wellbeing	4,883	3,184	1,699
Cemetery	629	496	133
Food and Health Regulation	1,221	237	985
Inspectorate Services	807	395	412
Animal Control	1,707	964	742
Crime Prevention and Repair	790	-	790
Street Lighting	3,085	-	3,085
<b>TOTAL THE LIVING CITY</b>	<b>28,667</b>	<b>6,383</b>	<b>22,284</b>
<b>ENABLING EXCELLENCE</b>			
Business Excellence	44	566	(522)
Council	-	2	(2)
Sundry	3,651	6,630	(2,979)
Infrastructure Depreciation	23,531	-	23,531
<b>TOTAL ENABLING EXCELLENCE</b>	<b>27,226</b>	<b>7,198</b>	<b>20,028</b>
Infrastructure and Project Preparation	2,109	-	2,109
Corporate Unallocated	6,547	-	6,547
Corporate Governance Overhead	3,648	-	3,648
Rates Revenue	-	101,217	(101,217)
<b>TOTAL OPERATING SURPLUS / (DEFICIT)</b>	<b>121,984</b>	<b>123,730</b>	<b>1,745</b>

# ELECTED members

## MAYOR



Mayor Gillian Aldridge OAM

## EAST WARD



Cr Maria Blackmore

Cr Adam Duncan

## NORTH WARD



Cr David Hood

Cr Graham Reynolds

## SOUTH WARD



Cr Natasha Henningsen

Cr Julie Woodman JP  
Deputy Mayor  
Until November 2020

## CENTRAL WARD



Cr Chad Buchanan JP  
Deputy Mayor  
From November 2020

Cr Donna Proleta

## HILLS WARD



Cr Peter Jensen

Cr Shiralee Reardon JP

## PARA WARD



Cr Sarah Ouk

Cr Kylie Grenfell

## WEST WARD

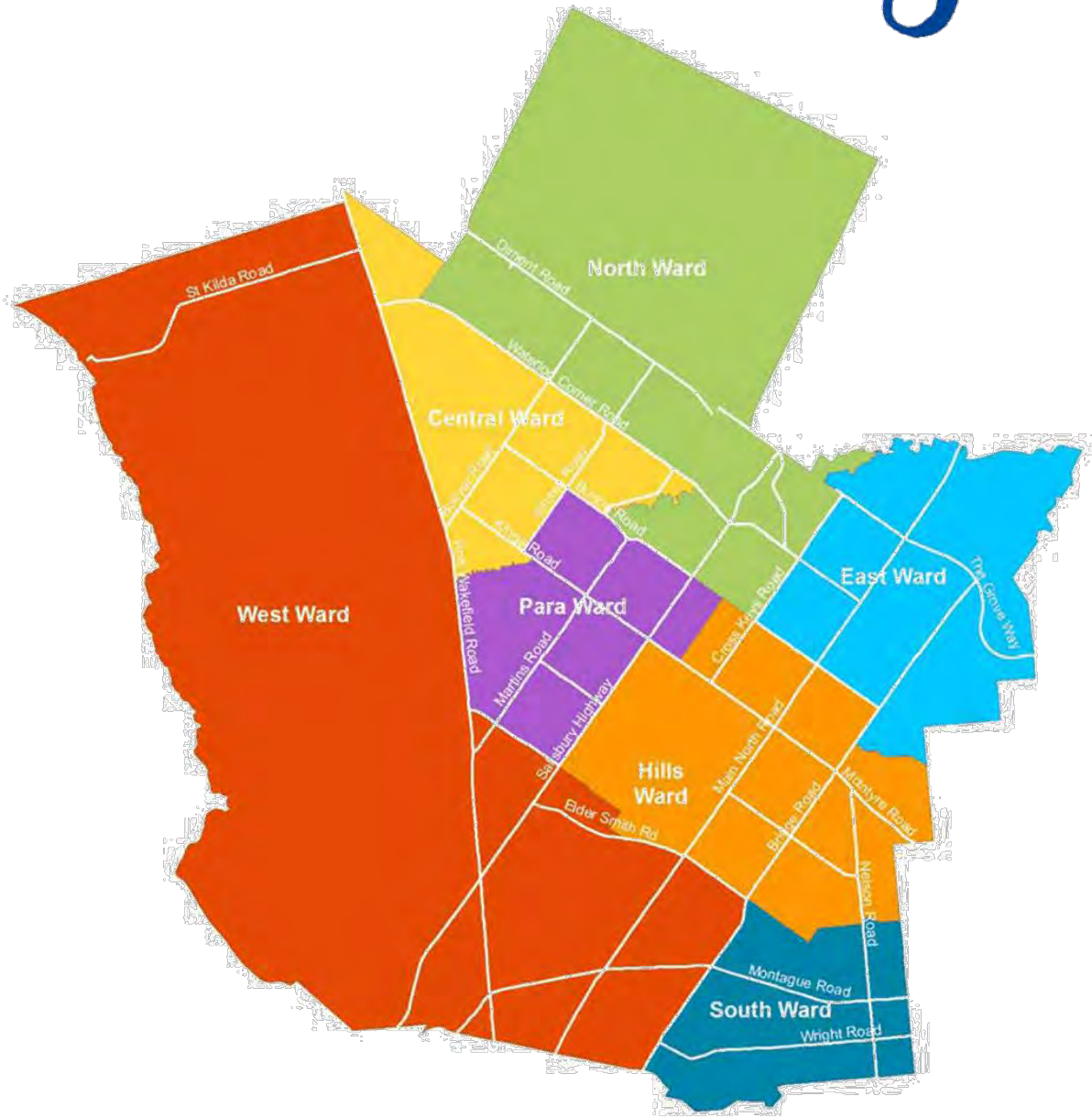


Cr Beau Brug

Cr Lisa Braun



# WARD boundaries



CITY OF SALISBURY ANNUAL REPORT 19/20

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Item 4.2.4 - Attachment 1 - Draft Annual Report 2019/2020

# council

## Elector Representation

The community of Salisbury is currently represented on Council by a Mayor who is elected from the whole community, and 14 Elected Members. Elected Members represent one of seven wards, and are elected by the residents of their ward.

In accordance with Section 12 of the Local Government Act 1999, Council is required to conduct an Elector Representation Review at least once in every eight years.

In accordance with the existing provisions in Section 12 of the Local Government Act 1999, the Representation Review process requires Council to review all aspects of the composition of Council including ward boundaries. The process involves the public notification and opportunity for community submissions at key stages of the review.

Council must:

### 1. Prepare a Representation Options Paper

- By public notice, published in a newspaper circulating within its area, inform the public of the preparation of the Representation Options Paper and invite written submissions on the subject of the review within a period specified by the Council (being a period of at least 6 weeks).
- Ensure copies of the Representation Options Paper are available for inspection (without charge) and purchase (on payment of a fee fixed by the Council) at the principal office of the Council during the period of consultation.

### 2. Prepare a Report

- Make copies of the Report available for public inspection at the principal office of the council; and
- By public notice, published in a newspaper circulating within its area, inform the public of the preparation of the report and its availability and invite written submissions on the report within a period specified by Council (being a period of at least 3 weeks).
- Give any person who makes a written submission an opportunity to appear personally or by representative before the Council or a Council Committee and to be heard on those submissions.

### 3. Finalise the Report

- Submit the report, accompanied by copies of written submissions received, to the Electoral Commissioner for certification.

The Act also provides for a group of at least 20 eligible electors to submit to Council a submissions for a representation review and the Act prescribes how and in what circumstances this might proceed.

The City of Salisbury conducted a Representation Review in 2016-2017, in readiness for the November 2018 Local Government Elections. The Representation Review resulted in changes to the number of wards and Elected Members in the City of Salisbury and Ward Boundaries were adjusted to ensure a balanced and appropriate representation quota within each ward. Following formal certification, Council published a appropriate notice in the Government Gazette on 13 December 2017 which provided for the implementation of the future composition and structure of Council at the November 2018 Local Government elections.

No public initiated submissions under section 28 of the Local Government Act 1999 have been received in 2019/20.

# council

The representation quota for the City of Salisbury, that is the number of electors represented by each Councillor, is shown in the table. Comparative data for other major metropolitan Councils in Adelaide has also been included<sup>1</sup>.

Council	Elected Members <sup>2</sup>	Electors	Representation Quota <sup>3</sup>
Salisbury	15	95420	6361
Playford	16	62301	3893
West Torrens	15	41419	2761
Charles Sturt	17	86139	5067
Port Adelaide/Enfield	18	84919	4717
Marion	13	65520	5040
Onkaparinga	13	125741	9672
Tea Tree Gully	13	73372	5644
Metropolitan Average <sup>4</sup>	13	48781	3752

<sup>1</sup> Data supplied by the Local Government Association.

<sup>2</sup> Including the Mayor

<sup>3</sup> Representation quota for a council is an amount ascertained by dividing the number of electors for the area of the council (as at the last closing date under the Local Government (Elections) Act 1999) by the number of members who constitute the council (ignoring any fractions resulting from the division and expressed as a quota). Local Government Act 1999, Schedule 4.

<sup>4</sup> Based on 19 metropolitan councils, including the City of Adelaide

## Elector Member Allowances

Changes to the Local Government Act in 2010 resulted in the Remuneration Tribunal being responsible for the determination of Elected Member Allowances to be applied from the first Council Meeting following the November 2010 Elections. Elected Member allowances were reviewed by the Remuneration Tribunal in Determination No. 6 of 2018, which resulted in an increase to allowances for City of Salisbury Elected Members as follows:

Councillor:	\$24,218 per annum
Mayor:	\$96,872 per annum
Deputy Mayor:	\$30,272.50 per annum
Chairman of Standing Committees:	\$30,272.50 per annum
Sitting fee payable to a Councillor (other than the principal member or deputy principle member, chairperson or deputy chairperson or a presiding member of a prescribed committee) who is the presiding member of a committee, that is not a prescribed committee, such as a sub-committee.	\$239 per meeting limited to an aggregate amount of \$1,432 per annum

In accordance with section 76(9) and 76(15) of the Local Government Act, allowances set out in Determination No. 6 of 2018: Members of Local Government Councils will be adjusted annually on the first, second and third anniversary of the 2018 local government election to reflect changes in the Consumer Price Index, where the Consumer Price Index is defined as "the Consumer Price Index (All groups index for Adelaide) Published by the Australian Bureau of Statistics.

In addition to an allowance, Elected Members are provided with resources to assist in the representation of their community and conducting Council business. This includes an Apple iPad, laptop computer and printer, broadband internet access, stationery and business cards. The Mayor has access to a personal assistant and is provided with a mobile phone and car. The Elected Members Allowances, Facilities and Support Policy provides full details of resources (including reimbursement of expenses) provided to Elected Members.

# council

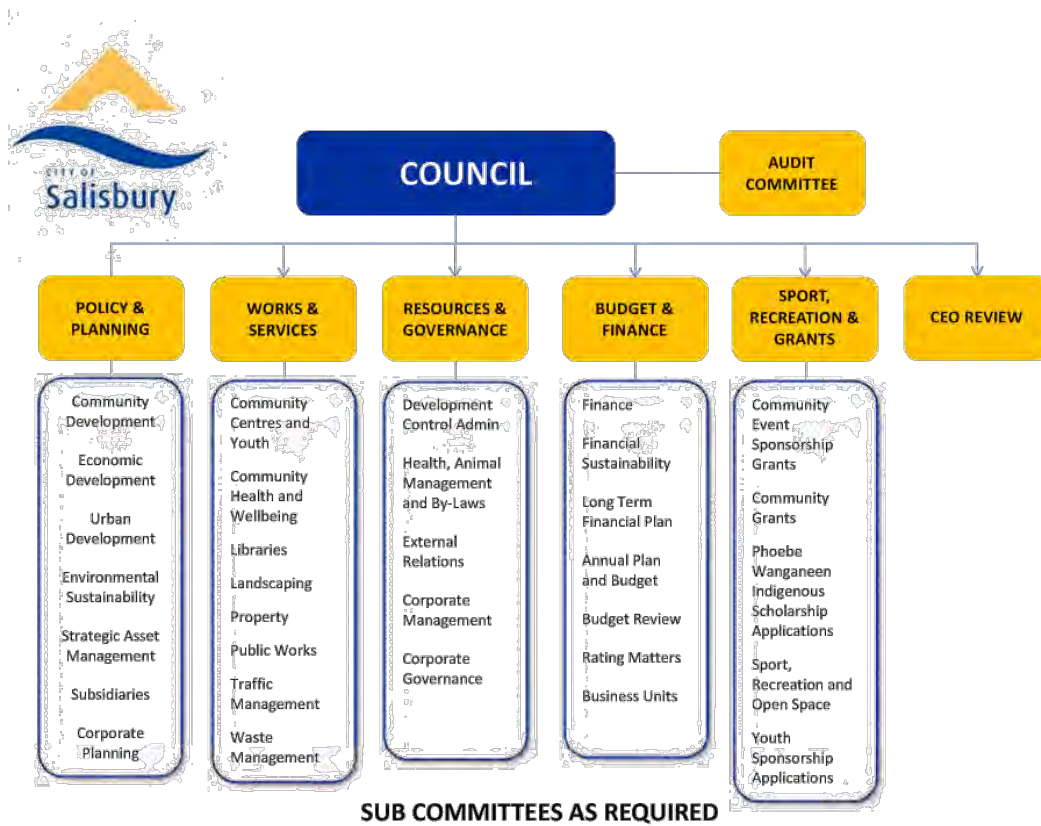
## Council and Committee Structure from July 2019 to June 2020

Council is supported in its decision making process by six Standing Committees: Policy & Planning; Budget & Finance; Works & Services; Resources & Governance; Sport, Recreation & Grants; and Audit Committee. The Sport, Recreation & Grants Committee meets on the second Monday of the month and the remaining standing committees meet on the third Monday of each month. The Audit Committee meets on a quarterly basis or as needed.

The CEO Review Committee has also been established by Council and meets at a minimum twice per year or as required.

Council has also established a Council Assessment Panel (CAP) as an independent Committee comprising of experts external to Council as well as an Elected Member which meets as required.

The Mayor is, ex officio, a member of the Works & Services Committee, Resources & Governance Committee and the Sports, Recreation & Grants Committee. The Committee structure and membership is set out below:



# council

## Membership of each of the Committees was as follows:

### Policy and Planning Committee

- Cr Chad Buchanan (Chairman)
- Cr Adam Duncan (Deputy Chairman)
- All members of Council

### Works and Services Committee

- Cr Shiralee Reardon (Chairman) – Hills Ward
- Cr Lisa Braun (Deputy Chairman) – West Ward
- Cr Maria Blackmore – East Ward
- Cr Chad Buchanan – Central Ward
- Cr Graham Reynolds – North Ward
- Cr Sarah Ouk – Para Ward
- Cr Natasha Henningsen – South Ward
- The Mayor is, ex-officio, a member of this Committee

### Resources and Governance Committee

- Cr Donna Proleta (Chairman) – Central Ward
- Cr Peter Jensen – (Deputy Chairman) - Hills Ward
- Cr Beau Brug – West Ward
- Cr Adam Duncan – East Ward
- Cr David Hood – North Ward
- Cr Kylie Grenfell – Para Ward
- Cr Julie Woodman – South Ward
- The Mayor is, ex-officio, a member of this Committee

### Budget and Finance Committee

- Cr Beau Brug (Chairman)
- Cr Lisa Braun (Deputy Chairman)
- All members of Council

### Sport Recreation and Grants Committee

- Cr Adam Duncan (Chairman) – East Ward
- Cr Chad Buchanan (Deputy Chairman) – Central Ward
- Cr Lisa Braun – West Ward
- Cr Natasha Henningsen – South Ward
- Cr David Hood – North Ward
- Cr Sarah Ouk – Para Ward
- Cr Shiralee Reardon – Hills Ward
- The Mayor is, ex-officio, a member of this Committee

### Audit Committee

- Cr Graham Reynolds (Chairman)
- Cr Lisa Braun (Deputy Chairman until November 2019)
- Cr Kylie Grenfell (Deputy Chairman from December 2019)
- Mr Neil Ediriweera (Independent Member)
- Mr Craig Johnson (Independent Member)
- Ms Kristyn Verrall (Independent Member)

### Council Assessment Panel from July 2019 to June 2020

- Mr Terry Mosel (Presiding Member)
- Mr Ross Bateup (Independent Member)
- Mr Mike Canny (Independent Member until April 2020 )
- Ms Cherie Gill (Independent Member )
- Cr Beau Brug

### CEO Review Committee

- Mayor G Aldridge (Chair)
- Ms Julie Woodman, whilst holding the position of Deputy Mayor (Deputy Chair)
- Cr Chad Buchanan
- Cr Donna Proleta
- Cr Shiralee Reardon

# council

## Participation in decision-making forums (AR.03.02.03)

In 2019/20, there were four Committees with 34 non-elected members in their membership. The Committees are Youth Council (22) Audit Committee of Council (3), Development Assessment Panel (4), and the Tourism and Visitor Sub Committee (5).

Youth Council	22
Audit Committee of Council	3
Council Assessment Panel	4
Tourism and Visitor Sub Committee	5

## Open and transparent decision-making

The City continues to ensure its commitment to open and transparent decision making through minimising the number of decisions it makes in confidence.

In 2019/20 a total of 609 items were considered by Council and Committees. Of these, 43 were confidential.

	No. of items considered in confidence	Confidential items as a % of total no. of items considered
2015/16	55	9.56%
2016/17	44	8.05%
2017/18	33	6.21%
2018/19	31	5.64%
2019/20	43	7.06%

Of the 43 items where members of the public were excluded, all or part of the documents presented remained confidential after discussion in confidence had taken place.

# council

The following table is a summary of the number of occasions that the provisions listed in Section 90 (excluding the public during debate) OR Section 91 (documents to be kept confidential for a period of time) were used during the 2019-2020 financial year.

Date	Item	Subject matter	Section 90(3) subsection reference	Number of occasions moved into camera Section 90(2)	Number of occasions with retention order on reports, minutes and/or appendices.
July 2019	8.2.1	CEO Employment Agreement	(a)	2	1
July 2019	2.9.1	Mawson Lakes Interchange	(b)(i) & (ii)	2	1
July 2019	2.9.2	Acquisition of 67 and 69 Pratt Avenue, Pooraka	(d)(i)&(ii)	2	1
July 2019	13.3	Confidential CEO Update - Various Matters	(b)(i) & (ii), (d)(i)&(ii) and (j)(i)&(ii)	1	1
August 2019	2.9.1	Request for Extension of Confidentiality Order: NAWMA - Appointment of Independent Chair	(a)	2	1
August 2019	6.9.1	Bridgestone Reserve Athletics Facility	(b)(i) & (ii) and (d)(i)&(ii)	2	1
September 2019	SPDSC4	Hoyle Green Business Case	(d)(i)&(ii)	3	1
September 2019	13.2	Code of Conduct Complaint - Cr Beau Brug - 01/2019	(a)	1	1
October 2019	2.9.1	NAWMA - Appointment of Independent Chairperson	(a)	2	1
October 2019	2.5.7	Salisbury City Centre Investment Attraction and Land Disposal	(b)(i) & (ii)	2	1
November 2019	4.4.1	External Audit Contract	(d)(i)&(ii)	2	1
November 2019	2.9.1	Proposed Land Transaction	(d)(i)	2	1
November 2019	2.9.2	Bridgestone Athletic Centre Budget Review	(b)(i) & (h)	2	1

Date	Item	Subject matter	Section 90(3) subsection reference	Number of occasions moved into camera Section 90(2)	Number of occasions with retention order on reports, minutes and/or appendices.
November 2019	2.9.3	Bridgestone Athletics Centre – Legal Advice	(h)	2	1
November 2019	2.9.4	Demolition of Properties 65, 67 & 69 Pratt Avenue, Pooraka	(d)(i)&(ii)	2	1
November 2019	6.9.1	Salisbury Recreation Precinct Swimming Pool Filtration System	(h) & (i)	2	1
November 2019	6.9.2	Action of Rates Outstanding under Section 182 of the Local Government Act 1999	(a)	2	1
November 2019	6.9.3	Action of Rate Assessment Remission and Postponement of Payment under Section 182 of the Local Government Act 1999	(a)	2	1
November 2019	13.1	Request for Extension of Confidentiality Order – NAWMA – Appointment of Independent Chair	(a)	1	1
November 2019	13.2	Defamatory Facebook Comments – Legal Advice	(i)	1	1
December 2019	SPDSC3	Hoyle Green Tranche 2 – Status Update Report	(b)(i)&(ii)	3	1
December 2019	2.9.2	Research Road Transfer Station Lease Review	(b)(i)&(ii)	2	1
January 2020	1.10.1	Bridgestone Athletics Centre – Sponsorship Opportunities	(d)(i)	2	1
January 2020	2.9.1	Fosters Street, Pooraka – Road Links	(d)(i)&(ii)	2	1
January 2020	2.9.2	Mawson Lakes Pedestrian and Cycle Improvements Project Update	(d)(i)&(ii)	2	1
January 2020	13.4	Information on Container Deposit Scheme	(j)(i)	1	1



Date	Item	Subject matter	Section 90(3) subsection reference	Number of occasions moved into camera Section 90(2)	Number of occasions with retention order on reports, minutes and/or appendices.
January 2020	13.5	Waste Transfer Station	(b)(i)&(ii)	1	1
February 2020	2.9.1	Burton Community Hub	(b)(i)&(ii)	2	1
March 2020	IBDSC6	Development Services Division 2020/21 Program Review Update for 2020/21 Budget Considerations	(a)	3	1
March 2020	SPDSC4	Hoyle Green Tranche 2 – Status Update Report	(b)(i)&(ii)	3	1
March 2020	SPDSC5	Lake Windemere Residential Update Report	(b)(i)&(ii)	3	1
April 2020	4.4.1	Cyber Security Improvement Program	(e)	2	1
April 2020	2.9.1	Burton Park Soccer Centre – Lease Agreement Update	(b)(i)&(ii)	2	1
May 2020	IBDSC5	Public Lighting LED Business Case	(b)(i)&(ii)	3	1
May 2020	6.9.1	Cyber Security Improvement Program	(e)	2	1
May 2020	6.9.2	Update on Action on Rates Assessment Outstanding under Section 184 of the Local Government Act 1999	(a)	2	1
June 2020	SPDSC2	Strategic Development Projects Status Update Report	(b)(i)&(ii)	3	1
June 2020	SPDSC3	Strategic Land review Minor Review – Findings and Revised Short Term Action Plan	(b)(i)&(ii)	3	1
June 2020	2.9.2	Leasing of Land for Car Parking – The DiMauro Group	(b)(i)&(ii)	2	1
June 2020	6.9.1	Update on Future Budget Saving Measures	(b)(i)&(ii)	2	1

Date	Item	Subject matter	Section 90(3) subsection reference	Number of occasions moved into camera Section 90(2)	Number of occasions with retention order on reports, minutes and/or appendices.
June 2020	13.1	Works and Services Committee – Confidential Recommendations for Council Ratification	(b)(i)&(ii)	1	1
June 2020	13.2	Budget and Finance Committee – Confidential Recommendations for Council Ratification	(b)(i)&(ii)	1	1
June 2020	13.3	Request for Extension of Confidentiality Orders: Northern Connector and Great Edinburgh Parks – Negotiation Principles and Mawson Lakes Interchange	(b)(i)&(ii)	1	1

13 confidentiality orders were revoked or expired during 2019/20. Remaining orders will be reviewed internally twice per year and should it be deemed appropriate, the Chief Executive Officer has the delegation to revoke the orders.

173 orders remained operative at the end of 2019/20.

## Freedom of Information

During the 2019/2020 financial year, the City of Salisbury made determinations on 16 applications under the provision of the Freedom of Information Act 1991.

Of these 16, 5 applications were granted full release;

- One was in relation to Access to documents relating to the Certificate of Title for 14 Diagonal Rd, Cavan
- One was in relation to invoices and financial statements regarding the payment of the solid waste levy for the 2017-2019 and 2018-2019 Financial Years.
- Two were in relation to a dog attack
- One was in relation to all internal and external correspondence regarding a verge development at Mawson Lakes

Of these 16, 9 applications were granted partial release;

- One was in relation to Parafield Airport

- Three were in relation to dog attacks
- One was in relation to a complaint regarding the use of a wood heater
- One was in relation to rubbish dumped on the verge at Para Hills West
- One was in relation to maintenance records regarding a verge tree in Woodchester Reserve Para Hills West
- One was in relation to attendance in relation to dogs at Pemberley Ave Salisbury Park and calls made to Council on two occasions
- One was in relation to correspondence, development and building plans and other associated documents for a property on Martins Rd, Parafield Gardens

Of these 16, 2 applications were denied;

- One was in relation to a dog attack
- One was in relation to an investigation into a salmonella outbreak

## Management and Governance

The City of Salisbury places particular emphasis on its commitment to democratic principles. These principles include fair representation, openness and transparency in all its operations.

The Local Government Act 1999 provides the legislative foundation for Council and contains a range of reporting and operating requirements that contribute toward good governance. As part of its compliance with the Local Government Act 1999, the City of Salisbury maintains the following registers, codes of conduct and policies:

### Registers

- Register of Interests for Elected Members
- Register of Allowances and Benefits for Elected Members
- Register of Salaries (Remuneration) for Staff
- Register of Interests (Officers)
- Register of Public Roads\*
- Register of By-laws\*
- Register of Gifts and Benefits

### Codes

- Code of Conduct for Council Members\*
- Code of Practice for Access to Meetings and Documents\*

### Policies

- Employee Conduct Policy\*
- Procurement Policy\*
- Rating Policy\*
- By-Laws and Order Making Policy\*
- Public Consultation Policy\*
- Internal Review of Council Decision Making Procedures\*

### Other

- Internal Audit Charter
- Governance Framework and Statement
- Risk Management Charter
- Public Interest Disclosure Act 2018 Policy\*

A comprehensive list of codes, documents, policies, registers and guidelines are available for public inspection either at the Council offices, 12 James Street, Salisbury or at [www.salisbury.sa.gov.au](http://www.salisbury.sa.gov.au)

Copies of most documents are available for purchase for a small fee. All of these documents are updated on a regular basis as required by the Act. Documents marked with\* are also available at [www.salisbury.sa.gov.au](http://www.salisbury.sa.gov.au)

## Number of Requests for a Review of Council Decisions

During the 2019/20 financial year, the City of Salisbury received 2 requests for review of a Council decision, as follows:

- Application for review of a Council administrative decision not to pursue a dog noise complaint from Mawson Lakes. The initial determination has been made and is awaiting response from the applicant. The review is continuing.
- Application for review of a Council administration decision to approve a development application for a structure adjacent a property at Parafield Gardens. An initial assessment was undertaken and decision made not to proceed with the review as the application was received well past the six month time limit from the original decision of Council and exceptional circumstances did not exist to extend the time limit.

## Ombudsman SA Investigations

During 2019/20, 36 complaints were received by the SA Ombudsman; 20 where the complainant was referred back to Council for action, 12 were declined, 1 had alternative remedy availability, 2 were resolved with Agency cooperation and 1 was withdrawn by the applicant.

## Financial Internal Controls Framework

The City of Salisbury follows the Better Practice Model – Financial Internal Control for South Australian Councils. In order to demonstrate compliance with this model the City operates an extensive financial internal controls framework. The framework is designed to ensure financial processes, procedures, policies and systems are applied efficiently and effectively in order to mitigate the financial risks identified in the Model. Oversight of the financial internal controls framework is provided by the Audit Committee of Council, through the Governance Division. An external audit of the framework is conducted annually.

## Local Nuisance and Litter Control

Set out in the table below are details of the performance by council of functions conferred on it under the Local Nuisance and Litter Control Act 2016.

### 8—Annual reports by councils

A council must, in its annual report prepared pursuant to section 131 of the Local Government Act 1999 in relation to a particular financial year, include details of the performance by the council during that year of functions conferred on it under this Act.

### 5—Annual reports by councils

For the purposes of section 8 of the Act, a council's annual report should include details of—

(a) the number of complaints of local nuisance or littering received by the council; and

(b) the number and nature of—

(i) offences under the Act that were expiated; and

(ii) offences under the Act that were prosecuted; and

(iii) nuisance abatement notices or litter abatement notices issued; and

(iv) civil penalties negotiated under section 34 of the Act; and

(v) applications by the council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications; and

(c) any other functions performed by the council under the Act.

The number of complaints of local nuisance or littering received by the council	2019/20
General Litter - Development Pollution	38
General Litter - Discharge Liquid Waste	64
Litter Bill Posting	3
Litter Class B - Glass/Syringe/lit cigarettes	1
Litter General - Litter dumped/thrown/deposited	886
Nuisance Animal Mosquitoes Residential	8
Nuisance Animals (other)	171
Nuisance Animals Vermin/Rats/Mice	60
Nuisance Dust	35
Nuisance Insanitary Condition Offensive Material/Odour	13
Nuisance Insanitary Condition Rodents/Other Pests	8
Nuisance Noise	92
Nuisance Noise Environmental Health S17(1)(a) LNLC	8
Nuisance Odours/Fumes/Aerosols	45
Nuisance Projection Image onto Property	0
Nuisance Smoke	39
Nuisance Smoke Combustion Heaters	39
Nuisance Unsightly Condition Excessive Vegetation	66
Nuisance Unsightly Condition Graffiti	7
Nuisance Unsightly Disused/Derelict Items/Material	42
Nuisance Unsightly Rub/Waste Excessive/Unconstrained	109
Nuisance Vibration	1
<b>Totals</b>	<b>1735</b>

The number and nature of offences that were expiated	2019/20
Causing a local nuisance	0
Disposing of 50L or more of litter	10
Disposing of up to 50L of General Litter	0
Failing to comply with abatement notice	1
<b>Totals</b>	<b>11</b>

The number and nature of offences that were prosecuted	2019/20
	0
<b>Totals</b>	<b>0</b>

The number and nature of nuisance abatement notices or litter abatement notices issued	2019/20
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) - Insanitary Condition	0
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) - Nuisance Animals	6
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) - Unsightly condition	1
LNLCAct 2016 Nuisance Abatement Notice S30(1)(a) - Noise Construction	0
<b>Totals</b>	<b>7</b>

The number and nature of nuisance abatement notices or litter abatement notices issued	2019/20
LNLCAct 2016 Litter Abatement Notice S30(1)(b) - littering / depositing materials	6
<b>Totals</b>	<b>6</b>

The number and nature of civil penalties negotiated under section 34 of the Local Nuisance and Litter Control Act; Applications by the council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications; and any other functions performed by the council under the Local Nuisance and Litter Control Act	2019/20
	0
<b>Totals</b>	<b>0</b>

## Audit Committee of Council

The Audit Committee reports to Council and is a critical component of the Council's governance framework. The Audit Committee is established in accordance with Section 126 of the Local Government Act 1999. Its role is to comply with the legislative obligations and the requirements of its terms of reference.

The Audit Committee will:

- Satisfy itself that appropriate policies, practices and procedures of internal control are implemented and maintained.
- Ensure that these controls are appropriate for achieving the council's goals and objectives, safeguarding the council's assets and, as far as possible, maintaining the accuracy and reliability of council records.
- Satisfy itself that the organisation is meeting its fiduciary and legislative responsibilities.

Further information regarding the roles and responsibilities of the Audit Committee are contained in its Terms of Reference, which are available on the website.

The Audit Committee consists of five members, three of whom are independent of the Council. Independent members are appointed by Council based on their individual skills, knowledge and experience to ensure the effective discharge of the Committee's responsibilities.

## Audit Committee Membership July 2019 – June 2020

Name	Elected Member or Independent Member	Dates	Attendance
Cr Graham Reynolds	Elected Member (Chairman)	July 2019 – June 2020	4 of 4 meetings
Cr Kylie Grenfell	Elected Member (Deputy Chairman)	December 2019 – June 2020	2 of 2 meetings
Cr Lisa Braun	Elected Member (Deputy Chairman)	July 2019 - November 2019	2 of 2 meetings
Mr Craig Johnson Independent consultant	Independent Member	July 2019 – June 2020	4 of 4 meetings
Ms Kristyn Verrall General Manager Governance and Strategy/General Counsel, Statewide Super	Independent Member	July 2019 – June 2020	3 of 4 meetings
Mr Neil Ediriweera Director, KPMG	Independent Member	July 2019 – June 2020	4 of 4 meetings

## Number of internal controls rating 4 or higher (CAMS) (AR.04.02.01)

The City of Salisbury utilises a risk and control management application called ControlTrack, to monitor and review its internal financial controls. There are 260 controls within ControlTrack across 7 classes: Assets, Expenses, External Services, Liabilities, Revenue, Strategic Financial Planning and Financial Governance.

We use a five point rating scale when self-assessing the effectiveness of our internal financial controls (1=ineffective, 2=requires significant improvement, 3=partially effective, 4=majority effective and 5=effective).

Of the controls assessed and reviewed in 2019/20, six controls were assessed as being partially effective or lower. Treatment plans have been established to improve the rating for these six controls.

## High risk outcomes/findings from internal audits

Eight high risk outcomes / findings from internal audits were identified and reported on to the Audit Committee in the 2019/2020 financial year.

The City of Salisbury operates a risk-based Internal Audit Plan, where audits are conducted in order to provide assurance on the risks identified in the Strategic Risk Register.

The following audits were completed and reported to the Audit Committee in the 2019/2020 period:

- Financial Sustainability;
- Contract Management;
- Asset Management; and
- Food Safety.

An audit on financial sustainability was performed to provide assurance regarding the effectiveness of the processes that are in place to manage and monitor the financial sustainability of the City of Salisbury. No high, moderate or low risk findings were identified in the audit.

An audit on contract management was performed to provide assurance on the efficiency and effectiveness of the current tools and processes used to manage contracts at the City of Salisbury and identify any areas where outcomes could be improved. Six risk findings were identified in the audit, and of those, four findings were rated as high. The high risk findings related to assigning central ownership and to establish governance over contract management, lack of procedures to provide guidance for contract management, the need for a consistent approach to ensuring that 'due diligence'

documentation is updated, and the need for staff training regarding contract-related Work Health Safety responsibilities.

An audit on asset management was performed to provide assurance that the established processes and controls in place in relation to Asset Management are robust. Six risk findings were identified in the audit and of those, four findings were rated as high. The high risk findings related to focusing on customer levels of service, improving controls regarding building condition assessments, documenting building maintenance plans and operational procedures, and defining criteria for upgrades and renewal of buildings.

An audit on food safety was performed to provide assurance that the City of Salisbury's governance and risk management in place is sufficiently robust to mitigate the likelihood of public or environmental health risks in relation to food safety. Four risk findings were identified in the audit, and of those, no findings were rated as high.

The actions identified to address the risk findings from internal audits are being progressed by Council.

## Elected Member Training and Development

Below is a table showing training and development activities attended by Elected Members.

Elected Members from July 2019 to June 2020

Gillian Aldridge OAM	Social Media Training Local Government Association Annual General Meeting Mayors Leadership Forum Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop
Maria Blackmore	Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop
Lisa Braun	Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop
Beau Brug	Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Professionals National Congress, Darwin Local Government Fundamentals and Refresher Workshop Elected Member Weekend Workshop
Chad Buchanan JP	Social Media Training Local Government Professionals National Congress, Darwin Local Government Association Annual General Meeting Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop
Adam Duncan	Social Media Training Elected Member Weekend Workshop
Kylie Grenfell	Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Professionals National Congress, Darwin Elected Member Strategic Development Session Audit Committee Training Elected Member Weekend Workshop Risk Management Workshop
Natasha Henningsen	Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop



## Elected Member Training and Development Cont'd

David Hood	Social Media Training Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop
Peter Jensen	Social Media Training Local Government Fundamentals and Refresher Workshop Elected Member Weekend Workshop Risk Management Workshop
Sarah Ouk	Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Professionals National Congress, Darwin Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop
Donna Proleta	Social Media Training Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop Risk Management Workshop
Shiralee Reardon	Social Media Training Elected Member Leadership Session Local Government Emergency Management Seminar Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Elected Member Weekend Workshop
Graham Reynolds	Social Media Training Enhanced Public Speaking and Presenting Skills for Elected Members Local Government Fundamentals and Refresher Workshop Elected Member Strategic Development Session Audit Committee Training Elected Member Weekend Workshop Risk Management Workshop
Julie Woodman	Social Media Training Local Government Fundamentals and Refresher Workshop Elected Member Weekend Workshop Risk Management Workshop

## Elected Members Representation on External and Community Organisations

July 2019 to June 2020

Gillian Aldridge OAM	Local Government Association of SA (Deputy Voting Representative) Local Government Association Board of Directors (Immediate Past President) Greater Adelaide Regional Organisation of Councils (Voting Member)
Maria Blackmore	Australian Local Government Women's Association SA Branch (Committee Member)
Lisa Braun	Local Government Finance Authority (Deputy Voting Delegate) Metropolitan Seaside Councils Committee St Kilda and Surrounds Development and Tourism Association
Beau Brug JP	Metropolitan Seaside Councils Committee (Deputy Elected Member Representative)
Chad Buchanan JP	Local Government Association of SA (Voting Representative) Paralowie R-12 School Governing Council
Adam Duncan	Salisbury East High School Governing Council (Chair) Parafield Airport Consultative Committee Para Districts Cricket Association - Committee Member Salisbury East Neighbourhood Centre
Kylie Grenfell	Northern Adelaide Waste Management Authority Board (Deputy Member) The Pines Primary School Governing Council Parafield Gardens High School Governing Council Australian Local Government Women's Association SA Branch (Metro Vice President)
Natasha Henningsen	Local Government Finance Authority of SA (Voting Representative)
David Hood	Lake Windemere B-7 School Governing Council Salisbury City Centre Business Association (Deputy Member)
Peter Jensen	Parafield Airport Consultative Committee Parafield Gardens High School Governing Council
Sarah Ouk	
Donna Proleta	
Shiralee Reardon JP	Northern Adelaide Waste Management Authority Board (Deputy Member) Para Hills High School Governing Council Salisbury and Districts Historical Society State Bushfire Coordination Committee Dog and Cat Management Board Social Participation and Diversity Advisory Committee (Chair) The Paddocks Centre
Graham Reynolds	Salisbury City Centre Business Association Northern Adelaide Waste Management Authority Board (Member) Salisbury High School Governing Council Bagster Road Community Centre
Julie Woodman JP	Australian Local Government Women's Association SA Branch (President) Northern Adelaide Waste Management Authority Board (Member) Valley View Secondary High School Governing Council Burton Centre Committee Salisbury Suicide Prevention Network (Every Life Matters) Ingle Farm Primary School Governing Council Ingle Farm East Primary School Governing Council

## Elected Member Meeting Attendance

Elected Members from July 2019 to June 2020

Gillian Aldridge OAM	<ul style="list-style-type: none"> <li>• CEO Review Committee 4/4</li> <li>• Tourism and Visitor Sub Committee (ex officio) 5/6</li> <li>• Innovation and Business Development Sub Committee 8/9</li> <li>• Asset Management Sub Committee 4/6</li> <li>• Strategic Property Development Sub Committee (ex officio) 2/5</li> <li>• Strategic and International Partnerships Sub Committee (ex officio) 3/3</li> </ul>	<ul style="list-style-type: none"> <li>• Youth Council (ex officio) 0/5</li> <li>• Sport, Recreation and Grants Committee (ex officio) 9/12</li> <li>• Policy and Planning Committee 10/12</li> <li>• Budget and Finance Committee 9/12</li> <li>• Works and Services Committee (ex officio) 9/12</li> <li>• Resources and Governance Committee (ex officio) 7/12</li> <li>• Council 13/14</li> </ul>
Maria Blackmore	<ul style="list-style-type: none"> <li>• Strategic Property Development Sub Committee 2/5</li> <li>• Tourism and Visitor Sub Committee 6/6</li> <li>• Youth Council 3/5</li> </ul>	<ul style="list-style-type: none"> <li>• Policy and Planning Committee 8/12</li> <li>• Budget and Finance Committee 7/12</li> <li>• Works and Services 8/12</li> <li>• Council 14/14</li> </ul>
Lisa Braun	<ul style="list-style-type: none"> <li>• Innovation and Business Development Sub Committee 7/9</li> <li>• Strategic Property Development Sub Committee 4/5</li> <li>• Asset Management Sub Committee 5/6</li> <li>• Audit Committee 2/2 (from July to November 2019)</li> </ul>	<ul style="list-style-type: none"> <li>• Policy and Planning Committee 9/12</li> <li>• Budget and Finance Committee 9/12</li> <li>• Sport, Recreation and Grants Committee 10/12</li> <li>• Works and Services Committee 9/12</li> <li>• Council 13/14</li> </ul>
Beau Brug JP	<ul style="list-style-type: none"> <li>• Council Assessment Panel 8/8</li> <li>• Policy and Planning Committee 12/12</li> <li>• Budget and Finance Committee 12/12</li> </ul>	<ul style="list-style-type: none"> <li>• Resources and Governance Committee 12/12</li> <li>• Council 13/14</li> </ul>
Chad Buchanan JP	<ul style="list-style-type: none"> <li>• Innovation and Business Development Sub Committee 8/12</li> <li>• CEO Review Committee 2/4</li> <li>• Asset Management Sub Committee 6/6</li> <li>• Sport, Recreation and Grants Committee 11/12</li> </ul>	<ul style="list-style-type: none"> <li>• Policy and Planning Committee 12/12</li> <li>• Budget and Finance Committee 12/12</li> <li>• Works and Services Committee 12/12</li> <li>• Council 14/14</li> </ul>
Adam Duncan	<ul style="list-style-type: none"> <li>• Innovation and Business Development Sub Committee 7/9</li> <li>• Asset Management Sub Committee 4/6</li> <li>• Policy and Planning Committee 12/12</li> </ul>	<ul style="list-style-type: none"> <li>• Budget and Finance Committee 12/12</li> <li>• Resources and Governance Committee 12/12</li> <li>• Sport, Recreation and Grants Committee 11/12</li> <li>• Council 13/14</li> </ul>
Kylie Grenfell	<ul style="list-style-type: none"> <li>• Innovation and Business Development Sub Committee 9/9</li> <li>• Strategic and International Partnerships Sub Committee 3/3</li> <li>• Strategic Property Development Sub Committee 5/5</li> <li>• Tourism and Visitor Sub Committee 6/6</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Committee 2/2 (from December 2019 – June 2020)</li> <li>• Policy and Planning Committee 12/12</li> <li>• Budget and Finance Committee 12/12</li> <li>• Resources and Governance Committee 12/12</li> <li>• Council 14/14</li> </ul>
Natasha Henningsen	<ul style="list-style-type: none"> <li>• Innovation and Business Development Sub Committee 9/9</li> <li>• Strategic and International Partnerships Sub Committee 3/3</li> <li>• Strategic Property Development Sub Committee 5/5</li> </ul>	<ul style="list-style-type: none"> <li>• Sports, Recreation and Grants Committee 11/12</li> <li>• Policy and Planning Committee 11/12</li> <li>• Budget and Finance Committee 11/12</li> <li>• Resources and Governance Committee 11/12</li> <li>• Council 11/14</li> <li>• Asset Management Sub Committee 6/6</li> </ul>
David Hood	<ul style="list-style-type: none"> <li>• Innovation and Business Development Sub Committee 8/9</li> <li>• Sport Recreation and Grants Committee 11/12</li> <li>• Policy and Planning Committee 9/12</li> </ul>	<ul style="list-style-type: none"> <li>• Budget and Finance Committee 9/12</li> <li>• Resources and Governance Committee 9/12</li> <li>• Council 14/14</li> </ul>

## Elected Member Meeting Attendance Cont'd

Peter Jensen	<ul style="list-style-type: none"> <li>• Innovation and Business Development Sub Committee 9/9</li> <li>• Strategic and International Partnerships Sub Committee 3/3</li> </ul>	<ul style="list-style-type: none"> <li>• Policy and Planning Committee 12/12</li> <li>• Budget and Finance Committee 12/12</li> <li>• Resources and Governance Committee 12/12</li> <li>• Council 14/14</li> </ul>
Sarah Ouk	<ul style="list-style-type: none"> <li>• Youth Council 0/5</li> <li>• Sport, Recreation and Grants Committee 10/12</li> <li>• Policy and Planning Committee 10/12</li> </ul>	<ul style="list-style-type: none"> <li>• Budget and Finance Committee 10/12</li> <li>• Works and Services Committee 10/12</li> <li>• Council 14/14</li> </ul>
Donna Proleta	<ul style="list-style-type: none"> <li>• CEO Review Committee 4/4</li> <li>• Strategic and International Partnerships 3/3</li> <li>• Strategic Property Development Sub Committee 4/5</li> <li>• Tourism and Visitor Sub Committee 5/6</li> </ul>	<ul style="list-style-type: none"> <li>• Policy and Planning Committee 11/12</li> <li>• Budget and Finance Committee 11/12</li> <li>• Resources and Governance Committee 11/12</li> <li>• Council 14/14</li> </ul>
Shiralee Reardon JP	<ul style="list-style-type: none"> <li>• Strategic Property Development Sub Committee 2/5</li> <li>• Tourism and Visitor Sub Committee 5/6</li> <li>• CEO Review Committee 2/4</li> <li>• Asset Management Sub Committee 4/6</li> </ul>	<ul style="list-style-type: none"> <li>• Policy and Planning Committee 8/12</li> <li>• Budget and Finance Committee 8/12</li> <li>• Sport, Recreation and Grants Committee 10/12</li> <li>• Works and Services Committee 8/12</li> <li>• Council 14/14</li> </ul>
Graham Reynolds	<ul style="list-style-type: none"> <li>• Strategic and International Partnerships Sub Committee 2/3</li> <li>• Strategic Property Development Sub Committee 5/5</li> <li>• Youth Council 3/5</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Committee 4/4</li> <li>• Policy and Planning Committee 11/12</li> <li>• Budget and Finance Committee 11/12</li> <li>• Works and Services Committee 11/12</li> <li>• Council 14/14</li> </ul>
Julie Woodman JP	<ul style="list-style-type: none"> <li>• Innovation and Business Development Sub Committee 9/9</li> <li>• Strategic and International Partnerships Sub Committee 3/3</li> <li>• Tourism and Visitor Sub Committee 6/6</li> </ul>	<ul style="list-style-type: none"> <li>• CEO Review Committee 4/4</li> <li>• Policy and Planning Committee 11/12</li> <li>• Budget and Finance Committee 11/12</li> <li>• Resources and Governance Committee 11/12</li> <li>• Council 13/14</li> </ul>

## Overseas Travel by Elected Members and Staff for 2019/2020

It is a decision of Council that all overseas travel and associated expenditure undertaken during the financial year be reported in the Council's Annual Report for that year.

In the period 01/07/2019 through to 30/06/2020 there was one overseas trip that involved Elected Members and Staff as follows:

### 13 to 21 October 2019

Travel to Linyi, China on the invitation of the Linyi Municipal Government to attend the Shandong International Sister Cities Cooperation and Development Conference in Jinan

- Mayor Gillian Aldridge (cost to Council \$3,296)
- Cr Graham Reynolds (cost to Council \$3,411)
- Mr John Harry, Chief Executive Officer (cost to Council \$3,260)

## Executive Allowances

The Executive management structure is comprised of the Chief Executive Officer and four General Managers. Salary packages for these five executives are comprised of:

- A negotiated annual salary;
- Statutory superannuation;
- Provision of a fully maintained Council vehicle or equivalent (with the exception of the CEO);
- Provision for professional development fees.

## Executive membership on External Boards and Committees:

Below is a list of membership on external bodies by City of Salisbury Executive during the past financial year.

### Chief Executive Officer, John Harry

- Council Solutions (Member)
- Local Government Chief Officers Group

### General Manager City Development, Terry Sutcliffe

- Nil

### General Manager Business Excellence, Charles Mansueto

- Council Solutions (Member)
- Northern Adelaide Waste Management Authority (NAWMA) (Board Member)

### General Manager Community Development, Pippa Webb (until February 2020)

- Nil

### General Manager City Infrastructure, John Devine

- Northern Adelaide Waste Management Authority (NAWMA) (Deputy Board Member)
- Local Government Functional Support Group (Commander)

# COMMUNITY champions

## 2019/20 CITIZEN OF THE YEAR AWARD WINNERS

**Citizen:** Jim Zissopoulos

**Young Citizen:** Monu Chamlagai

**Senior Citizen:** Bunchhong Mann

**Community Event of the Year:**  
Northern Community Family Fun Day



### CITIZEN OF THE YEAR: JIM ZISSOPOULOS

The recipient of this year's Senior Citizen Award has been described as never giving up on a challenge and possessing the ultimate "can-do" attitude.

Jim Zissopoulos is a key figure at the Valley View Tennis Club, and is credited as being the driving force behind saving the club from potential closure 10 years ago.

Jim's determination to ensure the Club not only remained open, but expanded and thrived, can be seen today in the junior tennis program which he established a decade ago and still coordinates today.

In any given week, more than 100 children and adults are coached through the Club to develop their tennis skills and up to 70 children participating in regular Friday night and Saturday morning competitions.

Jim has developed a 12-stage coaching program for all junior players and encourages young players to continue on to the senior competition and also become tennis coaches. As a result, about 10 junior players who started with the Club at 8-10 years old have gone on to become coaches for the Club and also developing their skills for future employment.

As well as coaching, Jim also manages background tasks such as coordinating fees, sending weekly update emails, driving a volunteer culture and successfully applying for grants for upgrade works to the Club.

**YOUNG CITIZEN OF THE YEAR : MONU CHAMLAGAI**

This year's Young Citizen of the Year is 19-year-old Salisbury resident Monu Chamlagai.

Monu is an inspiring member of the Salisbury community who generously and actively advocates for youth, refugees, women and girls and mental health awareness.

Having arrived in Salisbury with her family as an 11-year-old on a humanitarian visa after being born and raised in a Nepalese refugee camp, Monu has always had a desire to give back to the community she says has given her much more than just shelter.

Now as a young leader, having overcome a host of barriers that many young people do not face, Monu is a passionate volunteer for the City of Salisbury. She holds positions as Deputy Chair of the Youth Council and Deputy Chair of the Salisbury Intercultural Community Alliance.

While balancing her demanding volunteer roles, Monu studies a Bachelor of Psychology full time and works part time in hospitality.



**SENIOR CITIZEN OF THE YEAR : BUNCHHONG MANN**

This year's Senior Citizen Award is awarded to Parafield Gardens resident Bunchhong Mann. Since relocating from Cambodia with his wife and six young children as refugees in 1980, Mr Mann has worked tirelessly in dedicating his time to the local Khmer community and giving many families the opportunity for a better life.

Mr Mann played a key role in the establishment of the Cambodian Association of South Australia, of which he was the inaugural president.

Through the Association, Mr Mann worked alongside the State Government to assist refugees, and established an ethnic school in partnership with women, youth, dancing and music groups. He has taught in Salisbury both within the Khmer Ethnic School and also mainstream schools.

He also organised numerous Khmer events and encouraged his team to contribute their culture to the wider community and was a member of the Lutheran Refugee Support Community that has helped people from Cambodia, Lao and Thailand resettle in Adelaide.

**COMMUNITY EVENT OF THE YEAR : NORTHERN COMMUNITY FAMILY FUN DAY**

The Northern Community Family Fun Day, hosted by the Lions Club of Paralowie, is the City of Salisbury's Community Event of the year.

The annual event is important in bringing together community members and instilling a sense of community pride. In the three years since it was launched, the event has also contributed to making Salisbury a great place to live, offered a safe and fun place to meet and provided an opportunities for dozens of stallholders to operate locally.

The small team of Lions Club members have effectively worked with limited resources to ensure the event not only is a success, but has grown with each year.



# COMMUNITY champions

## 2019/20 LEGENDS AWARD WINNERS

Living Legend: Peter Beames

Working Legend: Silentium Defence

Active Legend: Northern District Athletics Club

Mrs Baynes and Mrs Roberts Outstanding Contribution Award:  
Jo Mckessor (Lasham)







**LIVING LEGEND: PETER BEAMES**

The Living Legend Award acknowledges an individual who is improving the quality of life in the City of Salisbury through learning and education, volunteering, environmental sustainability or community safety.

Peter has been a valuable and well-respected volunteer at Burton Community Centre for the past 10 years.

Peter generously offered his expertise in Information Technology – developed across a 37 year IT career – by successfully designing an intricate and unique booking system for the Community Centre. This allows it to more efficiently hire out facilities, better manage money and electronically store services information and schedules for activities.

For the past decade, Peter has singlehandedly taken on the management of eight computers at the Centre and once invested his own money into buying and donating six second-hand PCs when the Centre was unable to fund an upgrade.

Quiet and unassuming with strong listening skills, Peter brings a unique sense of humour to the role and fits in well with everyone he deals with during his two days per week at the Centre.

He also runs a free weekly digital literacy class and is more than happy to put up his hand when volunteer shifts need covering.

Peter captures the spirit of giving back to the community and embodies the strong values including generosity, helpfulness, commitment and passion.

**WORKING LEGEND: SILENTIUM DEFENCE**

The Working Legend Award recognises an individual or group that is enhancing the City of Salisbury by showcasing business excellence or through business collaborations, events or innovation.

Our deserving recipient for 2019 is Silentium Defence, based at Parafield.

Established by James Palmer and Simon Palumbo, Silentium Defence is playing a key role in shaping Australia's surveillance future through the design, engineering and research of passive radar systems for the Australian Defence Force as well as civilians.

Since opening its doors in July 2018, Silentium Defence has continued to grow – welcoming its 17th team member in July this year.

The company has already received accolades – it was acknowledged within both the Start-up of the Year and Government and Public Sector categories in the South Australian IA Awards earlier this year, while James and Simon were named among Australia's Top 50 small business leaders by Inside Small Business.

The company was also successful in winning \$1.5 million in Defence Innovation Hub contracts for the development of new innovative technology that will allow Australian forces and their allies to be 'see without being seen' and unique space surveillance technology.

Silentium Defence is also committed to giving back, having helped to launch the State Government's Space Industry Work-Experience Program and taken part in the With You With Me careers expo, supporting veteran pathways into the workforce.



**ACTIVE LEGEND: NORTHERN DISTRICT ATHLETICS CLUB**

The Active Legend Award is designed for an individual or group that has helped build pride and success in the City of Salisbury as a sports person, team, coach, umpire, official, artist or musician.

This year's well deserving winner is the Northern District Athletics Club, which offers athletics to all ages and abilities.

The Club has worked tirelessly to attract children to the sport of athletics and provide them with pathways to stay involved well into adulthood. It enjoyed its largest ever presentation evening this year, with more than 230 athletes and family members in attendance.



This persistent hard work has led to a steady increase in participants in its Carisbrooke Classic and Salisbury Half Marathon events. In its first year, 60 participants took part in the Salisbury Marathon while its most recent event boasted 300 participants.

The club also offers free training in the lead up to City to Bay out of its home, with skilled coaches available to help people achieve their goals. It is also working closely alongside local football and soccer clubs to assist one another in helping grow membership in all sports.

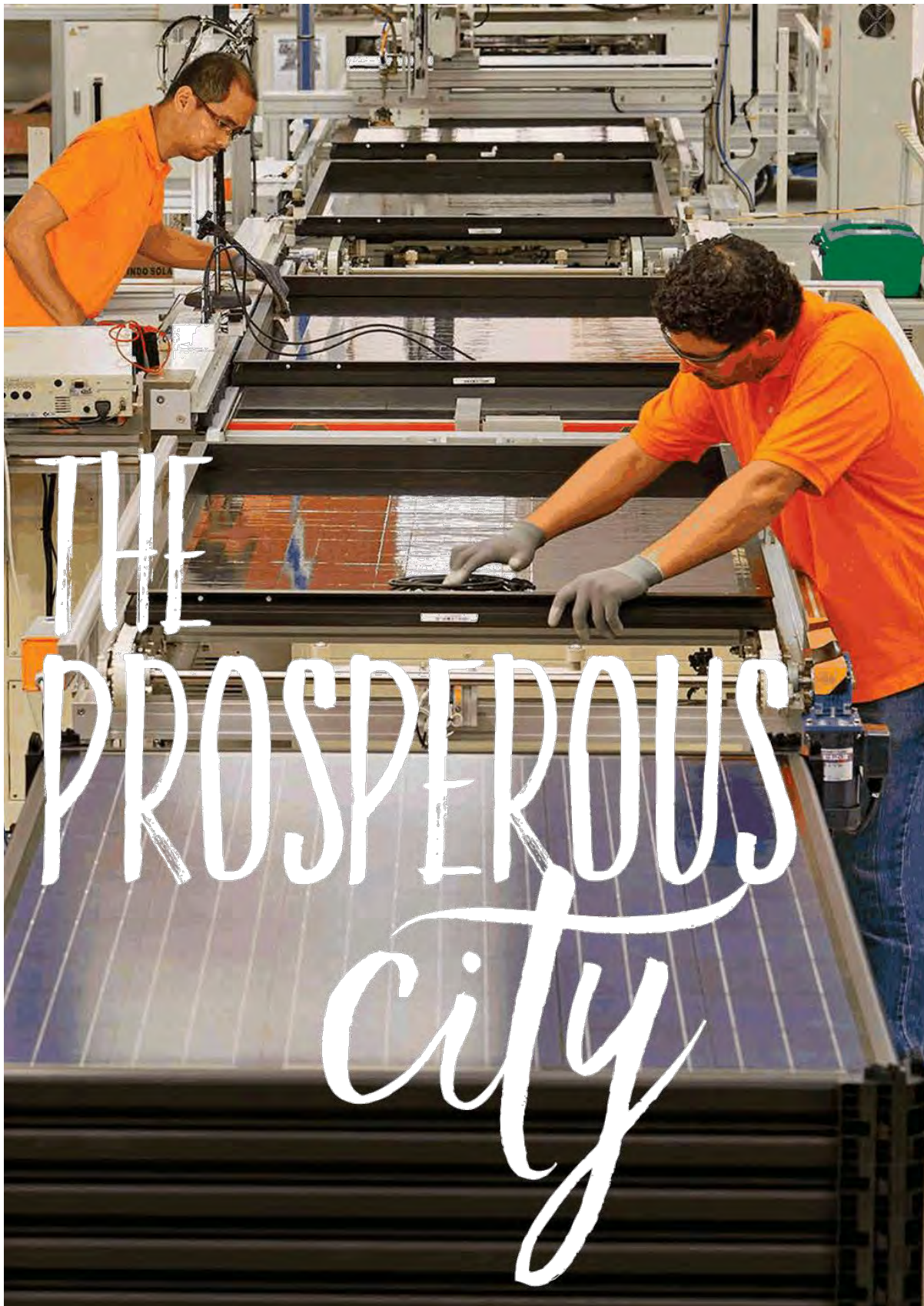
At the heart of the club is passion and commitment to encouraging children and adults – to get outside and get active. That drive is what makes Northern Districts Athletics Club so deserving of the Active Legend Award.



**MRS BAYNES AND MRS ROBERTS OUTSTANDING CONTRIBUTION AWARD : JO MCKESSOR (LASHAM)**

This Award is named after the two first female employees of the District Council of Salisbury in 1941 and recognises an employee who demonstrates outstanding contributions in the areas of Work, Community and Play, in particular balancing these three activities successfully.

Jo is the Community Development Coordinator at Salisbury East Neighbourhood Centre and is recognised for her outstanding contribution to at-risk youth.



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By 2030 Salisbury remains at the forefront of attracting investment into the City due to its excellent infrastructure, skilled workforce, diverse and thriving economic base and overall affordability of doing business.

Our businesses are innovative and outwardly focused. Our industry base is transforming, creating new job opportunities. Creativity thrives and we are recognised as one of the best places to start a business in the nation.

Our infrastructure and our neighbourhoods support the exchange of goods, services and ideas. Technology is used to develop new products and capture new markets, and businesses in Salisbury are global innovators.

City Plan 2030

### Have a community with the skills, knowledge and agility to participate in a rapidly changing economy

Council understands the importance of improving pathways to employment by providing programs to support community members from a range of backgrounds. In 2019/20, Council developed the second phase of its Microsoft Project which offered foundation skills training that lead to the securing of further education, employment or volunteering pathways for participants, as well as providing opportunities for student placements.

While the restrictions introduced in response to the COVID-19 pandemic impeded on the ability to offer face-to-face education, community learning programs continued to run in digital formats through the use of a Fostering Integration Grant which was provided and extended to 31 July 2020.

In 2019/20 Council continued to support an age-friendly and diverse Salisbury with an intercultural strategy and abilities and inclusion plans to enable older people, those with disabilities and people from culturally and linguistically diverse (CaLD) backgrounds to participate in employment and volunteering opportunities – as well as actively contribute to decision-making processes. The Aged Friendly Salisbury Alliance, DAIN (Disability Access Improvement Network) and Intercultural Alliances met regularly throughout the year.

Council also continued to ensure that volunteers had the opportunity to apply for Council's internally-advertised positions. We assisted by providing training to volunteers that was appropriate to their roles and easily transferrable into a paid position. All volunteers at the City of Salisbury are provided with a training plan.

### Be the place of choice for businesses to invest and grow in South Australia, nationally and internationally

City of Salisbury is renowned for its regional strengths in food processing, defence, logistics and education and in 2019/20 it further built on these strengths to attract new investment and support existing firms. A Deloitte report on an economic vision for Salisbury was finalised this year.

Council's Economic Development arm worked with a total of 22 firms regarding inward-investment activity during the year and worked with 16 firms in regards to expansion plans. Council is also currently working with nine firms on relocation proposals.

Council's Community Learning and Development Team, in partnership with local community centres, continued to deliver innovative programs with STEM-based learning activities including 3D printing, coding, robotics and bionics. With continuous advances in technology and changes to the way students learn, connect and interact every day, skills developed in these programs will equip young people with the skills to enable them to achieve in a modern workforce.

On another note, Council has worked with CSIRO and the University of South Australia to sponsor a Research Program Manager to coordinate water quality research projects aimed at reducing costs for the local industry.

## Have a thriving business sector that supports community wellbeing, is globally oriented & creates job opportunities

City of Salisbury strongly supports the developments of a creative entrepreneurial and business community. In 2019/20, the #ShopSalisbury initiative was launched to specifically connect customers with local businesses both through the creation of an online local business listing, as well as promotion via Council's social media platforms including Facebook, LinkedIn, Twitter and Instagram.

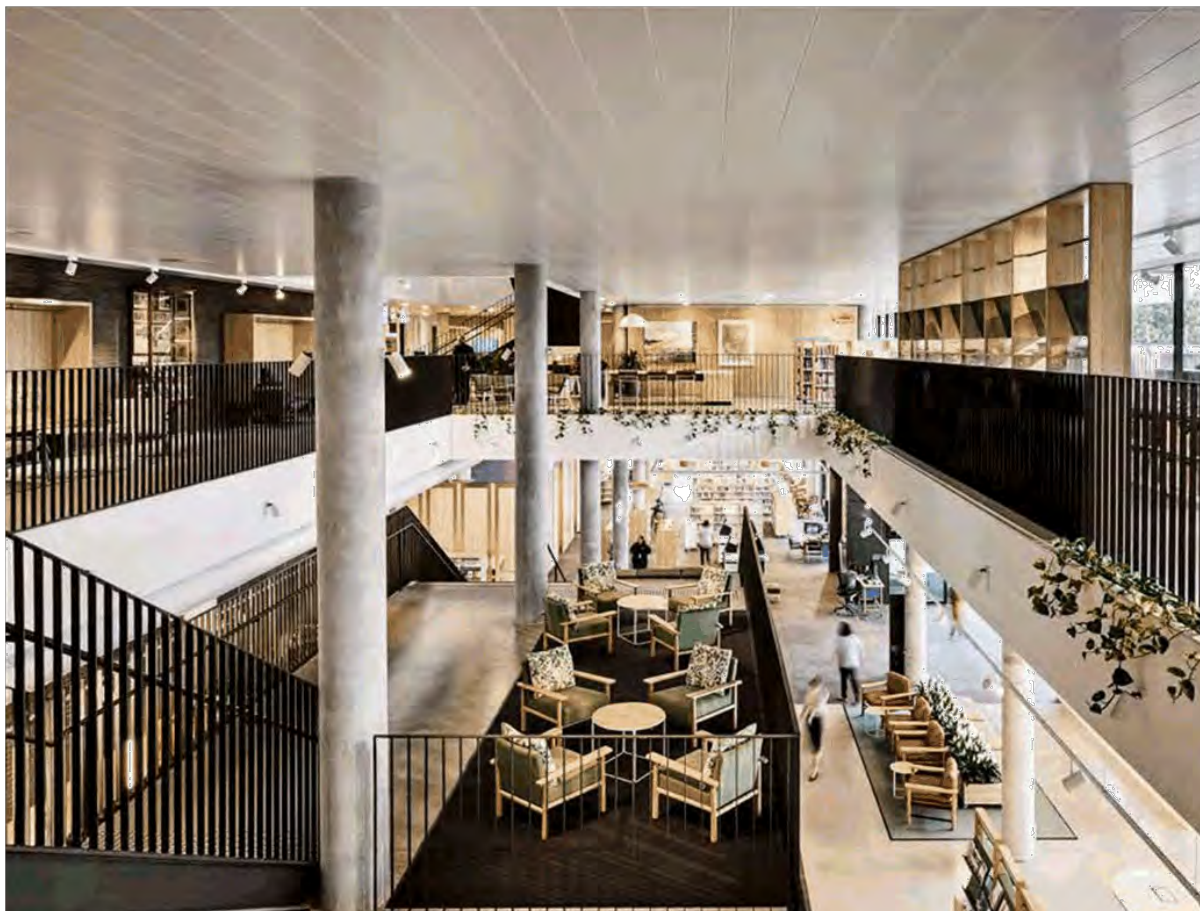
In 2019/20, 174 business intenders and early stage businesses sought advice from Council, while a regular business basics workshop was held for people who are considering starting a business. Council also continued to liaise with Renewal SA and developers in relation to the further development of Technology Park.

The Community Health and Wellbeing division continued to develop the Salisbury Home and Community Services contractor list, which this year increased to about 42 contractors.

Providing support for new and existing businesses remained at the top of Council's agenda in 2019/20, with information and advice offered to 740 individual businesses. Sixty-one networking events and workshops were delivered during this period, with more than 1000 registrations. The onset of COVID-19 resulted in the suspension of face-to-face networking, however an increased number of workshops were delivered through video conferencing and other virtual platforms from March onwards. The Polaris Business and Innovation Centre recorded a 98 per cent client satisfaction rate during this time.

Accessing new markets is a central component of Council's business services program, whether those markets are local, interstate or overseas based. Various workshops and mentoring programs were conducted with firms in an aim to identify new opportunities, including emerging market opportunities in the environment post COVID-19 onset. A total of 119 firms sought advice regarding digital technologies in 2019/20, sparking the introduction of a new digital coaching group program.

Council also continued to provide a range of statutory services to the community in relation to development approvals. In 2019/20, 2026 development applications were submitted and the total value of approved development was \$208 million.



## Have well planned urban growth that stimulates investment and facilitates greater housing and employment choice

A key element within Council's vision for the City of Salisbury is the regeneration of the Salisbury City Centre into a vibrant, diverse and successful destination. Since it opened late last year, the Salisbury Community Hub has quickly become the social heart of the community, with more than 150,000 people visiting this building.

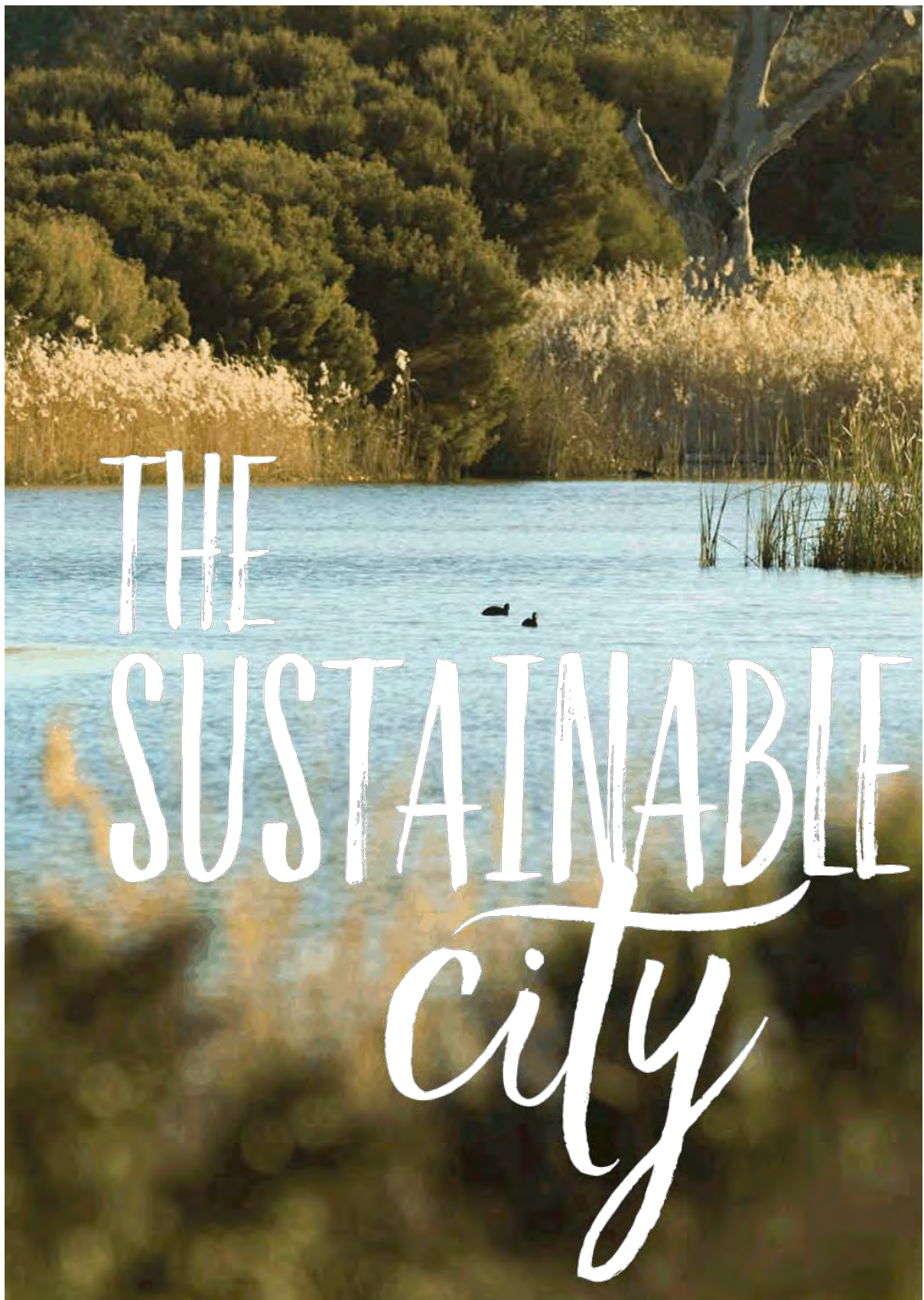
The Salisbury Community Hub and its architect, HASSELL, received the esteemed 2020 Jack McConnell Award for Public Architecture as well as an Interior Commendation. This year's South Australian Architecture Awards were heavily centred on projects that have a considerable impact on the communities they serve. In achieving the award, the Hub was recognised as inviting opportunities for community use and having a strong sense of place. This includes by embracing the future with modern design and maintaining connections with our past, such as through the preservation of the cemetery.

As part of the next step for regenerating the City Centre, Council has consulted with the community in regards to John Street/ Church Street upgrade with the civil design to be completed in 2020/21.

Council has included a focus on the Northern region with respect to procurement and partnering with local contractors where possible as part of the ongoing capital works program. Council this year moved to increase the program by about \$20 million over two years in order to generate additional jobs and stimulate investment.

In order to encourage well-designed infill development and unlock new urban development opportunities, Council has monitored the effectiveness of policy to achieve housing options, while feeding this information into forward planning initiatives. During this year, new infill design guidelines were developed and a design review service was established to assist applicants and improve design outcomes.





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By 2030 Salisbury remains internationally recognised for its innovative environmental management in water, energy, waste and biodiversity.

People and businesses have ready access to a range of renewable energy and waste management options. Recycled and waste water management are major contributors to the economic and environmental sustainability of our City.

People choose to live here because Salisbury offers a sustainable lifestyle choice which is adaptive to future changes in climate. They have a sense of ownership and pride in their natural spaces, places and streetscapes.

Jobs are being created in our globally renowned green industries sector.

City Plan 2030

**Capture economic opportunities arising from sustainable management of natural environmental resources, changing climate, emerging policy direction and consumer demands**

The City of Salisbury is committed to implementing practices and initiatives that support the development of an environmentally sustainable city. The City features six Regional Place Spaces, 27 District Play Spaces and 169 Local Play Spaces. The management of trees, parks and wetlands is always at front of mind for Council and the opportunity was taken to enhance and ‘green up’ key spaces with irrigation during shut down periods that resulted from the management of the COVID-19 pandemic from March 2020.

Council also supported businesses to minimise resource usage and waste production. Local businesses were provided with information on minimising resource usage where appropriate, as part of the Polaris Centre’s mentoring programs.

**Have a community that is knowledgeable about our natural environment and embraces a sustainable lifestyle**

City of Salisbury is passionate about reducing cost of living pressures through the adoption of energy efficient technologies. In 2019/20, Salisbury Water supplied 2,339 million litres of recycled water to 1,210 customers. This resulted in overall customer and community savings of \$2.5 million, when compared with mains water pricing.

Salisbury Water also supported Natural Resource Management education in delivering sustainability education programs for schools, as well as conducted two technical tours and three community group tours of the wetlands. Council also promoted self-guided tours of the wetlands trails in partnership with the Watershed Café.

Another focus has been working with our community to reduce levels of waste. Council has implemented strategies to increase the use of recycled materials as part of its capital works program. Council uses 38 per cent recycled materials in capital works projects and is working towards further increasing this percentage with an emphasis in the area of road reseal reconstruction.



## Have natural resources and landscapes that support biodiversity and community wellbeing

Council recognises the importance of managing our natural spaces and landscapes to support the health of local habitats. In 2019/20, Council continued to deliver on the Biodiversity Corridors Management Plan. This included a significant removal of pest species in waterways through Dry Creek, as well as an increase in plantings both in Dry Creek and identified escarpment gullies to boost biodiversity as part of Council's flood mitigation strategies.

Managing coastal environments to protect and develop their future natural, economic and recreational value also remained a priority for Council, which received funding to investigate and determine coastal protection challenges, particularly relating to the retention of the Mangrove and Samphire areas. The ongoing study is due to be finished by mid-2021. Similarly, Council is completing Stage Two of its St Kilda Master Plan which is scheduled to be completed by early 2021. This stage includes the construction of a boat ramp extension and RV park.

The importance of open space on community wellbeing is being recognised through a number of Council initiatives. In 2019/20, Council successfully obtained a grant from Wellbeing SA to implement a community garden and relevant health and wellbeing programs at Para Hills Community Hub. Burton Community Centre is working alongside Bagster Community Centre to establish Partnerships on the North – an extension of our community garden programs which aim to provide food security.

Council also continued to provide activities at its existing community garden at Paralowie, ensuring a focus on community education around sustainable living. Five information sessions were held at the community garden, while sessions moved to an online format in response to the COVID-19 pandemic earlier in 2019. Members from local walking and cycling groups also met regularly to explore local trails. In addition, the Jack Young Centre courtyard was renovated, resulting in increased usage of the outdoor space by senior members.

The provision of quality open space was also prioritised under Council's Place Activation Strategy, which has a focus on community levels of service to ensure wellbeing, as well as emphasising the importance of open space to the local community. The majority of the strategy has been developed and is due to be considered at a Council meeting in 2020/21.



## Have urban and natural spaces that are adaptive to future changes in climate

Council has ensured long-term flexibility in the management of our urban spaces in order to adapt to a changing environment. The Salisbury Community Hub was opened in November 2019, incorporating design principles that promote environmental sustainability, such as LED lighting, solar power, thermal glass and double glazing and the use of recycled stormwater. In early 2020, Council adapted services in response to COVID-19 restrictions to deliver a range of programs online. The library launched its 'Click and Collect' and 'Library to your door' services in order to adapt to the changing environment, to ensure the community still has access to library resources.

Council has also been implementing the Northern Area Climate Adaptation Plan, which has included a review of species of tree and biodiverse plant species to ensure further climate resilience.

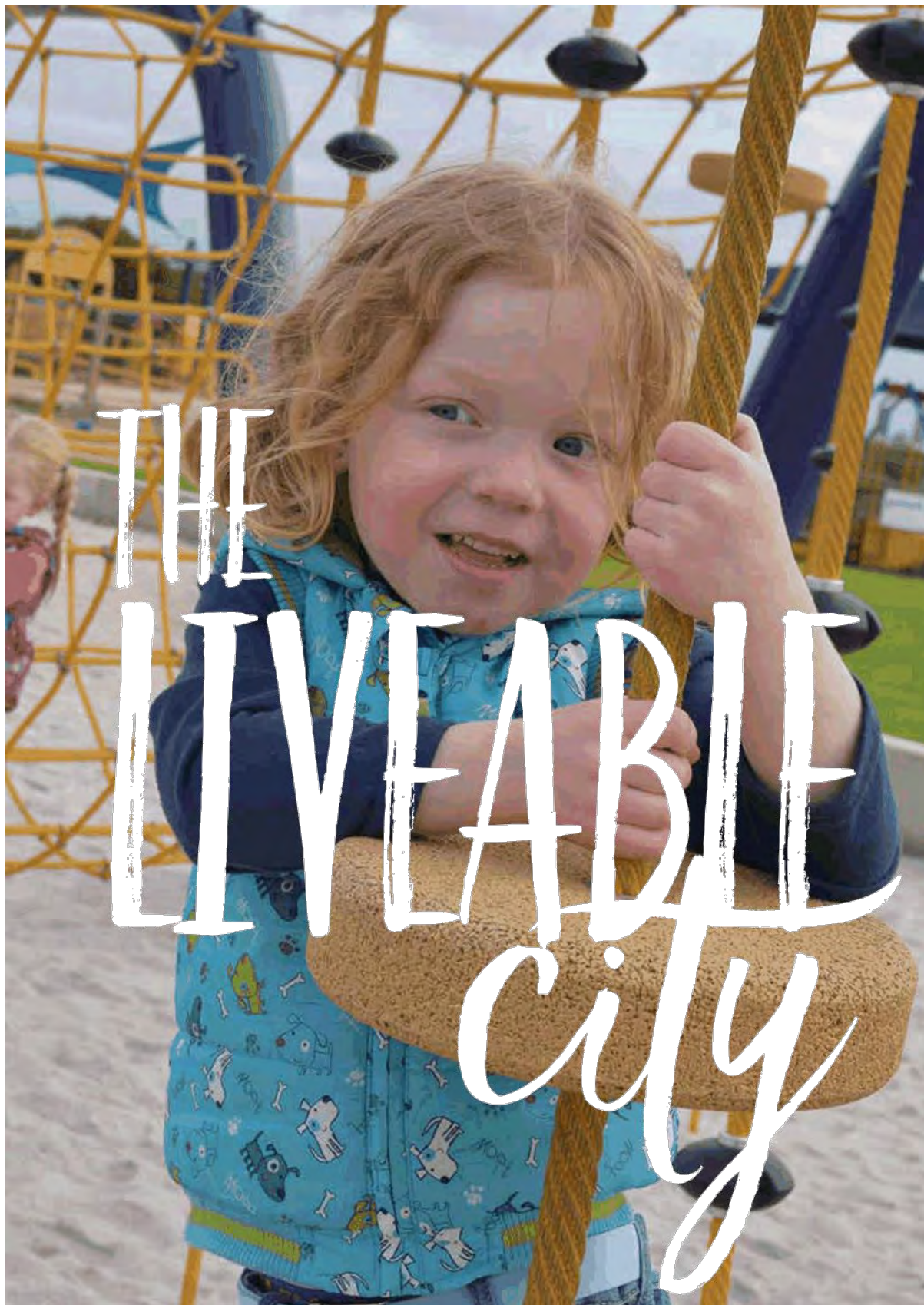
Proactively managing stormwater to reduce its impact on communities and the natural environment has also been front of mind. Council has reduced stormwater runoff and urban pollutant loads to the Barker Inlet by harvesting, cleansing and storing 2,392 million litres of stormwater. This process has included the removal of litter and sediment that would otherwise have polluted the marine environment.

Council's ongoing Stormwater Management Plans (SMPs) are focused on the ability to reduce flooding and improve water quality in major waterways across the city. In partnership with the City of Playford, Council has completed an SMP for the Greater Edinburgh Parks, which includes the Helps Road and St Kilda systems.

The Major Flood Mitigation Strategy Program allowed for the completion of four major projects and 20 minor projects in 2019/20. This resulted in significantly reducing the risk of about 30 to 40 properties being flooded during a once-in-100-year storm event.

Council also continues to deliver the Street Tree Renewal Program, which manages the Council's Urban Forest in a sustainable way.





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By 2030 Salisbury is known for being a vibrant, welcoming City that embraces diversity. All people have an opportunity to shape community life whether they are young or old, newly arrived or long term residents. There is a strong sense of optimism and pride, people embrace change and pursue healthy lifestyles.

Salisbury is a destination of choice to live, work, study and play. People can move easily around the City to enjoy our many interesting places, spaces and experiences. Our people embrace lifelong learning, are able to access employment and participate in community life.

Our city is recognised for having a technologically advanced, innovative and connected community, with diverse housing, cultural and recreational choices. We are a place where people aspire to live.

City Plan 2030

## Be an adaptive community that embraces change and opportunities

City of Salisbury is committed to connecting members of our community with information, people and programs that support them to achieve their goals. We strive to offer programs that provide lifelong learning and social engagement opportunities for people from all backgrounds and of all ages. In doing so, Council recognises the importance of identifying and breaking down any barriers that may prevent people from accessing these programs.

As a result, a multi-faceted approach is taken in promoting events and programs to ensure we reach as many community members as possible, utilising Council's digital platforms including social media pages and websites, through to brochures and inclusion in Council's relevant publications such as its Salisbury Aware community magazine.

In 2019/20, the readiness of Council to adapt to meet the community's needs perhaps proved more vital than ever with the onset of the COVID-19 pandemic. The restrictions stemming from COVID-19 meant many of the programs and services offered by City of Salisbury could no longer be delivered in their traditional formats. As a result, Council quickly adapted to ensure the continuity of service delivery with a range of programs instead delivered online and via other alternative formats.

When COVID-19 restricted our libraries between 24 March and 15 May 2020, services were adapted to provide the community with the option to access materials via a

'Click and Collect' format. For community members who were unable to leave the house, a home delivery and collection service was provided. A number of learning programs were transferred online with more than 2,500 people getting involved. Overall in 2019/20, there were 481,047 library loans provided through City of Salisbury libraries, with more than 500,000 visits during the year. There were more than 20,000 attendees of library programs and our volunteer Justices of the Peace were visited more than 21,000 times.

An e-sports tournament league was also established in conjunction with Twelve25 youth centre and the Northern Adelaide Secondary College, while we continued to explore other new learning opportunities through digital technologies such as virtual and augmented reality. Our leadership in STEM-based activities that build employment skills also shone through in the delivery of digital programs with a strong focus on electronics, game development, robotics, Minecraft and virtual worlds, engineering and creative technologies. A Twelve25 Employment Forum series was meanwhile delivered in partnership with local high schools and has successfully transitioned to an online model with Facebook and webinar delivery.

City of Salisbury also continued to maintain a strong commitment to delivering intercultural, age and disability programs, with a large number of people engaging in regular workshops and information sessions, with a number of these again provided through online platforms. Our teams and volunteers also checked on vulnerable community members during COVID-19 restrictions, and provided at-home offline alternatives to keep them engaged in activities.

## Have interesting places where people want to be

City of Salisbury aims to enhance our neighbourhoods, streets and public spaces so they are as welcoming and connected as possible. For example in 2019/20, Council engaged with the community on its draft Church Street and John Street Improvement Plan, which aims to provide direction for the physical enhancement of the Salisbury City Centre and forms part of Council's City Pride Agenda.

Council also continued to maintain design, development and delivery of high quality housing and improved amenity facilities through our strategic property development projects. Our projects were recognised on a national level in 2018/19, winning the best affordable housing development in Australia for Jewel Living at Boardwalk in Paralowie, in partnership with Rivergum Homes.

A Community Safety Strategy and Place Activation Strategy have been developed to assist in informing the future development of public spaces and neighbourhoods so that they are welcoming and well-connected. The Place Activation Strategy aims to enhance the key destinations across the City. Council also continues to work with the Asset Management Sub-Committee to develop community-based levels of service, including maintenance regimes for the City's assets.

Providing experiences that make our places more lively and interesting is a core goal for Council, with highlights in 2019/20 including the Salisbury Community Hub activation program. The program – which ran between January and March ahead of the onset of COVID-19 – ensured a range of learning and engagement opportunities were available to suit community members of all backgrounds and ages. The Growing for Gold

program celebrated 20 years in October 2019, with about 40 local clubs this year opening their doors for children to participate in free sporting and recreational opportunities. The Salisbury Community Hub opening weekend and Salisbury Secret Garden Fringe program also attracted thousands of people to the City Centre.

While the onset of COVID-19 meant Council was not necessarily able to bring the community to its venues from March 2020 onwards, staff embraced technologies and used lateral thinking to adapt the way we deliver programs, with many users choosing to participate through virtual and other offline methods.

The ability to activate our spaces is dependent on providing well-maintained, clean and attractive places and facilities. Council provides a corporate signage scheme across the City to assist the community in navigating spaces while promoting local businesses.

Council also completed the audit of high risk buildings with aluminium composite panelling, including working with building owners to upgrade and undertake corrective works where required.

Council has implemented the second stage of the Asset Management Improvement Project, which further builds on the deployment of mobile technology to our field teams. This allows for the improved management of works, including proactive maintenance regimes that are routine or cyclic, with an increased level of data on record.

A review of Verge Maintenance Services was undertaken with a trial of revised service offerings being undertaken in 2020 to improve the attractiveness of streetscape environments. A new mid-sized sweeper was purchased and commissioned to improve the cleaning of roads and streets with tight access such as cul-de-sacs, car parks and around traffic calming devices.



## Be a connected city where all people have opportunities to participate

In 2019/20, Council continued to promote and develop opportunities for volunteering to build skills, employability and business sustainability. Staff utilised a range of mediums to attract volunteers and offer volunteer training opportunities.

Throughout the year, 512 enquiries were received from people interested in volunteering with 111 new volunteers engaged. During 2019/20, 573 active volunteers gave a total of 54,614 hours equating to an economic value to the City of Salisbury of nearly \$2.4 million.

Twelve25 also introduced a tailored annual volunteer assessment and goal setting to ensure volunteers are meeting their needs.

Council encouraged people to get involved with wellbeing opportunities such as with a community garden at Para Hills Community Hub which is currently underway. The garden has a focus on providing programs and activities that support health and nutrition, physical fitness and creating your own garden at home.

In 2019/20, Council continued to support social and recreational programs for older people, Culturally and Linguistically Diverse (CaLD) people and those with disabilities. It also supported people to live independently through service delivery and to stay connected through our transport program.

A range of programs and services have been delivered by or facilitated through the City of Salisbury including recreation services, sport and recreation participation programs and come and try opportunities.

Council also drove a high quality consultation process for capital projects in the City. Residents are able to get involved in the initial stages of development when concepts are still being formed. This allows for an education of what the Council is developing but also engagement to seek ideas from the community, particularly in the areas of traffic and play space development.

## Be a proud, accessible and welcoming community

Council has worked to develop a community where people's culture, ideas and capacity to achieve is supported. This year Council continued to provide opportunities for community members to be involved in decision making and to have a voice in regards to creation of strategies, programs and services. For example, a new Abilities and Inclusion Strategic Plan was developed in partnership with the community with surveys conducted and feedback incorporated into the Plan.

The Salisbury Senior Alliance held quarterly meetings, the Disability Access and Inclusion Network met six times throughout the year and the Intercultural Community and Strategic Alliances met bimonthly. Inclusive recreation and sport forums were also delivered, with recognition of volunteers through the Northern Sport and Recreation network.

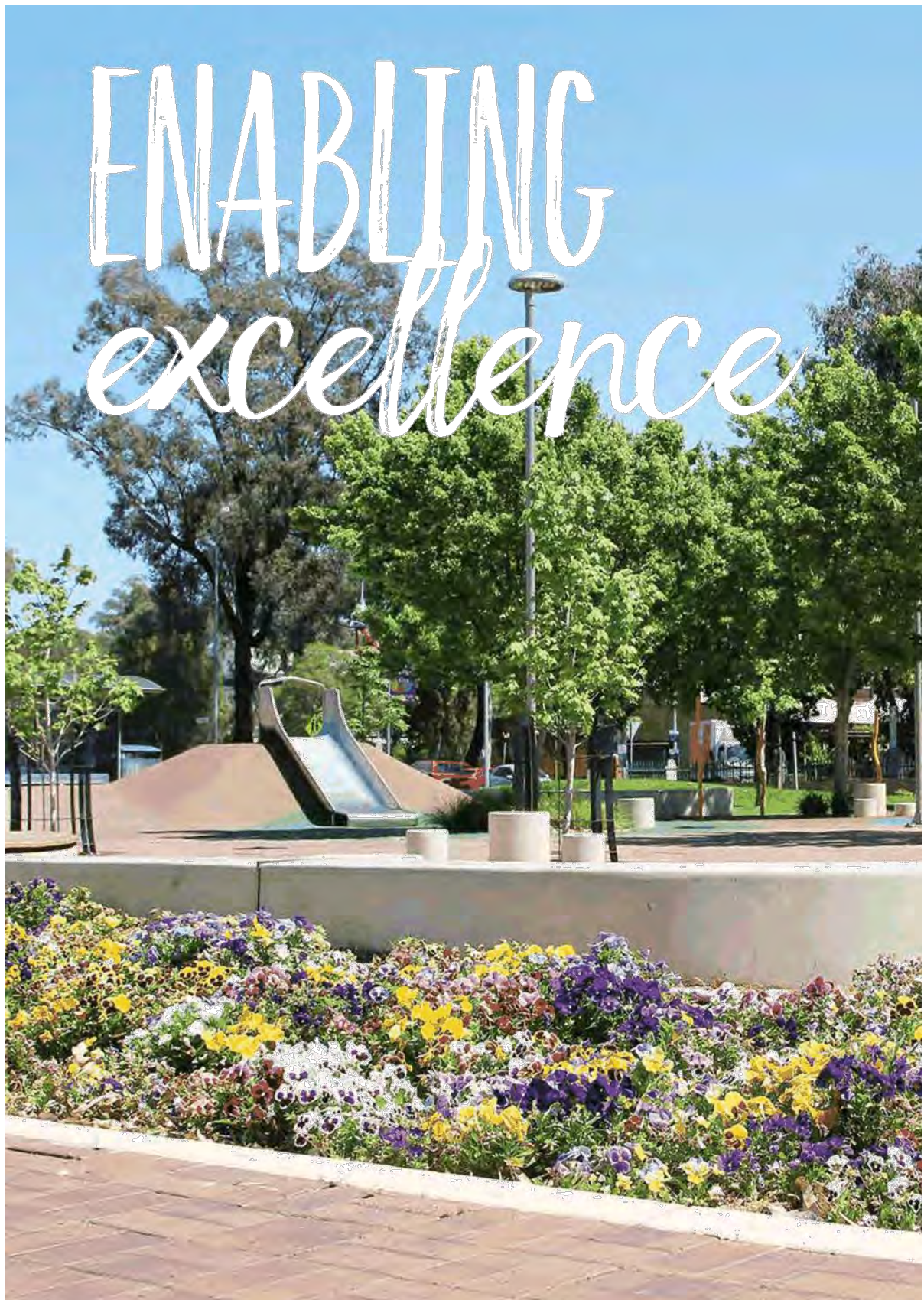
City of Salisbury also remained engaged with the Assistance to Care and Housing Program (ACHA), ensuring knowledge of seniors housing needs is shared across the Council and beyond.

The Strategy to Safeguard the Rights of Older South Australians was supported through the dissemination of information and participation in World Elder Abuse Awareness Day (WEAAD), with Council taking part in 'yarn bombing' the Salisbury Civic Plaza/ Inparinthe Kumangka with purple pom-poms and other small items to show community support.

Council built on the community's strong sense of spirit and purpose with the introduction of social media videos of Mayor Gillian Aldridge OAM which focused on key issues or projects. These videos were informative and resonated with our community. We also produced three issues of the Salisbury Aware community magazine across the year, which served to highlight and celebrate our community's achievements.

The welcoming status of our community has been reinforced through safety improvements, such as increasing public lighting in key locations through the newly-endorsed Public Lighting Program. Council also continues to monitor traffic behaviour through its traffic count program of more than 2000 sites which will be used to inform improvements in street safety.





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By 2030 the City of Salisbury will excel in our provision of services to our community. The community and the people who work for and with the City of Salisbury value highly the Council and the role it plays.

We work closely with our community to anticipate and understand future needs and respond to immediate issues earning their respect and acknowledgment. Our customer service offers choice to people and businesses, and we deliver in ways that people prefer. We are proactive in developing strong relationships that make our City a better place.

We are a partner of choice because we can be relied upon to deliver outstanding results thanks to the knowledge of our people and supportive processes. People want to work for us because we make a difference in our community. Our processes enable us to work seamlessly across Council, embrace the use of technology and share information. We have a positive attitude.

City Plan 2030

### Strengthen partnerships that enable us to better address our community's priorities

City of Salisbury is committed to working with its neighbouring councils to address issues of regional importance. In 2019/20, this was exemplified through the delivery of Council's business advisory services into Tea Tree Gully Council area, with Council assisting business owners within Tea Tree Gully on 465 occasions.

Council also worked in partnership with the City of Tea Tree Gully to undertake a project plan for the proposed development of a shared animal pound at Research Road, Pooraka. Both councils are developing the joint project in order to provide a safe, secure and hygienic environment where pets are detained whilst they await collection by their owners or transfer to an approved shelter and/or other responsible person or agency.

The Greater Edinburgh Parks Stormwater Management Plans were completed by Council in conjunction with the City of Playford this year, with consultation to commence later in 2020.

Northern Region councils and associated bodies also came together to work on a number of projects including a digital agenda and launched a grant-funded project addressing gender inequality as a driver of family violence and to present a forum focusing on the needs of youth.

Working with State and Federal governments to influence decisions is an important role of Council, with staff this year contributing on advisory committees for legislative changes to the state government's planning system via the Building Advisory Committee and Local Government Advisory Committee. Council made a formal submission on planning reforms including the draft Planning and Design Code.

Council continued to build partnerships with governments and non-for-profit organisations to deliver our intercultural, community health and wellbeing services. This includes via regularly liaising with agencies such as the Commonwealth Home Support Program office, National Disability Insurance Agency, Council of the Ageing, Age and Community Services Australia, Multicultural Aged Care, the Department of Premier and Cabinet, the Department of Home Affairs and the Migrant Resource Centre, among others.

Senior members of Council's Infrastructure Management division represent Council on various organisations and committees sponsored by state and federal bodies, including Play Australia, Australian Standards for Public Lighting, Biodiversity and Special Local Roads Funding and the 30 Year State Infrastructure Strategy.

Developing stronger partnerships with business and industry is essential in order to address the challenges facing our region. In 2019/20, Council engaged with 153 businesses in its ongoing liaison efforts, while two CEO Industry Roundtables were held with a focus on health and community services and future economic opportunities.



A proposed joint project between Council and the Polaris Centre was submitted to the National Careers Institute Grants Program, focussing on linking industry, schools and community to employment and career pathways.

The collaboration with our community on the effectiveness of services is paramount, with Council ensuring participant evaluations are completed for every facilitated program and that the feedback received is incorporated into a continuous improvement cycle across all learning programs.

Community members were also encouraged to take part in a number of decision-making processes, with opportunities including:

- The Aged Friendly Alliance committee met regularly and provided advice regarding the implementation of the Age Friendly Salisbury Strategy
- The Intercultural Strategic Alliance met bi-monthly and provided advice on the implementation of the Intercultural Strategy. The Intercultural Community Alliance also met regularly to provide advice from a community point of view
- The Community Ambassadors group met bi-monthly
- The JYC Advisory Group met monthly and consists of consumer representatives from across three seniors centres
- JYC group leaders also met bi-monthly to provide input into JYC services.

In 2019/20, the introduction of the Asset Management Sub-Committee has enabled a direct engagement with Council regarding the provision and levels of services from an inclusive perspective. This has had a direct positive influence on the suitability of the services provided to the community.

The community was kept up-to-date with vital information distributed via the Salisbury Aware magazine. The magazine was distributed in August, December and April to more than 55,000 residential addresses per edition.

Digital communication also proved a particularly important tool for distributing timely information to the community, particularly with the onset of COVID-19 when the environment was evolving rapidly. As at June 2019:

- City of Salisbury Facebook page had 10,824 followers (increase of 17.7% on 2019)
- Discover Salisbury had 7,663 followers (increase of 3.7% on 2019)
- St Kilda Adventure Playground had 19,141 (increase of 2.8 % on 2019)
- Salisbury Library Service had 2350 followers (increase of 3.2% on 2019)
- Youth in Salisbury had 3,071 followers (increase of 1.5% on 2019)
- The Polaris Centre had 1209 followers (increase of 19.5% on 2019) and
- The City of Salisbury website achieved 875,816 unique page views with a decrease of 20.3% on 2019.



## Develop strong capability and commitment to continually improve Council's performance

Building strong leadership capabilities within Council and across the wider community is important to enable continued improvement. Leadership and learning opportunities were further encouraged in 2019/20, resulting in:

- Five administration trainees and seven trainees in field-based roles completing traineeships with City of Salisbury
- Six staff participating in the Local Government Professionals Australasian Management Challenge
- Nine staff benefiting from study support
- Two staff participating in the Local Government Professionals Emerging Leaders Program
- Staff participating in the White Ribbon Australia Accreditation Program.

Learning and innovation continues to transform the way Council operates and plans for the future. A major change program was successfully implemented with the relocation of staff into the Salisbury Community Hub. Employees have embraced mobile technology, flexible ways of working, significant archiving of historical information, reduced storage capacity and achieved significant savings in printing.

An integrated customer service model, including library staff and customer service staff, was also successfully implemented at the Hub. Council's focus on customer-centric service delivery was also enhanced in 2019/20 by:

- Upgrading Council's e-Services portal to enable customers to log service requests from any device at any time
- Implementing a 10-day service standard for all CRM requests with an aim to complete requests or contact customers within 10 business days
- Introducing a webchat service as an alternate contact point for community members. In 2019/20 Council received 2,456 chats with a satisfaction rate of 92 per cent

Meanwhile Council's technology division held 150 meetings with senior leadership managers through the year in order to understand how improvements in technology can help them to better service the community. A new e-learning induction module for workers was developed and an annual code of conduct awareness refresher was delivered.

A number of training programs were held in 2019/20 in order to develop a flexible, capable and engaged workforce, including:

- Family and Domestic Violence in the Workplace
- Wellbeing
- Customer Experience
- Collaborate Tools Training (MS Teams)
- Venomous Animals Awareness
- Animal Management
- Incident Investigation
- Work zone Traffic Management
- First Aid and CPR
- Chief and Emergency Warden
- Conflict Management and
- Other compliance topics.

In order to develop a shared focus on accountability and performance, the vertically integrated business partner structure was developed to provide a single point of contact for key stakeholders engaging within Council's procurement process. This is aimed at providing a better understanding and knowledge of stakeholder needs resulting in an enhanced service delivery outcome.

The onset of COVID-19 provided Council with an opportunity to introduce flexible working arrangements for staff and update our information technology to ensure staff members were equipped to do their jobs from home. All staff remained working to provide services to the community during COVID-19. Council also relocated its payroll system to the cloud, to allow staff to access and change their personal details, claim reimbursements and book training from personal devices.

Providing a safe work environment is essential with Work

Health and Safety (WHS) activities this year resulting in:

- Four WHS procedures and two WHS policies reviewed and updated
- Corporate WHS targets and performance indicators revised
- Updated Terms of Reference for WHS committees
- Hazard mapping across five divisions, with development of accompanying Safe Work Method Statements/ Work Instructions
- Implementation audits completed for two WHS procedures
- Plant risk assessments reviewed and updated for all heavy vehicles, load shifting and earth moving plant
- Confined spaces register reviewed and updated
- Risk assessments completed and controls implemented specific to COVID-19
- Site emergency plans developed and tested for the Salisbury Community Hub
- Work from home safety checklists completed for all affected staff and a re-induction completed for all staff upon returning to the workplace
- Revision of WHS training needs analysis completed for all divisional teams.



## Have robust processes that support consistent service delivery and informed decision making

In 2019/20 City of Salisbury maintained and managed capacity to hold Council, Committee and Sub Committee meetings onsite while enabling the public to attend in person to observe proceedings. We also strived to provide accurate and timely information to Elected Members, especially in relation to Council's evolving response to the COVID-19 pandemic.

Special meetings of Council were convened to enable time-critical decisions to be made as required for Council to formally adopt its response to COVID-19 and to make appropriate delegations to administration for implementation.

The City of Salisbury Continuous Improvement Specialist sat as chair of the Local Government Professionals Continuous Improvement Network Committee, which includes members from a number of metropolitan and regional local government organisations. This informed the establishment of an organisation-wide process for capturing all continuous improvement initiatives, which are summarised in a report issued to Council's executive on a quarterly basis.

Some of the additional measures that highlight continued learning and innovation to improve Council services include:

- Streamlining procurement processes through the introduction of a standardised six-stage process
- Implementing electronic bill management for Salisbury Water customers
- Preparing for the transition to the new state e-planning system
- Undertaking accreditation in the Australian Service Excellence Standards (ASES) at Morella and Pooraka Farm Community Centres
- Transitioning business advisory sessions and workshops to an online environment in response to COVID-19, equalling 37 workshops delivered via Zoom over a three-month period
- Designing and implementing a high-speed free Wi-Fi solution for patrons of the Salisbury Community Hub
- Relocating social support programs to online platforms following the onset of COVID-19 to ensure community members remained connected and

- Completing parking technology trials to evaluate license plate recognition and parking sensors. The trials will assist in Council's bid to improve the way data is used in relation to parking compliance and improve parking usage and turnover.

In order to ensure Council decision making was well informed, transparent, inclusive and compliant, the following audits were undertaken:

- Asset Management
- Contract Management
- Food Safety and
- Financial Sustainability.

Risk management training was delivered to Elected Members and a joint Council and Audit Committee Strategic Risk Register workshop was also undertaken.

## Embed long term thinking, planning and innovation across the organisation

In 2019/20, Council continued to ensure long term sustainability through good financial practices, sound business planning and asset management. A building certification service was provided to private clients in order to support Council's capacity to offer building control services to the community while providing an alternative income.

Council continued monitoring Commonwealth Home Support Programme (CHSP) reforms and the development of the Home and Community Services business model framework.

A new City Plan was endorsed with increased focus on critical actions and corporate indicators. Significant revision of the Media Policy and Code of Conduct procedure also took place, in line with Council's internal process for review of policies.

The continued effort to promote Salisbury as an Age Friendly City continued to develop, as did the Intercultural Strategic Plan in consultation with community stakeholders. Opportunities for residents to provide feedback in varying formats continued to be regular and encouraged. All regular services were also proactively reviewed with consumers, while volunteers had regular opportunities to provide feedback.



KEY  
performance  
indicators

## KEY DIRECTION 1:

## THE PROSPEROUS CITY

OBJECTIVES			
Have a community with the skills, knowledge and agility to participate in a rapidly changing economy	Be the place of choice for businesses to invest and grow in South Australia, nationally and internationally	Have a thriving business sector that supports community wellbeing, is globally oriented & creates job opportunities	Have well planned urban growth that stimulates investment and facilitates greater housing and employment choice
INDICATORS			
Size of workforce and participation rate	Gross Regional Product	Number of actively trading businesses	Value of residential and commercial construction
EXPLANATION OF INDICATORS			
Workforce as outlined in the Department of Employment, Small Area Labour Markets, March Quarter Participation rate as recorded by the Torrens University Public Health Information Development Unit	Source: The National Institute of Economic and Industry Research	Source: Australian Bureau of Statistics, Counts of Australian Businesses, including Entries and Exits, 2015 to 2017	Approved by the City of Salisbury in the 2018/19 Financial Year
RESULT			
Workforce: 71,170 Participation rate: 62.5%	\$6.49 billion	7,234 firms	\$179 million

KEY DIRECTION 2:

# THE SUSTAINABLE CITY

OBJECTIVES			
Capture economic opportunities arising from sustainable management of natural environmental resources, changing climate, emerging policy direction and consumer demands	Have a community that is knowledgeable about our natural environment and embraces a sustainable lifestyle	Have natural resources and landscapes that support biodiversity and community wellbeing	Have urban and natural spaces that are adaptive to future changes in climate
INDICATORS			
Volume of stormwater captured	Percentage of waste diverted from landfill	Community perceptions of open space.	Percentage of Council area with tree canopy cover
EXPLANATION OF INDICATORS			
Captured 1,291ML (100ML greater than last year YTD)	Based on estimates from 2019/19 NAWMA annual report.	Response out of 10 to statement "I feel that I live in a pleasant environment in terms of planning, open space and lack of pollution" Source: 2016 Community Survey	This objective addresses the State Government's 30 year plan for Greater Adelaide
RESULT			
1,291ML	46.04%	7.3	18%

### KEY DIRECTION 3: THE LIVEABLE CITY

OBJECTIVES			
Be an adaptive community that embraces change and opportunities	Have interesting places where people want to be	Be a connected city where all people have opportunities to participate	Be a proud, accessible and welcoming community
INDICATORS			
Socio-economic Indexes for Areas (SEIFA)	Percentage of residents who have participated in local community activities	Wellbeing	Perceptions of quality of life and perceptions of Salisbury
EXPLANATION OF INDICATORS			
<p>The SEIFA Index of Disadvantage measures the relative level of socio-economic disadvantage based on a range of Census characteristics. It is a good place to start to get a general view of the relative level of disadvantage in one area compared to others and is used to advocate for an area based on its level of disadvantage.</p> <p>A higher score on the index means a lower level of disadvantage. A lower score on the index means a higher level of disadvantage.</p> <p>Source: SEIFA data was last released in the 2016 Census.</p>	<p>Next survey is scheduled for late 2020.</p> <p>City of Salisbury Community Satisfaction Survey 2018:</p> <p>Response to question "How often are you involved in the following community activities?"</p>	<p>Participation in Higher Education</p> <p>Source: Public Health Information Development Unit (PHIDU) based on SA Tertiary Admissions Centre (SATAC) data from 2017</p> <p>Participation in vocational education and training</p> <p>Source: Public Health Information Development Unit (PHIDU) based on National Centre for Vocational Education Research (NCVER) data from 2015</p> <p>City of Salisbury Community Satisfaction Survey 2018:</p> <p>Housing affordability</p> <p>Community Safety</p> <p>Response out of 10 to question "how safe do you feel in the Salisbury Council area" (0 = very unsafe, 10 = very safe)</p> <p>Community Connectedness</p> <p>Response out of 10 to question "I can get help from family, friends &amp; neighbours when I need it" (0= strongly disagree, 10 = strongly agree)</p> <p>Access to Services</p> <p>Response out of 10 to question about "access to information, services &amp; activities that support health and wellbeing" (0= very unsafe, 10 = very safe)</p>	<p>Next survey is scheduled for late 2020.</p> <p>City of Salisbury Community Satisfaction Survey 2018:</p> <p>Response out of 10 to question "I like living in my local community" (0= strongly disagree, 10 = strongly agree)</p> <p>Response out of 10 to statement "Overall satisfaction with quality of life in Salisbury Council area" (0 = extremely dissatisfied, 10 = extremely satisfied)"</p>

See over page for results



KEY DIRECTION 3:

**THE LIVEABLE CITY CONT'D**

RESULT			
In the 2016 Census, the City of Salisbury received a SEIFA score of 917.	<ul style="list-style-type: none"> <li>69% attend community events</li> <li>68% visit Council libraries</li> <li>55% attend organised sport, church or community groups</li> <li>55% attend local recreation centres</li> <li>33% attend community or youth centres</li> <li>43% attend Council events</li> <li>22% visit senior centres</li> </ul>	<ul style="list-style-type: none"> <li>26.3% Participation in higher education</li> <li>23,552 persons Participation in vocational and training</li> <li>7.2 Housing affordability</li> <li>6.2 Community Safety</li> <li>7.2 Community Connectedness</li> <li>6.9 Access to services respectively</li> </ul>	7.4 and 6.9 respectively

KEY DIRECTION 4:

# ENABLING EXCELLENCE

OBJECTIVES			
Strengthen partnerships that enable us to better address our community's priorities	Develop strong capability and commitment to continually improve council's performance	Have robust processes that support consistent service delivery and informed decision making	Embed long term thinking, planning and innovation across the organisation
INDICATORS			
Targeted surveys of our partners	Benchmarking our performance through people, systems and processes	Customer satisfaction survey	Financial sustainability
EXPLANATION OF INDICATORS			
<p>Council was involved in a number of stakeholder partnerships in delivering on this objective in delivering its various services. Council engages with a number of stakeholders to ensure the services are delivered to meet community expectations while also capitalising on opportunities to bring in external funding or expertise to enhance economic and social outcomes. This indicator is intended to reflect the number and outcomes of these partnerships cative. A review of this indicator is occurring as part of the update of the City Plan.</p>	<p>Since 2012, Council has been undertaking a program of reviews of all its functions to ensure the service levels are meeting community needs and being delivered in the most efficient and effective manner as possible. In 2018, Council embarked on a continuous improvement model that builds on the work of the program review undertaken previously.</p>	<p>Next survey is scheduled for late 2020.</p> <p>Since 2001, Council has undertaken bi-annual community perception surveys with the most recent in October 2018. This survey has seen a decrease (6.8 from 7.4 in 2016) in community perception of overall services. A number of strategies and actions have been identified to respond to the decrease in satisfaction.</p>	<p>Operating Surplus (deficit) - The difference between income and expenditure: Council operating with a surplus means that current rate payers are meeting the costs of the services that they are consuming.</p> <p>Net Financial Liabilities Ratio - Indicates the extent that Council can meet its net financial liabilities out of operating revenue: Councils with a falling ratio over time are becoming stronger in their capacity to meet their financial obligations.</p> <p>Asset Sustainability Ratio - Indicates whether capital assets are being renewed or replaced at the same rate as these assets are wearing out.</p> <p>Councils with a high ratio are replacing and renewing capital assets at a rate comparable to depreciation/wear.</p>

See over page for results

KEY DIRECTION 4:

# ENABLING EXCELLENCE CONT'D

RESULT			
<p>Council was involved in a number of stakeholder partnerships in delivering on this Objective. A review of this indicator is occurring as part of the update of the City Plan.</p>	<p>Key achievements this year from the ongoing improvement in our delivery of includes \$1.4M in cost reductions and cost avoidance through our procurement process. This is additional to the \$2.6M of ongoing savings delivered from the Program Review.</p>	<p>6.8</p>	<p>Operating Surplus Ratio (Target 0.5% - 5%) - 9.9% (Adjusted)</p> <p>Net Financial Liabilities Ratio (&lt;40%) - 2.4%</p> <p>Asset Sustainability Ratio (90% - 110%) - 82.2%</p>

# CITY OF SALISBURY *financial statements*

CITY OF SALISBURY  
FINANCIALS TO BE INSERTED HERE



CITY OF SALISBURY ANNUAL REPORT 19/20

# SUBSIDIARY report

## Council Solutions Annual Report 2019/20

Council Solutions is a joint initiative of the Cities of Adelaide, Charles Sturt, Marion, Onkaparinga, Salisbury and Tea Tree Gully (Constituent Councils). Established as a Regional Authority in December 2012 in accordance with the Local Government Act 1999 (SA), its purpose is to optimise the financial sustainability of its constituent councils through the benefits of collaborative strategic procurement and contract negotiation and management. Council Solutions is governed by a Board of Management comprising an independent Chairperson and the Chief Executive Officer of each Constituent Council.

## Northern Adelaide Waste Management Authority Annual Report 2019/20

The Northern Adelaide Waste Management Authority (NAWMA) is a Local Government Regional Subsidiary of the Cities of Salisbury and Playford and the Town of Gawler. It also provides waste management services to client councils including Barossa, Barunga West, Clare/Gilbert Valley, Copper Coast, Goyder Regional, Light Regional, Mallala, Mount Remarkable, Peterborough, Yorke Peninsula and Wakefield Regional

NAWMA coordinates the City of Salisbury's kerbside waste management and hard waste collection. The three-bin collection service incorporates household waste, recyclables and garden/food organics.

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

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

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

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



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

Date: 17 February 2020



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

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

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

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

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

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

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

	Initial Contribution by Owners \$'000	Accumulated Surplus \$'000	Total \$'000
<b>2020</b>			
Opening Balance	143	686	829
Net Surplus for Year	-	(86)	(86)
Distribution of Capital on winding up	(143)	(600)	(743)
Balance at end of period	-	-	-
<b>2019</b>			
Opening Balance	143	313	456
Net Surplus for Year	-	373	373
Balance at end of period	143	686	829

## COUNCIL SOLUTIONS REGIONAL AUTHORITY

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

#### Note 1 - Significant Accounting Policies

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

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

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

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

#### 1 Basis of Preparation

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

#### 2 Income recognition

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

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

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

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

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

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

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

#### 5 Employee Benefits

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



**COUNCIL SOLUTIONS REGIONAL AUTHORITY****Notes to and forming part of the Financial Statements for the year ending 28 February 2020****Note 1 - Significant Accounting Policies, con't****6 GST Implications**

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

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

**7 Comparative Information**

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

**8 Critical Accounting Estimates and Judgements**

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

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

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

**9 Pending Accounting Standards**

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

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

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

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

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

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

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

**Note 2 - INCOME**

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

**Note 3 - EXPENSES**

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



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

**Note 4 - CURRENT ASSETS**

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

**Note 5 - LIABILITIES**

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



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

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

**(a) Reconciliation of Cash**

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

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

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

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



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

**Note 7 - FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

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

2019-20	Weighted Average Interest Rate	Fair Value of Variable Interest Rate Instruments	Fair Value of Fixed Interest rate instruments maturing within One Year \$'000	Fair Value of Fixed Interest rate instruments maturing Due > 1 less 5 Yrs \$'000	Fair Value of Fixed Interest rate instruments maturing Due > 5 Yrs \$'000	Fair Value of Non-Interest Bearing Instruments \$'000
<b>Financial Assets:</b>						
Cash	1.9%	-	-	-	-	-
Receivables	0.0%	-	-	-	-	743
<b>Total Financial Assets</b>		-	-	-	-	743
<b>Financial Liabilities:</b>						
Creditors and Provisions	0.0%	-	-	-	-	743
<b>Total Financial Liabilities</b>		-	-	-	-	743

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

**(b) Credit Risk**

Credit Risk represents the loss that would be recognised if other entities failed to perform as contracted. The Authority's exposure to credit risk is summarised as follows;  
 Receivables - the Authority's maximum exposure is disclosed in the financial statements net of any provision for doubtful debts

**(c) Net Fair Value**

The net fair value of a financial instrument is defined as its value net of all costs to settle the asset and liability. The financial assets and liabilities as stated or referred to in notes (a) and (b) above, are stated at their face value (less provision for doubtful debts if applicable).

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

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

**Note 8 - RELATED PARTY DISCLOSURES**

**KEY MANAGEMENT PERSONNEL**

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

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

The following qualifying related party disclosures have been identified:

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

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

Council Solutions provides procurement services to the above listed entities.



**Council Solutions Regional Authority**  
Certification Of Auditor Independence  
for the period 1 July 2019 to 28 February 2020

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

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

  
**Jeff Tat**  
CHAIR Council Solutions


Date: 17 February 2020

  
**Tanya Johnston**  
Presiding Member of Audit Committee

Date: 06 FEB 2020

  
**Kirk Richardson**  
ACTING CHIEF EXECUTIVE OFFICER  
City of Onkaparinga

Date: 28/01/2020

  
**Mark Goldstone**  
CHIEF EXECUTIVE OFFICER  
Adelaide City Council

Date: 29/1/2020

  
**Paul Sutton**  
CHIEF EXECUTIVE OFFICER  
City of Charles Sturt

Date: 24/01/2020

  
**Adrian Skull**  
CHIEF EXECUTIVE OFFICER  
City of Marion

Date: 24 January 2020

  
**John Harry**  
CHIEF EXECUTIVE OFFICER  
City of Salisbury

Date: 3/4 2020

  
**John Moyle**  
CHIEF EXECUTIVE OFFICER  
Tea Tree Gully Council

Date: 24<sup>th</sup> January 2020

Ian G McDonald FCA



**Council Solutions Regional Authority**

**ANNUAL FINANCIAL STATEMENTS**  
For the period 1/7/2019 to 28/2/2019

**STATEMENT BY AUDITOR**

We confirm that, for the audit of the financial statements of the Council Solutions Regional Authority for the period ended 28 February 2020, we have maintained our independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

A handwritten signature in black ink that reads "Ian G McDonald".

**Ian G McDonald FCA**

Dated this 4th day of February 2020

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[www.creativeauditing.com.au](http://www.creativeauditing.com.au)

Ian 0419 620 906  
[ianmcdonald@creativeauditing.org](mailto:ianmcdonald@creativeauditing.org)

PO Box 75, Henley Beach SA 5022  
ABN 13 550 494 869

Nancy 0408 832 848  
[nancytran@creativeauditing.org](mailto:nancytran@creativeauditing.org)

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## Ian G McDonald FCA



### Council Solutions Regional Authority Independent Auditor's Report

We have audited the attached financial statements, being a general purpose financial report, of Council Solutions Regional Authority for the period 1/7/2019 to 28/2/2020.

#### Opinion

In our opinion, the financial statements of the Authority are properly drawn up:

- a) to present fairly the financial position of the Authority as at the 28 February 2020 and the results of its operations for the period then ended, and;
- b) according to Australian Accounting Standards.

#### Basis for Opinion

For the audit of the Authority we have maintained our independence in accordance with the relevant ethical requirements of APES 110 Section 290. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information – Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist the authority to meet the requirements of Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011). As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members.

#### Responsibilities of Management for the Financial Report

The Board of Management is responsible for the preparation of the financial report in accordance with Local Government Act 1999 together with the Local Government (Financial Management Regulations 2011) and for such internal control as management determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

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

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

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

Ian G McDonald FCA  
Registered Company Auditor

Dated at Grange this 18<sup>th</sup> day of February 2020

[www.creativeauditing.com.au](http://www.creativeauditing.com.au)

Ian 0419 620 906  
[ianmcdonald@creativeauditing.org](mailto:ianmcdonald@creativeauditing.org)

PO Box 75, Henley Beach SA 5022  
ABN 13 550 494 869

Nancy 0408 832 848  
[nancytran@creativeauditing.org](mailto:nancytran@creativeauditing.org)



Item 4.2.4 - Attachment 1 - Draft Annual Report 2019/2020

**NAWMA's Uleybury Balefill and Renewable Energy Park is the first combined solar - landfill gas farm of its type in Australia and continues to generate power using over 11,000 solar panels and gas extracted from 18 vertical wells.**





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## Our Mission & Objectives



### About NAWMA

We provide local waste management and resource recovery services and infrastructure of global significance. We do this on behalf of our Constituent Councils: City of Salisbury, City of Playford and Town of Gawler.

### Mission

To deliver world-class recycling and waste management services to our Constituent Councils.

### Objectives

#### Objective 1: Achieve best practice in diversion of waste from landfill

Performance indicators:

- All Constituent Council households to have access to a three-bin system by 2020 (deferred until 2021/2022)
- Increase kerbside diversion from 45% to 70% by 2023
- Reduce the contamination rate of the kerbside recycling bin to less than 10% by 2023

#### Objective 2: Advocate and facilitate a circular economy

Performance indicators:

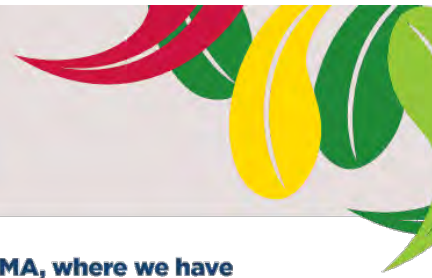
- Recycle 100% of yellow bin (household) recovered material in Australia by 2020, and only access international markets where domestic markets are not available or commercially viable)
- Engage with Constituent Councils to encourage the purchasing back of half (by weight) of their kerbside recovered recyclables in the form of sustainable procurement by 2023

#### Objective 3: Maintain cost-effectiveness in service delivery

Performance indicators:

- Efficiently manage the life of the Uleybury Landfill, while investigating landfill alternative technologies in readiness for post-closure

## Report from the Independent Chairman



**2019-2020 has been a year of consolidation for NAWMA, where we have continued to deliver a high level of services to our Constituent Councils and residents, while navigating the most volatile recycling market since the inception of kerbside recycling.**

Without a doubt it has been NAWMA's most challenging year in which we have had no control over recycled commodity prices. FY20 saw periods of the lowest return for these commodities since the inception of kerbside recycling, exceeding both the global financial crisis and China SWORD (restrictions on importation of recyclable material).

Notwithstanding, where others interstate and overseas have failed, NAWMA has continued to operate a best practice Material Recovery Facility

controllable costs, generating greater revenues and working on new recycling initiatives, NAWMA posted a \$1.3M operating deficit for the financial year. Had NAWMA not acted with urgency and prudence, the operating result could have been much worse.

Testament to the leadership of the NAWMA Board and Constituent Councils, and with the support of Green Industries South Australia, NAWMA continued to invest and future proof the MRF. Three (3) projects were delivered in the financial year,



*NAWMA's Chair Brian Cunningham and Chief Operations Officer Danial Dunn take Federal Assistant Minister for Waste Reduction and Environmental Management the Hon Trevor Evans MP through a tour of the Material Recovery Facility.*

(MRF; recycling plant) and in FY20, proudly ensured that every single tonne of yellow top bin recyclables were marketed into domestic (Australian) and valid global recycling reprocessors.

The recycling market volatility has however impacted on NAWMA's 2019-2020 financial result. At the mid-year point, NAWMA's Administration under the guidance of the Board, commenced austerity and revenue boosting measures that assisted in balancing the low commodity returns. Despite reducing

on time and on budget. A MRF shed footprint extension accommodated Australia's first artificially trained robotic mixed recycling sorting machine, and South Australia's only glass recovery plant. These initiatives will deliver a return on investment within 2-3 years by sorting more and higher quality recyclables and minimising any material loss through the plant. We very much look forward to a time when restrictions are lifted, and we can show our community through this world class facility.

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY **ANNUAL REPORT 2019-2020**

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## Report from the **Independent Chairman**



NAWMA's best practice Material Recovery Facility (MRF; recycling plant).

In terms of governance, the NAWMA Board and Audit Committee functioned well during the turbulent year and continued to provide a steady hand. Not satisfied with business as usual, and with a strong focus on the future, the Board established NAWMA's first special purpose vehicle (SPV; project advisory group) to investigate future options available for red-lid bin waste.

The SPV terms of reference are unambiguous; to accelerate thinking and develop options for when the Uleybury Balefill Renewable Energy Facility is closed in circa 2025-2027. The SPV is comprised of NAWMA Board representatives, Constituent Council Executive, and highly skilled independent parties that specialise in procurement, probity, social licencing and community consultation, and circular economy.

I chair the SPV and our Chief Executive Adam Faulkner is the dynamic and extremely competent driver of this initiative. We are all very proud of what has been achieved in a short timeframe and we will have more to say on this matter in the coming year(s).

Reputationally, NAWMA remains as one of Australia's leading waste management and resource recovery organisations and we continue to drive thought leadership in our field. We have the opportunity and the will to work with our Councils in stimulating economic and environmental activity in the Northern Region of Adelaide. This is widely recognised and amongst the many political, industry, international, and community visitors to our sites in 2019-2020, the visitation of Federal Assistant Minister Trevor Evans was a highlight.

Assistant Minister Evans showed a great deal of interest in NAWMA, and this interest was translated

into Commonwealth Policy as the National Waste Policy and recycling export bans were crafted.

We continue to be in dialogue with the Assistant Minister's Office. I take this opportunity to thank the NAWMA Board for their advice and leadership, our Constituent Councils (Mayors, Elected Members, Chief Executives, and Administrations) who have been strong and supportive in this tough economic year, as well as our very competent Audit Committee and SPV members. I also want to thank sincerely NAWMA's Chief Executive and his outstanding Senior Management Team,

together with our wonderful staff.

It is their efforts and commitment that make our organisation great. NAWMA continues to be an employer of choice, with a recent staff satisfaction survey revealing an overall 97% satisfaction.

Finally, I want to congratulate on behalf of all of us, NAWMA's Chief Executive Officer Adam Faulkner for winning the Inaugural Doug Dean Industry Leader of the Year Award, the most prestigious honour in the Australian waste management and resource recovery industry. It is well deserved and reflects well on NAWMA as an organisation. Well done Adam and Senior Management Team.

I look forward to a successful year in 2020-2021 in continuing to deliver our Strategic Plan outcomes to our Councils and our community and I reiterate our strong belief that whilst we face strong headwinds at present, our medium to long term future looks very bright, with all indications of returning to a balanced operating result within a few short years.

I commend to you the 2019-2020 Annual Report.



Brian Cunningham  
**Independent Chairman**

## Report from the Chief Executive Officer



**In my 23 years in the waste management and resource recovery sector, I have not experienced operating conditions as difficult as the past 12 months. With returns for our recyclables reaching an all-time low, compounded by a significant mid-year increase in the Solid Waste Levy, I am very proud of how the Board and my team navigated this financial year.**

We have continued to find recycling markets where others couldn't, all whilst undertaking a \$4M investment upgrade of the Material Recovery Facility (MRF). NAWMA is extremely fortunate to have a visionary Board and group of Constituent Councils who did not waver during the difficult times. And I am very fortunate to have a highly skilled and passionate team to help deliver a high standard of infrastructure and services to our community.

While we posted an operational deficit, we have reconstructed our Long-Term Financial Plan which models a return to a balanced budget in the years to come. Aligned with further efficiency measures, The Senior Management Team was restructured with two distinct teams led by Daniel Dunn as Chief Operating Officer (COO), and Rachel (Yi) Zhou as Chief Financial Officer (CFO). This change streamlined our management structure and allowed NAWMA to act quickly and decisively when the recycling commodity markets defied history. Instead of receiving revenue from the sale of the materials, it resulted in NAWMA having, at times, to pay to move over half of the yellow bin recyclables on to downstream recyclers.

We took the time to build the knowledge within our own Constituent Councils and those Client Councils accessing the MRF, hosting several information sessions and transparently showing the pressures facing NAWMA and other MRFs across Australia and the globe.

During the COVID-19 restrictions, we were one of the few organisations that continued business as usual, and in fact employed more staff during this period to accommodate all of the additional recyclables, hard waste and yard clean-ups that were undertaken by householders whilst at home.

In relation to the other NAWMA infrastructure, we commissioned a new side wall liner at Uleybury Balefill Renewable Energy Facility and finalised a design for the future upgrade of the Research Road (Pooraka) Resource Recovery Centre. Edinburgh North (Bellchambers Road) continues to be a high-traffic site with residents using the second-hand salvage store, the container deposit return depot, and our Resource Recovery Centre.

Our collection contractor upgraded their gas system which now allows for the 23 collection trucks to be autonomously filled with High Density Compressed Natural Gas overnight.

Accountability is critical in providing waste and recycling services to the northern community, so we embarked on a resident satisfaction survey, staff satisfaction survey, and NAWMA Board self-assessment, to enable us to keep improving. The results were by and large positive, while giving us some key development elements.

I attended the first Commonwealth Government National Plastics Summit in Canberra and have been feeding into the Federal Government's priorities around investment and policy intervention, which is all part of NAWMA's leadership position within the industry.

Our communications and education in the community continued, with the opening of a redeveloped Education Centre at our Edinburgh site. The focus of the Centre is community engagement and circular economy and showcases to residents the significant role their behaviours play through recycling. We continue to urge residents to help NAWMA and their community by putting the right things in the right bins through specially developed resources and site tours.

We are passionate about recycling, resource recovery, and transitioning to a more circular economy while delivering a balanced budget.



Adam Faulkner  
Chief Executive Officer

The coming years look very positive, and I look forward to working in partnership with City of Salisbury, City of Playford and Town of Gawler in delivering excellent and efficient services.



Item 4.2.4 - Attachment 1 - Draft Annual Report 2019/2020

# NAWMA Governance

**NAWMA is administered by a Board in accordance with the requirements of the Local Government Act (1999), the NAWMA Charter and various other policies. The Board are responsible for the overall governance, management and strategic direction of the Authority.**

The Board meets bi-monthly and drives organisational performance to deliver efficient, best practice services and facilities to our Constituent Councils.

As defined by the NAWMA Charter, the membership of the Board comprises of ten (10) Directors -three Directors appointed by each of the Constituent Councils, and one independent person appointed by the Board who acts as Chair.

The Board appoints a Chief Executive Officer who is responsible for implementing the decisions made by the Board and the day to day operations of the Authority.

The Board held six (6) formal meetings over the 2019-2020 financial year. The table below details Board Member attendance at the six meetings. Several other matters were resolved by Circular Resolutions out of Board Meeting frequency.



Mr Brian Cunningham  
**Independent Chair**  
6 of 6 meetings



Mr Sam Green  
**City of Playford**  
6 of 6 meetings



Cr Shirley Halls  
**City of Playford**  
5 of 6 meetings



Ms Grace Pelle  
**City of Playford**  
4 of 6 meetings



Mr Charles Mansueto  
**City of Salisbury**  
5 of 6 meetings



Cr Julie Woodman  
**City of Salisbury**  
6 of 6 meetings



Cr Graham Reynolds  
**City of Salisbury**  
5 of 6 meetings



Mr Henry Inat  
**Town of Gawler**  
4 of 6 meetings



Cr Paul Koch  
**Town of Gawler**  
6 of 6 meetings



Cr Paul Little  
**Town of Gawler**  
5 of 6 meetings

Deputy Board Member		Meetings
Cr Clint Marsh	City of Playford	3 of 3
Cr Diane Fraser	Town of Gawler	3 of 3

Note: Deputy Board Directors attend meetings only as required.



### Audit

In accordance with the requirements of the Local Government Act (1999), NAWMA has an established Audit Committee.

The functions of the Committee include:

- monitoring the integrity of NAWMA's financial statements, including its annual report, reviewing significant financial reporting issues and judgements which they contain;
- reviewing the adequacy of NAWMA's accounting, internal auditing, reporting and other financial management systems and practices on a regular basis; and



Mr Peter Brass  
**Independent Chair**  
6 of 6 meetings



Mr Mark McAllister  
**Independent Member**  
5 of 6 meetings



Mr Mark Labaz  
**Independent Member**  
6 of 6 meetings



Mr Charles Mansueto  
**Board Director**  
6 of 6 meetings



Cr Graham Reynolds  
**Board Director**  
6 of 6 meetings



Mr Brian Cunningham  
**Ex-Officio Member**  
4 of 6 meetings

*The Audited Financial Statements for the year ended 30 June 2019 are provided from page 21.*

- reviewing and providing recommendations to NAWMA on the sustainability of its financial performance and proposals with respect to debt levels included in the strategic management plans and, in particular, the long-term financial plan.

The membership of the Audit Committee consists of six (6) members, three (3) members who are independent members (including the Chair), two (2) members who are NAWMA Board Directors, and the NAWMA Board Chair as an Ex-Officio member.

The Audit Committee held six (6) formal meetings over the 2019-2020 financial year. The table below details Audit Committee Member attendance at these meetings:



NAWMA's Uleybury Landfill.

### Technical Working Group

NAWMA's Technical Working Group (TWG), comprised of an Executive from each Constituent Council, meets ad-hoc to discuss any operational or strategic matter that has arisen for the Authority. The membership of the Technical Working Group is based upon skillset, and various Constituent Council Executives are called upon determined by the matters at hand.

The TWG members provide guidance and advice to NAWMA's Management and throughout 2019-2020 have been instrumental in implementing a number of the Authority's major achievements, particularly the Strategic Plan 2018-2025.

### Constituent Council Chief Executive Officer Roundtable

NAWMA's Independent Chairman held seven (7) meetings of the Constituent Council CEO's to discuss strategic matters and facilitate collaboration in service delivery during 2019/2020. The roundtable meetings are assisted by the NAWMA CEO as subject matter expertise and secretariat duties.



## Resource Recovery Resource Recovery Centres



### NAWMA operates two Resource Recovery Centres (RRCs) within the northern Adelaide community.

NAWMA's Edinburgh North Resource Recovery Centre continues to provide several important resource recovery services. The facility houses:

- a drive-through, undercover Resource Recovery Centre for materials recovery,
- a Salvage and Save retail outlet operated by Mobo Group in association with NAWMA, which provides employment for community members and supports a disability workforce while providing an opportunity for the reuse of valuable household resources; and
- a recycling service for bottles and cans, operated by Scouts SA.

In addition to the Edinburgh North Resource Recovery Centre, NAWMA operates and manages the City of Salisbury owned Pooraka Resource Recovery Centre.

The Pooraka Resource Recovery Centre has been earmarked for a site upgrade in late 2020 with an emphasis on traffic management, fire protection standards and the minimisation of WH&S risks associated with loading/unloading of waste and recyclable materials.

In line with recommendations made during the COVID-19 pandemic, both of NAWMA's Resource Recovery Centres transitioned to cashless in early May 2020. Whilst the removal of cash at these sites is a necessary physical safety precaution, it is also part of a whole-of-business risk mitigation strategy and will remain in place long-term.

**Statistics for the combined operations of the two Resource Recovery Centres for the year ended 30 June 2020 show more than:**

- **114,000 customers** accessed the facilities delivering green waste and general waste;
- **14,000 tonnes of material** were transported to SUEZ-ResourceCO for processing into Refuse Derived Fuel (RDF);
- **6,000 mattresses** were recovered and recycled, almost doubling the number recovered during the 2018/2019 year;
- **4,000 tyres** were collected and recycled; and
- **114,000 litres of paint** was safely disposed of.

In partnership with Green Industries SA, NAWMA opened a Community Chemical and Paint Drop-off facility at the Edinburgh North Resource Recovery Centre in August 2019. A variety of hazardous household substances can now be responsibly disposed of, including poisons, acids, pharmaceutical products, brake fluids, lithium batteries and coolants. The facility, which is open to the public seven days a week, accepts household quantities only and is free of charge. In the first year of operation the site saw over 18,000kg of hazardous waste accepted for responsible disposal.

In August 2020 NAWMA will install and commission an expanded polystyrene (EPS) machine that can turn pure, clean foam into a form that can be reused to make other items such as photo frames and coat hangers. The purchase of this machine was made possible through a successful grant application with the State Government's Recycling Infrastructure program administered by Green Industries SA.

Residents are now able to recycle household quantities of clean, white, rigid polystyrene packaging foam for free at our Edinburgh North Resource Recovery Centre.



Item 4.2.4 - Attachment 1 - Draft Annual Report 2019/2020

## Resource Recovery Material Recovery Facility (MRF)

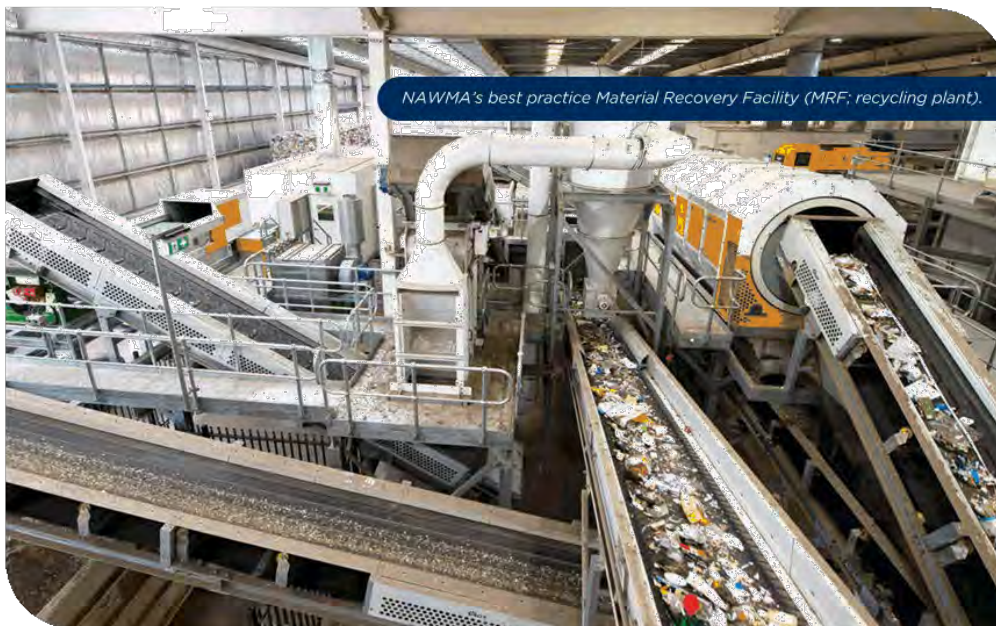
### NAWMA houses the only local government owned and operated Material Recovery Facility (MRF) in South Australia, and one of few in Australia.

Our world-class best practice facility sorted more than 55,000 tonnes of kerbside recyclables during 2019-2020, recovering and processing high quality finished goods such as paper, plastics, glass, aluminium and steel.

These secondary raw materials were marketed locally, interstate and (where domestic markets do not exist or are not commercially viable) internationally.

looking to sell their recyclables. Through these difficult times, NAWMA is proudly continuing to responsibly recycle every tonne of recyclables presented to our MRF.

One of our biggest achievements in 2019-2020, was the construction of an extension to the MRF building to install and commission a glass fines recovery plant and robotics.



Operating its own MRF means NAWMA has some capacity to shield Constituent Councils from the full impact of the well-publicised deteriorated commodity markets.

NAWMA's MRF has been designed to enable flexibility in plant speed and labour force participation. This has resulted in achievement of a very high specification for the recovered materials, and hence the ability to continue to find markets (albeit at depressed conditions) while others across Australia and the globe have not. NAWMA's reputation for quality has continually put us in the front of a very long international queue of MRFs

This investment is significantly enhancing the recoverability of material that was previously unrecoverable and was successfully commissioned in April 2020. Once at full capacity, we believe that as much as 14,000 tonnes of small broken glass and recyclables will be diverted away from landfill and create four (4) new jobs at NAWMA's Edinburgh MRF.

NAWMA commenced trials with many local civil contractors during the year, with a view to use recycled glass as virgin sand replacement material in roads and footpaths.

# Resource Recovery Material Recovery Facility (MRF)



Our world-class, best practice facility with dedicated staff sorted more than 55,000 tonnes of kerbside recyclables during 2019-2020.



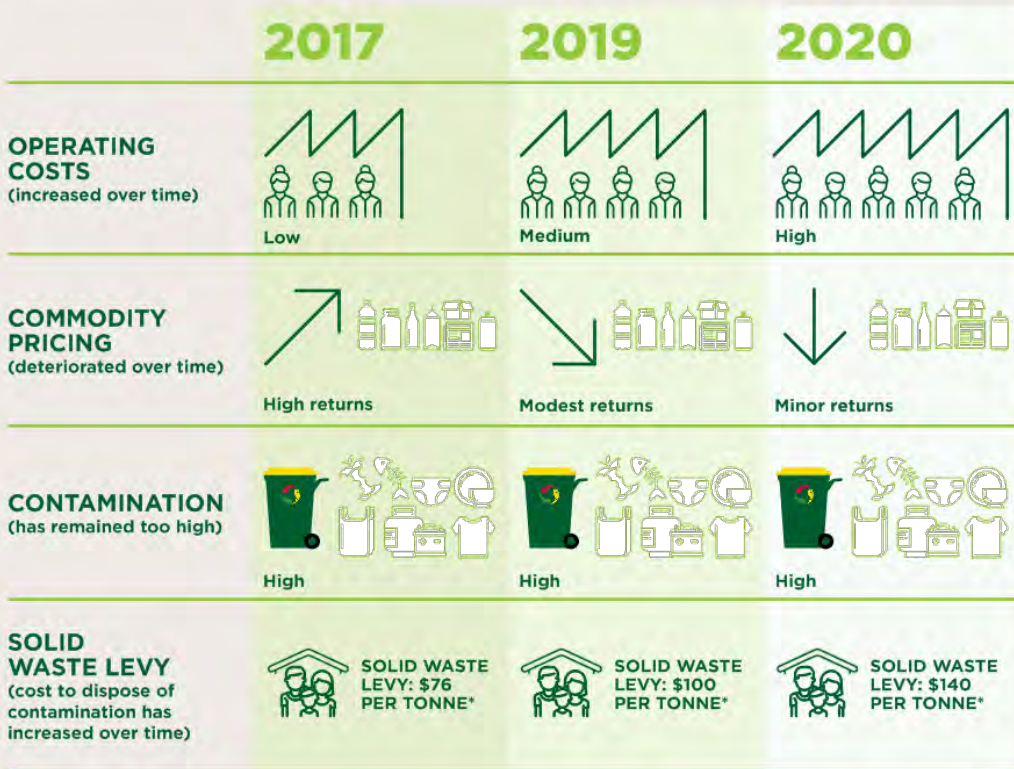
As well as reclaiming plastics for re-use, NAWMA commenced trials with civil contractors during the year, with a view to use recycled glass as virgin sand replacement material in roads and footpaths.

The MRF is a combination of trommels, magnets, eddy-currents, ballistic separators, and manual picking stations, fed by over half a kilometre of conveyor belts.



# Resource Recovery Material Recovery Facility (MRF)

## Financial and Operational Costs of doing Business



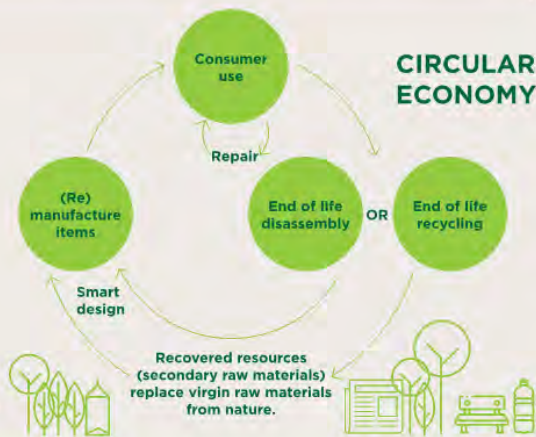
\*Metro

### OTHER FACTORS CURRENTLY AFFECTING OUR OPERATIONS

- Higher quality material required
- Reduced market size
- Increased export scrutiny
- Reduced onshore mills
- Fewer shipping lines available

### THINGS WILL GET BETTER

- Onshore employment creation
- More paper mills under construction in 2025



# Resource Recovery Food and Garden Organics



**NAWMA's Food and Garden Organics (FOGO) green-lid bin collection is an opt-in service for the residents of our three Constituent Councils. The service continues to grow in popularity with more than 65,000 FOGO bins currently in service, with an overall average participation rate of 57%.**

The kerbside collected organic material is transported to our Edinburgh North facility by Suez (NAWMA's kerbside collection contractor) using side-loader vehicles, specifically designed for the kerbside collection of bins.

The material is stored short-term, before being bulk hauled by sealed vehicles to one of Peats Soil and Garden Supplies facilities. The material is processed by Peats into mulch and compost products. Many of these products are used in large-scale operations such as vineyards and market gardens.

This financial year Peats processed more than 23,000 tonnes of kerbside collected material with another 9,000 tonnes of material sent for processing via NAWMA's Resource Recovery Centres.

In late 2019 NAWMA partnered with an experienced industry consultant, and City of Playford, to undertake a FOGO pilot within two selected areas of City of Playford. Residents within the pilot area without a FOGO service were offered the service without the price point (free of charge), and those with a FOGO service offered a caddy/liners.

All participants were provided with education materials and follow up check-in/reminders. The results of the pilot were very encouraging, with an increase in participation of 23% bringing the overall total participation in City of Playford to 75%. The results of the pilot in conjunction with modelling and discussion with our Constituent Councils will inform future decisions for the household FOGO service.

**2019/2020 Tonnes Collected for our Constituent Councils**

	 Waste	 Recycling	 FOGO	TOTAL	Diversion
<b>Playford</b>	18,989	6,856	6,253	32,098	41%
<b>Salisbury</b>	30,856	10,122	15,199	56,177	45%
<b>Gawler</b>	5,443	1,752	2,430	9,625	43%
<b>Total (Tonnes)</b>	<b>55,288</b>	<b>18,730</b>	<b>23,882</b>	<b>97,900</b>	<b>43%</b>



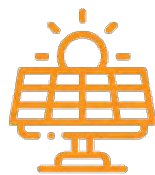
Food and Garden Organics disposal at our Edinburgh North site.

# Uleybury Balefill and Renewable Energy Park



**NAWMA's Uleybury Balefill and Renewable Energy Park is the first combined solar - landfill gas farm of its type in Australia and continues to generate power for the local community using over 11,000 solar panels and gas extracted from 18 vertical wells, and a network of horizontal wells in the active cell area.**

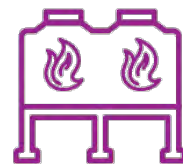
The following outlines the power generation and gas consumption during the 19/20 financial year:



**Over 1.7M kilowatt hours of power exported to the power network from solar panels**



**Over 7M kilowatt hours of power exported via the gas generation engine**



**Over 3.6M m3 of landfill gas used as energy to power the gas engine**

Following the removal of valuable resources from the waste stream, 66,000 tonnes were deposited to the Uleybury Balefill and Renewable Energy Park in 2019-2020.

Almost 58,000 of these tonnes were processed and baled at NAWMA's Edinburgh North Waste Processing Facility (WPF). The Waste Processing Facility bales the material and transports it to Uleybury, with over 200 bales transported on

average per day, in partnership with Diamond Brothers Transport.

The Balefill Management Consultative Committee (BMCC), chaired by Cr Paul Little (Town of Gawler), continues to meet bi-monthly or as required.

The Committee provides nearby residents, Council, the EPA and NAWMA the opportunity to discuss topics relating to the site and its operations.



## Uleybury Balefill and Renewable Energy Park



66,000 tonnes  
of waste deposited in 2019-2020



58,000 tonnes  
were processed and baled at NAWMA's  
Edinburgh North Waste Processing Facility



200 bales  
transported every day to the Balefill

16 ANNUAL REPORT 2019-2020 NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

Item 4.2.4 - Attachment 1 - Draft Annual Report 2019/2020



## Education and Community Engagement



**In 2019/20 NAWMA further established its connection to the local community by opening a redeveloped Education Centre at its Edinburgh headquarters. The modern adult-learning facility highlights NAWMA's role within the Circular Economy and showcases examples of innovative local businesses who are redefining waste. Interpretive material at the Centre also educates residents about their significant role in the Circular Economy through their purchasing and recycling behaviours.**

Prior to COVID-19 restrictions coming into place, several local community groups combined a visit to the Education Centre with the adjacent MRF to learn more, and see firsthand what happens after recyclables are collected at the kerbside.

Two videos were produced this year to reach out to residents via a different platform. The first had a corporate focus and gave an overview of all of NAWMA's operations and services. This video was translated into Mandarin and used to promote NAWMA during a trip attended by our Chief Executive Officer and Chief Operations Officer to City of Salisbury's Sister City Linyi, China.

The second video focussed specifically on household recycling and follows the journey of recyclables from the kerbside, through the MRF

to their eventual reuse. This was especially well received and has been used by various agencies and local governments in addition to NAWMA's Constituent and Client Councils.

With a good range of resources already in place, more detailed educational material was developed for specific purposes - these included fact sheets and infographics.

Facebook posts continued to give the community up-to-the-minute advice on NAWMA services and how to use them and were also key to our delivering timely messaging around service interruptions on extreme weather days. Engagement with the website continued to increase with monthly user sessions increasing by 50% between June 2019 and June 2020.



*NAWMA's Education and Projects Coordinator Penelope Morrison takes NAWMA Chair Brian Cunningham and NAWMA Board Director (and Town of Gawler Chief Executive Officer) Henry Inat through an interactive display in the redeveloped Education Centre.*

# Education and Community Engagement



Item 4.2.4 - Attachment 1 - Draft Annual Report 2019/2020

## NAWMA's Customer Service



**The focus for the NAWMA Customer Service Team for the 2019/2020 year was to create a great customer experience by putting our residents first. We achieved this with professional, clear, and concise communication via our Call Centre, email and website platforms and face to face.**

To assist us in assessing our performance and to ensure we provide effective and efficient services, in FY20 we implemented feedback questionnaires at each touchpoint of the customer service experience. We began in April 2020 and at the end of the financial year had over 150 participants, which we will look to increase in the next financial year. The results received to date show that the vast majority of our Constituent Council residents are extremely happy with their customer service experience.

Our team also worked on some exciting technology to assist with consolidating our great customer experience focus. The first was a customer relationship management (CRM) like system which will enable us to tailor waste solutions based on the

needs of our residents. The system personalises a residents experience with NAWMA and will allow us to build a history for each household based on their interactions with us. This system has been in development for the entirety of the financial year and will be fully operational from 1 July 2020.

The second measure to be introduced will be an online chat function which will operate in conjunction with the NAWMA website. This opens another line of direct communication with our residents and enables them to have instant access to an experienced operator with an immediate response. This is a completely new concept for our Customer Service team at NAWMA and we look forward to implementing this in the last half of 2020.



Online Chat facility to launch late 2020 enabling residents instant access to Customer Service.

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Northern Adelaide Waste Management Authority  
**Financial Statements 2019-2020**




**NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2020**

**CERTIFICATION OF FINANCIAL STATEMENTS**

I have been authorised by Northern Adelaide Waste Management Authority to certify the financial statements in their final form.  
In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2013 and Australian Accounting Standards.*
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2020 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.

  
-----  
Adam Faulkner  
Chief Executive Officer

  
-----  
Brian Cunningham  
Chairperson

Date: 17 September 2020.


**STATEMENT OF COMPREHENSIVE INCOME**  
 for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>INCOME</b>			
User charges	2	38,644	33,758
Investment income	2	210	209
Reimbursements		-	67
Other	2	4	-
<b>Total Income</b>		<b>38,858</b>	<b>34,034</b>
<b>EXPENSES</b>			
Employee costs	3	3,042	2,753
Materials, contracts & other expenses	3	33,754	29,756
Finance costs	3	529	351
Depreciation, amortisation & impairment	3	2,841	1,394
<b>Total Expenses</b>		<b>40,166</b>	<b>34,254</b>
<b>Operating Surplus / (Deficit)</b>		<b>(1,308)</b>	<b>(220)</b>
Asset disposal & fair value adjustments	3	(48)	(9)
Amounts received specifically for new/upgraded assets		1,525	233
<b>NET SURPLUS / (DEFICIT)</b>		<b>169</b>	<b>4</b>
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - property, plant & equipment		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>169</b>	<b>4</b>

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

## Northern Adelaide Waste Management Authority Financial Statements 2019-2020

### STATEMENT OF FINANCIAL POSITION for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	3,804	2,613
Trade & other receivables	4	3,848	3,172
Stock on Hand		25	64
<b>Total Current Assets</b>		<b>7,677</b>	<b>5,849</b>
<b>Non-current Assets</b>			
Property, Plant & Equipment	5	23,828	14,709
<b>Total Non-current Assets</b>		<b>23,828</b>	<b>14,709</b>
<b>Total Assets</b>		<b>31,505</b>	<b>20,558</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	6	5,856	3,410
Provisions	6	255	191
Borrowings	6	2,522	1,186
<b>Total Current Liabilities</b>		<b>8,633</b>	<b>4,787</b>
<b>Non-Current Liabilities</b>			
Borrowings	6	12,446	6,318
Provisions	6	3,502	2,698
<b>Total Non-current Liabilities</b>		<b>15,948</b>	<b>9,016</b>
<b>Total Liabilities</b>		<b>24,581</b>	<b>13,803</b>
<b>Net Assets</b>		<b>6,924</b>	<b>6,755</b>
<b>EQUITY</b>			
Accumulated Surplus		6,264	6,095
Asset Revaluation Reserve		660	660
<b>Total Equity</b>		<b>6,924</b>	<b>6,755</b>

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



**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 June 2020

	Accumulated Surplus	Asset Revaluation Reserve	Total Equity
	\$'000	\$'000	\$'000
<b>Balance at start of period - 1 July 2019</b>	<b>6,095</b>	<b>660</b>	<b>6,755</b>
Net Surplus/ (Deficit) for Year	169	-	69
<b>Balance at end of period - 30 June 2020</b>	<b>6,264</b>	<b>660</b>	<b>6,924</b>
Balance at start of period - 1 July 2018	6,091	660	6,751
Net Surplus/ (Deficit) for Year	4	-	4
Balance at end of period - 30 June 2019	6,095	660	6,755

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



Northern Adelaide Waste Management Authority  
**Financial Statements 2019-2020**

**STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating receipts from customers		37,972	33,342
Investment receipts		210	209
Operating payments to suppliers & employees		(34,807)	(31,429)
Finance payments		(504)	(351)
<b>Net Cash provided by (or used in) Operating Activities</b>	7	<b>2,871</b>	1,771
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Amounts specifically for new or upgraded assets		2,085	233
Maturity of Investments		-	1,018
Sale of surplus assets	3	15	-
Expenditure on renewal/replacement of assets		-	-
Expenditure on new/upgraded assets		(3,663)	(480)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(1,563)</b>	771
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings		2,236	-
Repayments of Borrowings		(1,137)	(990)
Repayment of lease liabilities		(1,216)	-
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(117)</b>	(990)
<b>Net Increase (Decrease) in cash held</b>		<b>1,191</b>	1,552
Cash & cash equivalents at beginning of period	7	2,613	1,061
<b>Cash &amp; cash equivalents at end of period</b>	7	<b>3,804</b>	2,613

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



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

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

#### 1 Basis of Preparation

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

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

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of City of Salisbury, City of Playford and the Town of Gawler.

##### 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 Australian Accounting Standards which 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

Northern Adelaide Waste Management 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 Woomera Avenue, Edinburgh Park SA 5111.

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 9.

## Northern Adelaide Waste Management Authority Financial Statements 2019-2020

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

#### Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

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

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

##### 5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

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

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

##### 5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the 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.

##### 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.

##### 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 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	5 to 10 years
Buildings	30 years
Waste Facility	10 to 20 years
Landfill Construction	Amortised proportionately to rate of filling
Landfill Capping & Rehabilitation	Amortised proportionately to rate of filling

##### 5.5 Land Assets

As at 30 June 2018, an independent valuation was undertaken on all Land and Building assets held by the Authority. The independent valuation was undertaken by AssetVal Pty Ltd and valued land and building assets to the current market value.

Given the material value of Land and Building assets subsequent to the valuation performed, Land and Building assets are shown as a separate class of asset and disclosed accordingly in Note 5.



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

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

#### 5.6 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.

No accrual is made for sick leave as the Authority's experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Authority does not make payment for untaken sick leave.

##### 7.2 Superannuation

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

###### Accumulation Fund Members

*Accumulation fund members receive both employer and employee contributions on a progressive basis.*

*Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2019/20; 9.5% in 2018/19). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.*

###### Contributions to Other Superannuation Schemes

*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.*

## Northern Adelaide Waste Management Authority Financial Statements 2019-2020

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

#### Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

##### 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 make adjustments to the liability as required to ensure an accurate projected cost of the liability is showing in the balance sheet.

An independent assessment of the Authority's landfill capping and post closure rehabilitation obligations was undertaken by Golder Associates Pty Ltd as at 30 June 2020.

##### 9 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards. Comparative information has not been amended for any changes to accounting standards.

##### 10 Critical Accounting Estimates and Judgements

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

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

##### 11 New Accounting Standards

The Authority has applied AASB 16 for the first time from 1 July 2019. AASB 16 superseded AASB 117 Leases, Interpretation 4 Determining whether an arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentations and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. The Authority has lease contracts for its waste processing facilities, plant, machinery and motor vehicles. Before the adoption of AASB 16, the Authority classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Authority adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

The Authority recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of the date of initial application and leases of low-value assets. The right-of-use-assets for all leases were recognised based on the amount equal to the lease liabilities.

No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.



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

**Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)**

The effect of adoption of AASB 16 as at 1 July 2019 (increase/(decrease)) is as follows:

	<b>\$'000</b>
<b>Assets</b>	
Property, Plant & Equipment	5,870
<b>Total Assets</b>	<b>5,870</b>
<b>Liabilities</b>	
Borrowings	5,870
<b>Total Liabilities</b>	<b>5,870</b>
<b>Accumulated Surplus</b>	<b>nil</b>

**12 Stock on Hand**

The Authority records stock on hand as at reporting date to reflect the value of stockpiled recycled finished goods held. The value attributed to stock items is based on the expected sale price of goods held based on existing contract rates held with customers and/or public market rates, whichever is applicable.

## Northern Adelaide Waste Management Authority Financial Statements 2019-2020

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

#### Note 2 - INCOME

	Notes	2020 \$'000	2019 \$'000
<b>USER CHARGES</b>			
Waste Management Operations		38,644	33,758
		<b>38,644</b>	<b>33,758</b>
<b>INVESTMENT INCOME</b>			
Interest Income: Local Government Finance Authority		26	39
Rental income		184	170
		<b>210</b>	<b>209</b>
<b>OTHER INCOME</b>			
Sundry Income		-	-
Promotional Income		4	-
		<b>4</b>	<b>-</b>

#### Note 3 - EXPENSES

<b>EMPLOYEE COSTS</b>			
Salaries and Wages		2,521	2,362
Employee leave expense		100	4
Superannuation		206	214
Workers' Compensation Insurance		62	31
Other		153	142
		<b>3,042</b>	<b>2,753</b>
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
Auditor's Remuneration			
Auditing the financial reports		25	18
Other Services		-	-
Bad and Doubtful Debts		1	-
Lease costs		59	1,378
Promotions		13	22
Bank Fees		36	33
Landfill Royalty		196	213
Contractors		23,948	18,535
Electricity		267	266
Environmental Protection Agency Levy		8,158	7,818
Fuels & Oils		187	281
Professional services		364	279
Waste Recycle Bins		-	360
Administration & Other Expenses		500	553
		<b>33,754</b>	<b>29,756</b>



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

**Note 3 - EXPENSES (cont)**

	Notes	2020 \$'000	2019 \$'000
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
Waste Processing Facility		218	222
Uleybury Landfill Plant & Equipment		30	29
Education Program Plant & Equipment		1	1
Office Furniture & Equipment		40	28
Property & Improvements		17	15
Landfill Cell Stage Three		315	297
Landfill Capping Stage Three		131	119
Post Closure Rehabilitation		81	71
Buildings		144	130
Material Recovery Facility		519	482
Right-of-use-assets		1,345	-
		<b>2,841</b>	<b>1,394</b>
<b>FINANCE COSTS</b>			
Interest on Loans and Overdraft		336	351
Interest on Leases		193	-
		<b>529</b>	<b>351</b>
<b>ASSET DISPOSALS</b>			
Proceeds from disposal		15	-
Less: Carrying amount of assets sold		(63)	(9)
<b>Gain (Loss) on disposal</b>		<b>(48)</b>	<b>(9)</b>
<b>Note 4 - CURRENT ASSETS</b>			
<b>CASH &amp; CASH EQUIVALENTS</b>			
Cash on Hand and at Bank		2,786	1,552
Deposits at Call		1,018	1,061
		<b>3,804</b>	<b>2,613</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Debtors - general		3,668	3,025
Accrued Revenues		180	147
		<b>3,848</b>	<b>3,172</b>



Northern Adelaide Waste Management Authority  
**Financial Statements 2019-2020**

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

**Note 5 - PROPERTY, PLANT & EQUIPMENT**

	2019 \$'000				2020 \$'000			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Land	1,776	-	-	1,776	1,776	-	-	1,776
Waste Processing Facility	-	3,269	(1,597)	1,672	-	3,285	(1,852)	1,433
Uleybury Landfill Plant & Equipment	-	2,125	(1,994)	131	-	2,125	(2,024)	101
Education Program Plant & Equipment	-	34	(30)	4	-	34	(31)	3
Office Furniture & Equipment	-	177	(65)	112	-	199	(100)	99
Property & Improvements	-	1,605	(1,490)	115	-	1,605	(1,507)	98
Landfill Cell Stage Three	-	3,084	(1,137)	1,947	-	3,084	(1,451)	1,633
Landfill Capping Stage Three	-	1,050	(265)	785	-	1,116	(397)	719
Post Closure Rehabilitation	-	1,591	(1,125)	466	-	2,304	(1,207)	1,097
Buildings	3,285	247	(238)	3,294	3,285	1,491	(338)	4,438
Material Recovery Facility	-	5,178	(823)	4,355	-	7,475	(1,343)	6,132
Right-of-use-assets	-	-	-	-	-	7,581	(1,345)	6,236
WIP	-	52	-	52	-	63	-	63
	5,061	18,412	(8,764)	14,709	5,061	30,362	(11,595)	23,828



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

**Note 5 - PROPERTY, PLANT & EQUIPMENT (Cont)**

	2019 \$'000	Movement in Property, Plant & Equipment during the Financial Year						2020 \$'000
		ADDITIONS		Disposals	Revaluation	Adjustments	Depreciation	
		Renewal/ Replacement	New/ Upgrade					
Land	1,776	-	-	-	-	-	1,776	
Waste Processing Facility	1,672	16	-	(37)	-	(218)	1,433	
Uleybury Landfill Plant & Equipment	131	-	-	-	-	(30)	101	
Education Program Plant & Equipment	4	-	-	-	-	(1)	3	
Office Furniture & Equipment	112	27	-	-	-	(40)	99	
Property & Improvements	115	-	-	-	-	(17)	98	
Landfill Cell Stage Three	1,947	-	-	-	-	(315)	1,633	
Landfill Capping Stage Three	785	66	-	-	-	(131)	719	
Post Closure Rehabilitation	466	713	-	-	-	(81)	1,097	
Buildings	3,294	-	1,314	(26)	-	(144)	4,438	
Material Recovery Facility	4,355	-	2,296	-	-	(519)	6,132	
Right-of-use-assets	5,870	1,711	-	-	-	(1,345)	6,236	
WIP	52	11	-	-	-	-	63	
	<b>20,579</b>	<b>2,544</b>	<b>3,610</b>	<b>(63)</b>	-	<b>(2,841)</b>	<b>23,828</b>	
2019	15,567	64	777	(9)	(296)	(1,394)	14,709	

Northern Adelaide Waste Management Authority  
**Financial Statements 2019-2020**

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

**Note 6 - LIABILITIES**

Notes	2020 \$'000		2019 \$'000	
	Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>				
Goods & Services	3,481	-	2,263	-
Accrued expenses - other	1,548	-	1,147	-
Amounts received in advance	827	-	-	-
	<b>5,856</b>	<b>-</b>	<b>3,410</b>	<b>-</b>
<b>BORROWINGS</b>				
Loans	1,056	7,547	1,186	6,318
Lease Liabilities	1,466	4,899	-	-
	<b>2,522</b>	<b>12,446</b>	<b>1,186</b>	<b>6,318</b>
<b>PROVISIONS</b>				
Annual Leave	198	-	147	-
Long Service Leave	57	99	44	74
Provision for Capping Stage 3A	-	1,116	-	1,050
Provision for Post Closure Site Rehabilitation	-	2,287	-	1,574
	<b>255</b>	<b>3,502</b>	<b>191</b>	<b>2,698</b>
<b>Movements in Provisions</b>				
	<b>Opening Balance</b>	<b>Additional Amounts Recognised/ (Derecognised)</b>	<b>Payments</b>	<b>Closing Balance</b>
Provision for Capping Stage 3A	1,050	66	-	1,116
Post Closure Site Rehabilitation	1,574	713	-	2,287
<b>Total</b>	<b>2,624</b>	<b>779</b>	<b>-</b>	<b>3,403</b>



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

### Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

#### (a) Reconciliation of Cash

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

	Notes	2020 \$'000	2019 \$'000
Total cash & equivalent assets	4	3,804	2,613
Less: Short-term borrowings		-	-
<b>Balances per Cash Flow Statement</b>		<b>3,804</b>	<b>2,613</b>

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

Net Surplus (Deficit)		169	4
Non-cash items in Income Statement			
Depreciation, amortisation & impairment	3	2,841	1,394
(Gain) / Loss on Disposal of Assets	3	48	9
Grants for capital acquisitions treated as Investing Activity		(2,085)	(233)
Bad Debts Expense	3	1	-
		<b>974</b>	<b>1,174</b>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(676)	(483)
Net (increase) decrease in inventory		39	(15)
Net increase (decrease) in trade & other payables		2,446	1,139
Net increase (decrease) in other provisions		88	(44)
<b>Net Cash provided by (or used in) operations</b>		<b>2,871</b>	<b>1,771</b>

#### (c) Financing Arrangements

Credit Card Facilities		15	15
LGFA Cash Advance Debenture Facility		2,500	2,500

## Northern Adelaide Waste Management Authority Financial Statements 2019-2020

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

#### Note 8 - FINANCIAL INSTRUMENTS

##### Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits on Call do not have a maturity period and have an average interest rates of 0.4% (2019: 1%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Gate Fees &amp; Associated Charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> 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 Exposure

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

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

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

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



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

**Note 8 - FINANCIAL INSTRUMENTS (Cont)**

2020	<i>Fixed interest maturing in</i>			Non- interest bearing	Total
	≤ year	> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
<b>Amortised Cost</b>					
Cash Assets	7,472	-	-	-	7,472
Receivables	-	-	-	3,848	3,848
<b>Total</b>	<b>7,472</b>	<b>-</b>	<b>-</b>	<b>3,848</b>	<b>11,320</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	5,856	5,856
Borrowings	2,522	9,135	3,311	-	14,968
<b>Total</b>	<b>2,522</b>	<b>9,135</b>	<b>3,311</b>	<b>5,856</b>	<b>20,824</b>
2019	<i>Fixed interest maturing in</i>			Non- interest bearing	Total
	≤ year	> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>					
<b>Amortised Cost</b>					
Cash Assets	1,061	-	-	-	1,061
Receivables	-	-	-	3,172	3,172
<b>Total</b>	<b>1,061</b>	<b>-</b>	<b>-</b>	<b>3,172</b>	<b>4,233</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	3,410	3,410
Borrowings	1,186	4,977	1,341	-	7,504
<b>Total</b>	<b>1,186</b>	<b>4,977</b>	<b>1,341</b>	<b>3,410</b>	<b>10,914</b>

Northern Adelaide Waste Management Authority  
**Financial Statements 2019-2020**

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

**Note 9 - COMMITMENTS FOR EXPENDITURE**

	Notes	2020 \$'000	2019 \$'000
<b>Expenditure Commitments</b>			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		-	15
Waste Collection, Processing and Mobile Garbage Bin Supply Contracts		81,468	80,696
		<b>81,468</b>	<b>80,711</b>
These expenditures are payable:			
Not later than one year		18,976	14,049
Later than one year and not later than 5 years		62,492	56,136
Later than 5 years		-	10,526
		<b>81,468</b>	<b>80,711</b>

*The Authority manages multiple external contracts with external suppliers for the collection, processing and disposal of waste on behalf of its Constituent Councils and customers. The commitments disclosed above reflect a consolidation of multiple contracts entered into with external suppliers. In future years, all contracts will be required to be renewed with external suppliers in accordance with adopted procurement policies and procedures.*

**Note 10 - EVENTS OCCURRING AFTER REPORTING DATE**

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



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

### Note 11 - LEASES

The Authority leases external operations facilities, waste processing plant & machinery and motor vehicles.

	Buildings & Other Structures \$'000	Plant & Motor Vehicles \$'000	Total \$'000
At 1 July 2019	5,701	169	5,870
Additions of right-of-use-assets	-	1,711	1,711
Depreciation Charge	(811)	(534)	(1,345)
<b>At 30 June 2020</b>	<b>4,890</b>	<b>1,346</b>	<b>6,236</b>

Set out below are the carrying amounts of lease liabilities and the movements during the period.

	2020 \$'000
<b>At 1 July 2019</b>	<b>5,870</b>
Additions	1,711
Accretion of interest	193
Payments	(1,409)
<b>At 30 June 2020</b>	<b>6,365</b>
<b>Current</b>	<b>1,466</b>
<b>Non-Current</b>	<b>4,899</b>

### Note 12 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under Section 112 of the Local Government Act 1999. In all, 6 persons were paid the following total compensation:

	2020 \$'000	2019 \$'000
Salaries, allowances & other short term benefits	751	803
Long term benefits	3	59
<b>TOTAL</b>	<b>754</b>	<b>862</b>



## Northern Adelaide Waste Management Authority Financial Statements 2019-2020

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

#### Note 12 - DISCLOSURES OF RELATED PARTY TRANSACTIONS (Cont)

##### Transactions with Related Parties:

The following transactions occurred with Related Parties

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Salisbury	15,699	1,550	Provision of waste collection, processing and disposal services
City of Playford	9,633	899	Provision of waste collection, processing and disposal services
Town of Gawler	2,555	240	Provision of waste collection, processing and disposal services

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

#### Note 13 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

The following assets and liabilities do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to user 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.

##### 3. PERFORMANCE BONDS/GUARANTEES

The Authority has a performance bond/guarantee held with the Local Government Finance Authority to the Environment Protection Authority for an amount of \$1,350,000 in accordance with the requirements under its Post Closure remediation obligations for the Uleybury Landfill site.



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

### Note 14 - FAIR VALUE MEASUREMENTS

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

- Land assets
- Building assets
- Stock on Hand

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:

<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
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.

## Northern Adelaide Waste Management Authority Financial Statements 2019-2020

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

#### Note 14 - 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.

	Notes	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2020</b>					
<b>(\$'000)</b>					
Recurring fair value measurements					
<b>Infrastructure, Property, Plant &amp; Equipment</b>					
- Land	5	-	1,776	-	1,776
- Buildings	5	-	3,285	-	3,285
- Stock on Hand		25	-	-	25
<b>Total financial assets recognised at fair value</b>		<b>25</b>	<b>5,061</b>	<b>-</b>	<b>5,086</b>

2019  
(\$'000)

Recurring fair value measurements

<b>Infrastructure, Property, Plant &amp; Equipment</b>					
- Land	5	-	1,776	-	1,776
- Buildings	5	-	3,285	-	3,285
- Stock on Hand		64	-	-	64
<b>Total financial assets recognised at fair value</b>		<b>64</b>	<b>5,061</b>	<b>-</b>	<b>5,125</b>

#### (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 techniques used to measure the value of items disclosed in the financial statements.	1	Market	Based on expected sale price of goods based on existing contract prices.
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.

Northern Adelaide Waste Management Authority  
**Financial Statements 2019-2020**



**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2020**  
**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Northern Adelaide Waste Management Authority for the year ended 30 June 2020, the Authority's Auditor, HLB Mann Judd, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Adam Faulkner  
Chief Executive Officer

Mark Labaz  
Chairperson - Audit Committee

22/09/2020  
Date:



**The updated NAWMA website has proven to be an invaluable resource for residents providing up-to-date information on all of NAWMA's operations and services as well as a range of options for booking services online.**

**Item 4.2.4 - Attachment 1 - Draft Annual Report 2019/2020**



**NAWMA**  
NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY


**NAWMA**  
71-75 Woomera Avenue  
Edinburgh SA 5111

Box 10 Mail Delivery Centre  
Edinburgh North SA 5113


Phone 08 8259 2100

Email [admin@nawma.sa.gov.au](mailto:admin@nawma.sa.gov.au)


[www.nawma.sa.gov.au](http://www.nawma.sa.gov.au)




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Item 4.2.4 - Attachment 1 - Draft Annual Report 2019/2020



City of Salisbury  
34 Church Street  
Salisbury 5108  
South Australia  
PO Box 8  
Salisbury SA 5108

Telephone  
08 8406 8222  
Facsimile  
08 8406 5466

Email  
[city@salisbury.sa.gov.au](mailto:city@salisbury.sa.gov.au)

 @cityofsalisbury  
 @cityofsalisbury  
 @cityofsalisbury

[www.salisbury.sa.gov.au](http://www.salisbury.sa.gov.au)



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