



Council Agenda

NOTICE OF MEETING

Notice is hereby given that an ordinary meeting of Council will be held in the

**Council Chamber – Glenelg Town Hall
Moseley Square, Glenelg**

Tuesday 23 October 2018 at 7.00pm

Justin Lynch
CHIEF EXECUTIVE OFFICER

Ordinary Council Meeting Agenda

1. OPENING

The Acting Mayor will declare the meeting open at 7:00pm.

2. KAURNA ACKNOWLEDGEMENT

We acknowledge Kaurna people as the traditional owners and custodians of this land.

We respect their spiritual relationship with country that has developed over thousands of years, and the cultural heritage and beliefs that remain important to Kaurna People today.

3. PRAYER

Heavenly Father, we pray for your presence and guidance at our Council Meeting. Grant us your wisdom and protect our integrity as we carry out the powers and responsibilities entrusted to us on behalf of the community that we serve.

4. APOLOGIES

4.1 Apologies Received

4.2 Absent

5. ITEMS PRESENTED TO COUNCIL

6. DECLARATION OF INTEREST

If a Council Member has an interest (within the terms of the Local Government Act 1999) in a matter before the Council they are asked to disclose the interest to the Council and provide full and accurate details of the relevant interest. Members are reminded to declare their interest before each item.

7. CONFIRMATION OF MINUTES

Motion

That the minutes of the Ordinary Meeting of Council held on 9 October 2018 be taken as read and confirmed.

Moved Councillor _____, Seconded Councillor _____

Carried

8. PUBLIC PRESENTATIONS

8.1 **Petitions - Nil**

8.2 Presentations**8.2.1 Retiring Council Members**

The Acting Mayor will make a presentation to Councillor Karen Donaldson (8 years) and Councillor Sam Charlick (4 years) in recognition of their service on Council as they have decided not to recontest at the election.

8.3 Deputations - Nil**9. QUESTIONS BY MEMBERS****9.1 Without Notice****9.2 On Notice**

9.2.1 Question on Notice – Tokens for Use at the Local Dump (Report No: 357/18)

9.2.2 Question on Notice – Type of Material Used for Dog Poo Bags (Report No: 358/18)

10. MEMBER'S ACTIVITY REPORTS

10.1 Members' Activity Report (Report No: 360/18)

11. MOTIONS ON NOTICE - Nil**12. ADJOURNED MATTERS - Nil****13. REPORTS OF MANAGEMENT COMMITTEES, SUBSIDIARIES AND THE DEVELOPMENT ASSESSMENT PANEL**

13.1 Minutes – Jetty Road Mainstreet Committee – 3 October 2018 (Report No: 356/18)

13.2 Minutes – Audit Committee – 17 October 2018 (Report No: 354/18)

14. REPORTS BY OFFICERS

14.1 Items in Brief (Report No: 353/18)

14.2 2017-18 Annual Review of Investments (Report No: 351/18)

14.3 2017-18 General Purpose Financial Statements (Report No: 352/18)

14.4 2017-18 Annual Report (Report No: 362/18)

14.5 Budget Update – as at 30 September 2018 (Report No: 361/18)

14.6 Application for Landowner's Consent – Brighton Bowling Club (Keelara Centre) Centenary (Report No: 359/18)

15. RESOLUTIONS SUBJECT TO FORMAL MOTIONS

Presented for the information of Members is a listing of resolutions subject to formal resolutions, for Council and all Standing Committees, to adjourn or lay on the table items of Council business, for the current term of Council.

16. URGENT BUSINESS – Subject to the Leave of the Meeting

17. CLOSURE

**JUSTIN LYNCH
CHIEF EXECUTIVE OFFICER**

Item No: **9.2.1**
Subject: **QUESTION ON NOTICE – TOKENS FOR USE AT THE LOCAL DUMP**
Date: 23 October 2018

QUESTION

Councillor Lonie asked the following question:

“Would Council consider implementing a one token (a year) option for residents for the local dump, in addition to the kerb side collection?”

Background

A resident believes this may be a way forward for items not able to be left out for collection, and to assist the dumping of rubbish that occurs.

Particularly I was told in Pine Gulley, and the land at the corner of Pine Ave, on the western side of the former pedestrian crossing that this resident continues with others to see and care for.

ANSWER – General Manager Assets and Services

Council doesn't actually have a disposal site and if we were to provide each resident with a free pass to access to one - whether it was at a landfill site such as Pedler Creek or at the North Plympton or Lonsdale Transfer Stations, this would be on a commercial basis and Council would incur additional costs for what would be a new service enhancement. It is perhaps a request that is best addressed through the annual budget process, but it might be expected to incur new costs of somewhere in the range \$300,000 to \$500,000 annually.

Item No: **9.2.2**

Subject: **QUESTION ON NOTICE – TYPE OF MATERIAL USED FOR DOG POO BAGS**

Date: 23 October 2018

QUESTION

Councillor Lonie asked the following question:

“What type of bags do Council use as dog poo bags?”

Background

It was pointed out to me during my radio session this morning, that some dog poo bags are Oxe degradable, not biodegradable. These apparently only degrade in air, buried underground, in addition to breaking down to plastic

ANSWER - Environmental Education and Projects Officer

Biodegradable is often confused with compostable. Biodegradable means that the bag is still made of plastic but breaks down into small pieces of plastic quickly.

Our bags are Oxo-degradable, meaning the break down in 6-12 months in a landfill setting. If left in the hot sun for a period of time they will start to break down.

We are currently investigating the feasibility and cost of introducing compostable doggy bags although this may also require the introduction of greenwaste bins adjacent to all holders. This potential rollout of bins will add to supply and collection costs, and the cost of the bags is also significant, being at least 2 times more expensive than current bags.

Item No: **10.1**

Subject: **MEMBERS' ACTIVITY REPORTS**

Date: 23 October 2018

SUMMARY

These activity reports are presented for the information of Members.

After noting the report any items of interest can be discussed, if required with the leave of the meeting.

RECOMMENDATION

That the following activity report from Councillor Yates be noted.

REPORT

Councillor Yates:

Date	Activity
07 - 09/12/2017	Pacific Games at Marion Aquatic Centre to present medals
10/12/2017	Tour of Keswick Barracks with Glenelg Historical Society
11/12/2017	Living Smarties waste reduction course graduation for Marion & HB, Coinda NC
12/12/2017	Pre-Council Meeting Workshop - Jetty Road Masterplan
12/12/2017	Council Meeting
13/12/2017	Neighborhood Watch Christmas Dinner, Marion Club
15/12/2017	Council staff lunch, Pier Hotel Glenelg
16/12/2017	Somerton Yacht Club Xmas Dinner
28/12/2017	Proclamation Day Ceremony
31/12/2017	New Year's Eve Fireworks at Brighton
15/01/2018	Prospect Street Party for TDU
16/01/2018	Workshop - Business Confidence Survey & Open Space/Public Realm Strategy
17/01/2018	Tour Down Under Street Party
18/01/2018	TDU start then tour car to Victor Harbor and back
18/01/2018	ALGWA Committee Meeting, North Adelaide
23/01/2018	SRWRA Audit Committee Meeting
23/01/2018	Pre-Council Meeting Workshop - Inspiring Health - Prof Sue Gordon, Flinders University
23/01/2018	Council Meeting
24/01/2018	Official Opening, Brighton Jetty Sculptures, BSLSC

25,27,28/02/2018	Sculptures volunteer shifts
26/01/2018	Australia Day Ceremony
03/02/2018	Glenelg Triathlon, Pattawalonga
04/02/2018	Completed Brighton Jetty Swim and 1500m Swim
05/02/2018	SRWRA Board Meeting, SRWRA Offices, Seaford Heights
06/02/2018	Workshop - Autonomous Vehicle Trial / Budget Workshop 1
07/02/2018	Heatwave Hypothetical: Feeling Hot Hot Hot! Dealing with Heatwaves in Southern Adelaide, Marion Domain Theatre
08/02/2018	Brighton Oval Funding Announcement – Corey Wingard Liberal candidate
09/02/2018	Jetty Road Traders Summer Soiree, Glenelg Beach
11/02/2018	Glenelg Sunset Markets
11/02/2018	Sculptures volunteer thank you, BSLSC
13/02/2018	Pre-Council Meeting Workshops - Economic Development Update & Catholic Education Briefing
13/02/2018	Council Meeting
15/02/2018	West Torrens Kooyonga Golf Club Breakfast to launch ISPA HANDA Australian Open 2018 Golf Tournament, May Tce, Lockleys
15/02/2018	Marino Residents Association HFB Liaison Meeting, View @ 85
16/02/2018	Kelley Jones Workshop, Mayfair Hotel, Adelaide
17/02/2018	Yoga session at Moseley Beach Club, Glenelg Beach
17/02/2018	Be Active swim session and BSLSC swim from Seacliff to Brighton Jetty
18/02/2018	ISPA HANDA Australian Open 2018 Golf Tournament, May Tce, Lockleys
20/02/2018	Brighton Oval Funding Announcement – Kris Hanna SA Best Candidate
20/02/2018	Resilience of Coasts and Estuaries talk by Estuary Care Foundation SA British Hotel, Port Adelaide
21/02/2018	Holdfast Bay Community Centre 30 th Anniversary
21/02/2018	Holdfast Bay Residents Association meeting, Comfort Inn, Glenelg
22/02/2018	Metro Seaside Councils Committee meeting, Charles Sturt Council
22/02/2018	Adelaide Metro Region meeting of Murray Darling Association, Holdfast Bay Council
25/02/2018	Glenelg Historical Society meeting – Beth Duncan on Glenelg c1837 - c1900 Part 1, Jetty Hotel
27/02/2018	Pre-Council Meeting Workshop - Changes to the Liquor Licencing Act
27/02/2018	Council Meeting
28/02/2018	Somerton Park Industrial Precinct Business Networking, Good Day Café, Wilton Ave
06/03/2018	Dog & Cat Management Board Planning Day, Mayor's Parlour, Glenelg
06/03/2018	Workshop - Budget Workshop 2
07/03/2018	Glenelg Art Gallery Ancient Legends opening (Aboriginal elder talk)
09/03/2018	Open Air Cinema Opening Night – La-La Land
13/03/2018	Pre-Council Meeting Workshop - Community Centres Framework Report
13/03/2018	Council Meeting
20/03/2018	Pip Pearson re Over 50's Club, on site
20/03/2018	Uniquity Presentation re Alwyndor, Alwyndor
22/03/2018	Meeting with Ivan Winter and residents of Gilbertson Gully group

24/03/2018	Presentation dinner Seacliff Tennis Club on behalf of Mayor
27/03/2018	2017 Quality of Life Survey results
27/03/2018	Council Meeting
03/04/2018	Budget Workshop
10/04/2018	Pre-council Meeting Workshop – Youth Action Plan
10/04/2018	Council Meeting
10 - 11/04/2018	NRM Science Conference, University of Adelaide
11/04/2018	Seacliff Neighbourhood Watch meeting
12/04/2018	MRA HBC Liaison Meeting, Café Lune
14/04/2018	Community consultation re community garden, Dover Sq
18/04/2018	Community consultation re community garden, Dover Sq
19/04/2018	ALGWA Committee Meeting, Prospect
22/05/2018	Brighton Pump Track – Official Opening
22/05/2018	Update on Alwyndor
22/05/2018	Council Meeting
24/05/2018	Metro Seaside Councils Committee meeting, Charles Sturt Council
24/05/2018	Adelaide Metro Region meeting of Murray Darling Association, Norwood, Payneham & St Peters Council
25/05/2018	ALGWA talk to women candidates, Brighton
04/06/2018	SRWRA Board Meeting, SRWRA Offices, Seaford Heights
05/06/2018	Workshop - Beyond China Sword Waste Pathways
07/06/2018	MRA HBC Liaison Meeting, Café Lune
12/06/2018	Pre-Council Meeting Workshop - CEO KPIs
12/06/2018	Council Meeting
14/06/2018	Steve Hodge farewell after 33 years at CHB!
26/06/2018	Pre-Council Meeting Workshop – Caretaker Period
26/06/2018	Council Meeting
28/06/2018	ALGWA Committee Meeting, Prospect
03/07/2018	Workshop
06/07/2018	Tutti Concert, Brighton Secondary School
07/07/2018	Brighton Lacrosse Club Ladies Day
09/07/2018	Minda – Official Launch of Stage 2 Master Plan
10/07/2018	Pre-Council Meeting Workshop
10/07/2018	Council Meeting
11/07/2018	Inter-regional MDA meeting, LGA House, Adelaide
14/07/2018	Friends of Pine Gully working bee (took 30 sheoak seedlings)
15/07/2018	Ken Rolland’s dolphin statue opening at Broadway
17/07/2018	Holdfast Bay Residents Alliance Public Meeting, HBCC
18/07/2018	Meeting with residents re tree selection at Angus Neil Reserve, Kingston Rm
19/07/2018	ALGWA Committee Meeting, Prospect
21/07/2018	ALGWA farewell to Cr Anne-Marie Hubcycz, Watershed Café, Mawson Lakes
22/07/2018	Marino Conservation Park Planting Day
24/07/2018	Pre-Council Meeting Workshop – LED Lighting
24/07/2018	Council Meeting
29/07/2018	National Tree Day planting, Seacliff Dunes

31/07/2018	Amanda Rishworth MP & Tony Burke MP, Shadow Minister for Environment and Water present Murray River Forum, Christies Beach SLSC
01/08/2018	Greening Community Grants Meeting
03/08/018	SALA Exhibition for Tutti Wonder Rooms, Minda Galway Bldg
05/08/2018	Rotary Club Cold Plunge for homeless, Glenelg Beach – high waves, windy, rainy, cloudy so VERY COLD!
05/08/2018	Bay Discovery Centre SALA art opening
07/08/2018	Workshop on Jetty Road Retail Strategy, Moseley Beach Club, Jetty Road Governance Model
09/08/2018	MRA HBC Liaison Meeting, Café Lune
11/08/2018	Amanda Wilson's birthday party, GSLSC
12/08/2018	Kingston Park working bee for MRA to plant road verge
12/08/2018	SALA art at Partridge House
14/08/2018	Wallmans' council property seminar, Adelaide
14/08/2018	Pre-Council Meeting Workshop – Olli Bus
14/08/2018	Council Meeting
16/08/2018	ALGWA AGM, Wallmans, Adelaide
18/08/2018	Glenelg Football Club Final Home Game of Season Cocktails
18/08/2018	Brighton Rugby Finals – Brighton v Onkaparinga
19/08/2018	Mito Foundation 'Bloody Long Walk' fundraiser, Glenelg
20/08/2018	Oil and Gas Drop-In, Adelaide Convention Centre
20/08/2018	Friends of Holdfast Bay Libraries AGM, Mayor's Parlour
20/08/2018	Try Art with Splashout SALA event, Café Lune
22/08/2018	Brighton Business Networking, Seller Door, Jetty Rd, Brighton
23/08/2018	Stillwater Sculpture Opening, Colley Tce, Glenelg
23/08/2018	Metro Seaside Councils Committee meeting, Charles Sturt Council
23/08/2018	Adelaide Metro Region meeting of Murray Darling Association, Playford Council
26/08/2018	Hooded Plover Workshop, Kauri Parade Sporting Complex
26/08/2018	Glenelg Historical Society meeting – Beth Duncan on Glenelg c1867 - c1900 Part 2, Jetty Hotel
28/08/2018	Council Meeting
29/08/2018	Opening of Kauri Parade Sporting Complex
02/09/2018	Talk to Seaside Writers Group about books I have read, HBCC
07/09/2018	Opening of Brighton Dunes Apartments Stage 2
09/09/2018	Opening of Angus Neil Nature Playground
11/09/2018	Council Meeting
17/09/2018	891 ABC Breakfast Radio interview on memorial seats
17/09/2018	SRWRA AGM & Board Meeting, SRWRA Offices, Seaford Hts
18/09/2018	Digital Training Workshop, Café Lune, Jetty Rd, Brighton
23/09/2018	Coastlands Church Community Centre Launch, 530 Brighton Rd, Brighton
23/09/2018	Spring Concert Series, Chapel, St Jude's Church
25/09/2018	Council Meeting
27/09/2018	5049 Coastal Community (was MRA) HBC Liaison Meeting, Café Lune, Jetty Rd, Brighton
30/09/2018	Spring Concert Series, Chapel, St Jude's Church

03/10/2018	Meet the Candidates (Seacliff and Marion Coastal Wards + Mayors) 5049 CC event, BSYC
04/10/2018	Waste Expo Australia, Melbourne Convention & Exhibition Centre – through SRWRA
05/10/2018	Jetty Traders Awards Night GSLSC
07/10/2018	Holdfast Bay Concert Band Concert – The Corner Uniting Church - Warradale
08/10/2018	Meet the Candidates, Somerton Ward, Partridge House
09/10/2018	Council Meeting
11/10/2018	Meet the Candidates, Glenelg Ward, Holdfast Bay Bowls & Croquet Club
14/10/2018	Brighton Lacrosse Club Awards, Lacrosse Club, Brighton Oval
14/10/2018	Brighton SA logo launch by Shop Local resident promoters, The Beach Pit, Jetty Rd, Brighton
16/10/2018	Unveiling of Mary Thomas Plaque by Mrs Lan Le, wife of the Governor of SA, Old Gum Tree
16/10/2018	Yoga at the Bay, Wigley Reserve
17/10/2018	Meet the Candidates, Seacliff Ward, SSLSC
18/10/2018	Meet the Candidates, Brighton Ward, BSLSC

Item No: **13.1**

Subject: **MINUTES – JETTY ROAD MAINSTREET COMMITTEE – 3 OCTOBER 2018**

Date: 23 October 2018

Written By: General Manager Community Services

General Manager: Community Services

SUMMARY

The minutes of the meeting of the Jetty Road Mainstreet Committee meeting held on 3 October 2018 are attached and presented for Council’s information.

Jetty Road Mainstreet Committee Agendas, Reports, and Minutes are all available on Council’s website and the meetings are open to the public.

RECOMMENDATION

That Council notes the minutes of the meeting of the Jetty Road Mainstreet Committee of 3 October 2018.

COMMUNITY PLAN

Placemaking: Creating vibrant and safe places
Community: Providing welcoming and accessible facilities
Economy: Supporting and growing local business
Economy: Making it easier to do business
Economy: Boosting our visitor economy
Culture: Being financially accountable
Culture: Supporting excellent, efficient operations
Culture: Being financially accountable

COUNCIL POLICY

Not Applicable.

STATUTORY PROVISIONS

Not Applicable.

BACKGROUND

The Jetty Road Mainstreet Committee (JRMC) has been established to undertake work to benefit the traders on Jetty Road Glenelg, using the separate rate raised for this purpose. Council has endorsed the Committee's Terms of Reference and given the Committee delegated authority to manage the business of the Committee.

Jetty Road Mainstreet Committee Agendas, Reports, and Minutes are all available on Council's website and the meetings are open to the public.

REPORT

Minutes of the meeting of JRMC held on 3 October 2018 are attached for member's information.

BUDGET

Not applicable

LIFE CYCLE COSTS

Not Applicable

CITY OF HOLDFAST BAY

Minutes of the meeting of the Jetty Road Mainstreet Committee of the City of Holdfast Bay held in the Glenelg Library Meeting Room, Colley Terrace, Glenelg on Wednesday 3 October 2018 at 6:00pm.

PRESENT

Elected Members

Councillor S Charlick

Community Representatives

Chairman, Enve Hair & Beauty, Mr M Faulkner
Maios Group Investments, Mr C Maios
Beach Burrito Company, Mr A Warren
Ikos Holdings Trust, Mr A Fotopoulos
Telstra Store Glenelg, Ms E Leenearts
Fassina SA Family Liquor Stores, Ms E Fassina

Staff

Jetty Road Development Coordinator – Ms A Brown
Manager City Activation – Ms S Heading
General Manager Community Services – Ms M Lock

1. OPENING

The Chairman declared the meeting open at 6.06 pm.

2. APOLOGIES

2.1 Apologies - Councillor A Bradshaw, Mr S Robinson, Mr T Beatrice and Mr R Caruso

2.2 For Absence - Nil

3. DECLARATION OF INTEREST

Members were reminded to declare any interest before each item.

4. CONFIRMATION OF MINUTES**Motion**

That the minutes of the Jetty Road Mainstreet Committee held on 5 September 2018 be taken as read and confirmed.

Moved C Maios, Seconded E Fassina

Carried

5. QUESTIONS BY MEMBERS

5.1 Without Notice

5.2 With Notice Nil

6. MOTIONS ON NOTICE Nil**7. REPORTS/ITEMS OF BUSINESS**

7.1 JRMC Monthly Finance Report (Report No: 330/18)

Jetty Road Mainstreet Committee August 2018 variance report is prepared by the Jetty Road Development Coordinator and is presented for information to the members of the Jetty Road Mainstreet Committee.

Motion

That the Jetty Road Mainstreet Committee note this report.

Moved S Charlick, Seconded A Warren

Carried

7.2 Upcoming Events (Report No: 331/18)

This report provides a work in progress update on key events undertaken by the Jetty Road Development Coordinator and the City of Holdfast Bay's City Activation team. Key events include Play at the Bay School Holiday Program, Jetty Road Trader Awards, Stay and Play Street Party, Glenelg Christmas Pageant and the SummerSalt Beach Concerts are presented to the committee.

Motion

That the Jetty Road Mainstreet Committee note this report.

Moved A Fotopoulos, Seconded S Charlick

Carried

7.3 Governance Model (Report No: 332/18)

The Jetty Road Mainstreet Committee (JRM) is an advisory committee of the City of Holdfast Bay formed under Section 41 of the *Local Government Act 1999*. Membership consists of up to 11 members and aligns with the current term of Council and is required to operate in accordance with Part 4 of the Local Government Act 1999. The JRM conducted a Special Meeting on 20 June 2018 to workshop alternative governance models with a facilitator and external subject matter experts.

At its 4 July 2018 meeting the JRM recommended to Council their preferred governance model of an Incorporated Association established under the Associations Incorporation Act 1985. At the 7 August 2018 Council workshop the Chair of the JRM presented to the Elected Members on the preferred model and at the workshop it was agreed that a survey should be conducted to consult with Jetty Road traders on the governance model options.

An online engagement on the JRM governance models was distributed to Jetty Road traders on 17 August 2018 and consultation closed on 3 September 2018. The JRM has sought information on the operations of other mainstreet associations within South Australia to provide some comparisons to other mainstreets.

Councillor Charlick departed the meeting at 6.42pm

Councillor Charlick rejoined the meeting at 6.45pm

Motion

- 1. That the Jetty Road Mainstreet Committee note this report**
- 2. That Council Administration revise the report to incorporate a business case to be prepared by Jetty Road Mainstreet Management Committee.**
- 3. That an engagement with the Jetty Road traders to incorporate survey questions tabled be undertaken by JRM once caretaker period has finished.**

Moved E Fassina, Seconded A Warren

Carried

7.4 Winter Wonderland De-brief Report (Report No: 333/18)

This report provides an overview on the results of Winter Wonderland ice skating rink in Moseley Square that took place from 1 to 22 July 2018 during the school holidays. Following the success of previous Winter Wonderland events and the learnings gained from each successive event, Jetty Road Mainstreet Management Committee since 2014, contributes up to \$75,000 towards Winter Wonderland. This event is jointly funded with Council. The City Activation and JRM budgets for 2018/2019 provides sufficient funds to meet the costs of the event, based on the net cost of the 2017 event. A preliminary event de-brief report was presented to the JRM at their 5 September meeting as event reconciliation was still underway.

Motion**That the Jetty Road Mainstreet Committee note this report.**

Moved C Maios, Seconded A Fotopoulos

Carried

7.5 Draft Jetty Road Glenelg Retail Strategy – Year One Delivery (Report No: 334/18)

At the 7 March 2018 JRMC meeting the Jetty Road Mainstreet Committee (JRMC) endorsed the vision, strategic objectives and direction of the draft Jetty Road Glenelg Retail Strategy 2018-2022.

Throughout April, May and June the JRMC reviewed the draft and provided feedback to Administration. At the 20 June 2018 JRMC special meeting the updated draft Jetty Road Glenelg Retail Strategy 2018-2022 and Summary document was presented to the Committee and endorsed for trader consultation. The Draft Strategy was provided to Council for their information at their meeting on 26 June 2018. The Strategy was noted by Council at their 28 August 2018 meeting. At the 5 September 2018 JRMC meeting the JRDC presented a variety of initiatives for the committee's consideration to deliver year one of the action plan.

Councillor Charlick departed the meeting at 7.30pm

Motion**That the Jetty Road Mainstreet Committee note this report.**

Moved A Fotopoulos, Seconded E Leenearts

Carried

7.6 Mainstreet SA Awards – Best Mainstreet Marketing (verbal update)

Ms A Brown provided a verbal update on the Mainstreet SA Awards.

Motion**That the Jetty Road Mainstreet Committee note the verbal update.**

Moved E Fassina, Seconded A Warren

Carried**8. URGENT BUSINESS – Subject to the leave of the meeting Nil****9. DATE AND TIME OF NEXT MEETING**

The next meeting of the Jetty Road Mainstreet Committee will be held on Wednesday 7 November 2018 in the Glenelg Library Meeting Room, Colley Terrace, Glenelg.

10. CLOSURE

The meeting closed at 7.47pm.

CONFIRMED Wednesday 5 December 2018

CHAIRMAN

Item No: **13.2**

Subject: **MINUTES - AUDIT COMMITTEE – 17 OCTOBER 2018**

Date: 23 October 2018

Written By: General Manager Business Services

General Manager: Business Services, Mr R Bria

SUMMARY

The minutes of the meeting of the Audit Committee held on 17 October 2018 are presented to Council for information and endorsement.

RECOMMENDATION

That Council receives and notes the minutes of the meeting of the Audit Committee of 17 October 2018, namely:

Standing Items

1. **That the Audit Committee advises Council it has received and considered a Standing Items Report addressing:**
 - **Monthly financial statements**
 - **Internal control**
 - **Risk management**
 - **Whistleblowing**
 - **Internal audit**
 - **Economy and efficiency audits.**

2017-18 Annual Accounts

2. **That the Audit Committee inform Council it has reviewed the consolidated General Purpose Financial Reports for the year ending 30 June 2018, as required under Section 126(4)(a) of the Local Government Act 1999, and found them to present fairly the state of affairs of the Council as required under the Local Government (Financial Management) Regulations 2011.**
3. **That the Audit Committee advise the Alwyndor Management Committee (AMC) that the Alwyndor Aged Care General Purpose Financial Statements for the year ended 30 June 2018 present fairly the state of affairs of Alwyndor.**

Long Term Financial Plan

4. That the Audit Committee advises Council it has received and noted the revised Long Term Financial Plan.

Brighton Oval Redevelopment Review

5. That the Audit Committee recommend implementation of the proposed actions in Attachment 1 with the addition of the Prudential Management Report action.

COMMUNITY PLAN

A Place that Provides Value for Money

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Local Government Act 1999, Sections 41 and 126

BACKGROUND

The Audit Committee is established under Section 41 of the *Local Government Act 1999*, and Section 126 of the *Local Government Act 1999* defines the functions of the Audit Committee to include:

- reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; and
- proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan; and
- proposing, and reviewing, the exercise of powers under section 130 A; and
- if the council has exempted a subsidiary from the requirement to have an audit committee, the functions that would, apart from the exemption, have been performed by the subsidiary's audit committee; and
- liaising with the council's auditor; and
- reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.

REPORT

Minutes of the meeting of Audit Committee held on 17 October 2018 are attached for member's information.

Refer Attachment 1

The Audit Committee undertook a review of the Brighton Oval Redevelopment as requested by Council and has made some recommendations which have been attached.

Refer Attachment 2

BUDGET

Not Applicable

LIFE CYCLE COSTS

Not Applicable

Minutes of the meeting of the Audit Committee of the City of Holdfast Bay held in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton on Wednesday 17 October 2018 at 6:30pm.

PRESENT

Members

Presiding Member – Councillor J Smedley
Councillor S Charlick
Mr J Wood
Mr S Spadavecchia

Staff

General Manager Business Services – Mr R Bria
Manager Finance – Mr J Newton
General Manager Alwyndor – Mr R Kluge
Chief Financial Officer - Alwyndor– Ms N Andjelkovic

Guests

Bentleys – Mr David Papa and Ms Dongju Han
BDO – Mr Geoff Edwards and Ms Chelsea Aplin

1. OPENING

The Chairman declared the meeting open at 6:31 pm.

2. APOLOGIES

- 2.1 Apologies Received – Mr S Tu
- 2.2 Absent - Nil

3. DECLARATION OF INTEREST

Members were reminded to declare their interest before each item.

4. CONFIRMATION OF MINUTES

Motion

That the minutes of the Audit Committee held on 18 September 2018 be taken as read and confirmed.

Moved by Councillor Charlick, Seconded by Mr Spadavecchia

Carried

5. ACTION ITEMS

The Action Items were tabled and discussed.

6. REPORTS BY OFFICERS

6.1 Standing Items – October 2018 (Report No: 342/18)

The Audit Committee is provided with a report on standing items at each ordinary meeting.

Motion

That the Audit Committee advises Council it has received and considered a Standing Items Report addressing:

- **Monthly financial statements**
- **Internal control**
- **Risk management**
- **Whistleblowing**
- **Internal audit**
- **Economy and efficiency audits**

Moved Mr Spadavecchia, Seconded Councillor Charlick

Carried

6.2 2017-18 General Purpose Financial Statements (Report No: 343/18)

The financial statements for the year ended 30 June 2018 have been completed and audited by Council's auditor, BDO, who have indicated that an unqualified audit opinion will be provided and that there are no material issues arising from the audit. They are presented to the Audit Committee for review.

Motion

1. **That the Audit Committee inform Council it has reviewed the consolidated General Purpose Financial Reports for the year ending 30 June 2018, as required under Section 126(4)(a) of the Local Government Act 1999, and found them to present fairly the state of affairs of the Council as required under the Local Government (Financial Management) Regulations 2011.**
2. **That the Audit Committee advise the Alwyndor Management Committee (AMC) that the Alwyndor Aged Care General Purpose Financial Statements for the year ended 30 June 2018 present fairly the state of affairs of Alwyndor.**

Moved Mr Spadavecchia, Seconded Mr Wood

Carried

6.3 Long Term Financial Plan Review (Report No: 344/18)

The Long Term Financial Plan (LTFP) has been reviewed and updated to include the 2018/19 Annual Business Plan and 2017/18 audited financial statements and budget updates to 31 August 2018. The projections in the LTFP indicate Council remains in a sound financial position.

The LTFP has also been informed by Asset Management Plans (AMP) and direction from Council with regard to Council's commitment to financial sustainability. A number of assumptions have been reviewed in updating the plan and these are detailed in the report.

The LTFP will be enhanced as part of the 2019/20 budget process to include major projects that have been identified to be undertaken over the next 10 years.

Motion

That the Audit Committee advises Council it has received and noted the revised Long Term Financial Plan.

Moved Mr Wood, Seconded Mr Spadavecchia

Carried

6.4 Brighton Oval Redevelopment Review (Report No: 355/18)

The Audit Committee on 18 September 2018 considered Audit Committee Report No 316/18 – Brighton Oval Redevelopment and resolved the following:

- “1. *That the Audit Committee note the report.*
2. *That a further report be provided to the next Audit Committee meeting covering learnings from the discussion and proposed actions.”*

This report covers the outcomes of the discussion at Audit Committee and some proposed actions.

Motion

1. **That the Audit Committee note the report.**
2. **That the Audit Committee recommend implementation of the proposed actions in Attachment 1 with the addition of the Prudential Management Report action.**

Moved Mr Wood, Seconded Mr Spadavecchia

Carried

7. URGENT BUSINESS – SUBJECT TO THE LEAVE OF THE MEETING - Nil

8. DATE AND TIME OF NEXT MEETING

The 2019 meeting schedule of the Audit Committee will be confirmed after the Council Election and will be provided to members of the committee at that time.

9. CLOSURE

The Meeting closed at 8:01 pm.

CONFIRMED

CHAIRMAN

Audit Committee Recommendations –Brighton Oval Redevelopment Review

Theme	Discussion	Actions	Timeframe
<p>1. Clear documentation of the risk management plan as per risk management framework and policy.</p>	<p>The documentation of the risk management plan for the project was not in the form of the risk management framework and policy until the report 28 August 2018. The project manager was identifying the risks and putting in place mitigating strategies, however didn't utilise the consequence matrix. This risk management plan should be then reviewed and updated as the project progresses.</p>	<ul style="list-style-type: none"> • Undertake refresher project management training to key users which uses the Councils risk management framework in its delivery and includes the risk management training. University of Adelaide has been engaged to deliver customised project management training from basic to advanced level for identified key users. • Integrate risk management plan development and review into our project reporting system. 	<p>Dec 18 – Feb 19</p>
<p>2. Appropriate level of detail that is required at key decision points in the approval process</p>	<p>It was raised in the discussions of what is the appropriate level of detail is required for decision makers. To assist Council, the administration uses a number of different methods of informing Council. These methods are EM workshops, presentations and formal council reports. It was canvassed that we should include further detail in regards to risks into Council reports. There is a balance required, however further detail should be available if required.</p>	<ul style="list-style-type: none"> • Review Council report template to include a section on risk implications. 	<p>Jan 19</p>
<p>3. Timing of when prudential reports should be undertaken</p>	<p>The prudential report was undertaken in January 2018 with the approval report in August 2018. At the time the prudential report was undertaken, it was based on the KPMG business case which was for a larger project which has now been reduced in scope due to available funding.</p>	<ul style="list-style-type: none"> • Some guidance to be included in the Prudential Management Policy on when in the project lifecycle that a prudential management report is undertaken. • This also to be included in the Project Management training. 	<p>Dec 18</p>

Audit Committee Recommendations –Brighton Oval Redevelopment Review

<p>4. Prudential Management Report Recommendations</p>	<p>The covering paper to the Prudential Management report to Council dated 10/7/18 recommended that "The Council receives and notes the Prudential Report for the Brighton Oval Complex upgrade." Although covered in the Prudential Report it would have been more informative to elected members if the covering paper had also stated that:</p> <p>(a) a detailed risk assessment in accordance with the Council's Risk Management Framework had yet to be done, and that one ought to be undertaken before the project proceeds, and</p> <p>(b) the extreme/high risks and the proposed mitigating controls ought to be provided to Council for consideration when deciding whether or not to approve the Project and the procurement method. [See S 48 (2) (h) of the Act which says 'prudential issues' include "risks ... and the steps that can be taken to manage, reduce or eliminate those risks..."]</p>	<ul style="list-style-type: none"> • Council's Prudential Management Policy be reviewed and if necessary amended to clarify the forms of recommendations the Prudential Report and that the covering report must make to Council - for example unqualified, or qualified. 	<p>Feb 19</p>
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Item No: **14.1**
Subject: **ITEMS IN BRIEF**
Date: 23 October 2018
Written By: Personal Assistant
General Manager: Business Services, Mr R Bria

SUMMARY

These items are presented for the information of Members.

After noting the report any items of interest can be discussed and, if required, further motions proposed.

RECOMMENDATION

That the following items be noted and items of interest discussed:

1. **Upcoming Events**
 2. **Response letter to Council from Hon Stephan Knoll MP regarding Airbnb Regulations**
-

COMMUNITY PLAN

Culture: Supporting excellent, efficient operations

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Not applicable

REPORT

1. **Upcoming Events**

Stay and Play Street Party – 21 October

The Adelaide Fashion Festival took place from 17-21 October 2018. The City of Holdfast Bay participated in the event in 2016. Events South Australia, event managers of the Adelaide Fashion Festival approached the City of Holdfast Bay to

participate in the 2018 event to bring a family friendly element to the Adelaide Fashion Festival program, showcasing children's fashion. The event will see a new retail and shopping focused event targeting families to enjoy a day out in Glenelg. The event will provide exposure of Jetty Road's retailers to an expected crowd of 20,000 residents and visitors from 11am to 7pm. The Jetty Road Development Coordinator successfully engaged 25 businesses to participate.

Lifesaving World Championships – 16 November – 2 December

The ILS Lifesaving World Championships are conducted every 2 years, showcasing excellence in lifesaving sports and rescue; attracting the most talented and skilled lifesaving athletes to compete for the title of World's best with the City of Holdfast Bay proudly hosting the event in 2018. Currently competitor registrations are approximately 4,500 with an estimated additional 10,000 accompanying persons attending over a 2 week period. LWC 2018 will see both on and off beach activities including a licensed Championship Hub on Brian Nadilo Reserve, equipment compound located on Wigley Reserve and event competition conducted on beach both north and south of the Glenelg Jetty.

Glenelg Sunset Markets – 25 November, 9 December, 13 January, 10 February, 10 March

The Glenelg Sunset Markets will commence in November located on the Glenelg foreshore. This family friendly event will have a range of local food, live music and over 60 market stalls to browse. This market is aimed at a younger demographic aged between 18 – 24 years.

Seacliff 5049 Markets- 7 December, 11 January and 8 February

The Seacliff 5049 Markets will occur once a month across summer from 5.30 – 8.30pm offering high quality products from kitchenware to bedding, outdoor entertaining and plants, décor and pottery. The markets will also aim to include men's products, sustainable and ecofriendly products, unique children's and women's fashion and accessories.

This market has been created for broad appeal amongst both residents and visitors alike to enjoy live music, kid's activities, and food stalls.

SummerSalt Beach Concert – 8 December

The SummerSalt beach concert presenting Angus and Julia Stone, Meg Mac, Didirri will see 7,000 event attendees on Glenelg beach. This is the third beach concert of its kind to be held. The music genre of the headline act of Angus and Julia Stone is acoustic, alternative and folk that will create a wide appeal to the precincts target audience of 25- 54 years. The City of Holdfast Bay has been approached by John Zaccaria of Zaccaria Concerts and Touring to tentatively stage several beach concerts in a similar location on Glenelg Beach from 2 - 3 February 2019. It is anticipated the events would commence at approximately 3pm and all music would cease by 10pm. These general admission events would vary in ticket price and accessible to all ages. As licensed events however, those wishing to consume alcohol will be appropriately

identified. Council will charge venue hire fees plus an appropriate bond which will be determined in conjunction with Depot staff. Event License is subject to conditional use and rigorous risk assessments.

Beach Life Festival – 28 December

The Beach Life Festival presenting The Kook (indie/alternative rock genre), Winston Surfshirt, Last Dinosaurs, and MANE is a new event coming to Glenelg and will see 3,000 event attendees on the Foreshore. The City of Holdfast Bay was approached by Daniel Michael, a successful Adelaide based event promoter and producer of more than 25 years. Daniel is also the creator and director of the popular Gluttony venue for the Adelaide Fringe which has been in operation for 7 years. The event site will utilise the existing infrastructure and partial footprint that will be in place for New Year's Eve and will result in a cost savings back to Council. It is anticipated the events would commence at approximately 3pm and all music would cease by 10pm. The site will be contained to the grassed area only in front of the Stamford Grand Adelaide, Glenelg, with pedestrian access unimpeded via the paved walkways either side. The events would be accessible to all ages. As licensed events however, those wishing to consume alcohol will be appropriately identified. Council will charge venue hire fees plus an appropriate bond which will be determined in conjunction with Depot staff. Event License is subject to conditional use and rigorous risk assessments.

By. The C Beach Concert – 3 February

The By. The C beach concert presenting Icehouse, Sunny Boys, Do Re Mi and Mental As Anything will see 5,000 event attendees on Glenelg beach. The music genre of the headline act of Icehouse is soft rock that will appeal to a 50 years plus target audience. John Zaccaria of Zaccaria Concerts and Touring is the event promoter working closely with the City of Holdfast Bay to stage several beach concerts in a similar location on Glenelg Beach across the summer season. It is anticipated the events would commence at approximately 3pm and all music would cease by 10pm. These general admission events would vary in ticket price and accessible to all ages. As licensed events however, those wishing to consume alcohol will be appropriately identified. Council will charge venue hire fees plus an appropriate bond which will be determined in conjunction with Depot staff. Event License is subject to conditional use and rigorous risk assessments.

2. **Response Letter to Council from Hon Stephan Knoll MP regarding Airbnb Regulations**

At its meeting of 12 June 2018 Council resolved that the Chief Executive Officer write to Hon Stephan Knoll requesting a review of the relevant legislation that enables Airbnb's, serviced apartments and short-term rental accommodation to operate without regulation under current planning laws.

Refer Attachment 1

A response from Hon Stephan Knoll MP on this matter has been received for elected members' information.

Refer Attachment 2



holdfast.sa.gov.au

Brighton Civic Centre 24 Jetty Road, Brighton SA 5048

PO Box 19 Brighton SA 5048

P 08 8229 9999 F 08 8298 4561

Glenelg Customer Service Centre and Library
2 Colley Terrace, Glenelg SA 5045

18 June 2018

The Hon Stephan Knoll MP
Minister for Planning
GPO Box 1533
ADELAIDE SA 5001

Dear Minister Knoll

The Regulation of Airbnb's, Serviced Apartments, and Short Term Rental Accommodation

At its meeting held on 12 June 2018, the Council resolved that I write to you requesting a review of the relevant legislation that enables Airbnb's, serviced apartments, and short-term rental accommodation to operate without regulation under current planning laws.

Specifically, the Council is seeking the preparation of draft amendments to Schedule 1 of the Development Regulations 2008 that would expand the current definition of a "hotel" to include Airbnb's, serviced apartments, and any rental accommodation (excluding caravan parks) offering stays of less than 28 days. This would enable a relevant planning authority to assess such proposals against the criteria assigned to a "hotel" in an individual council's Development Plan, ensuring that existing planning laws covering a "hotel" would then apply to such short-term rentals, which, for all intents and purposes, are presently operating as hotel suites.

The premise for this request is twofold: firstly, the short-term housing and serviced apartment market is withdrawing accommodation from the traditional rental market, thereby making longer-term renting less accessible and less affordable; and secondly, the proposition would provide some regulation to safeguard the amenity for residents and strata owners that reside adjacent such transitory tenancies.

There has been a rapid growth of Airbnb's, serviced apartments, and short term rental accommodation, particularly in Holdfast Bay, and the Council is of the view that there is now a pressing need to ensure that some regulation is applied to foster pleasant and accessible neighbourhoods for current and aspiring long-term residents.

Should you wish to discuss this matter further, please do not hesitate to contact Council's Manager of Development Services, Mr Anthony Marroncelli, on 8229 9904.

Yours sincerely

Justin Lynch
Chief Executive Officer



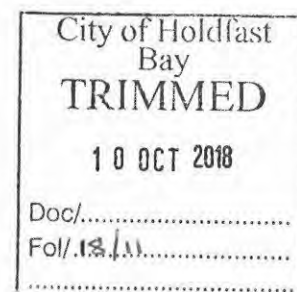
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Government
of South Australia

The Hon Stephan Knoll MP
Member for Schubert

Mr Justin Lynch
Chief Executive Officer
City of Holdfast Bay
PO Box 19
BRIGHTON SA 5048



Dear Mr Lynch

Thank you for your letter regarding Airbnb, serviced apartments and short-term rental accommodation.

South Australia's metropolitan coast is a popular destination for local, interstate and international visitors, and the City of Holdfast Bay is of course home to some of Adelaide's most premier beachside locations, attracting large visitor numbers.

The emergence and popularity of sharing economy platforms – and resulting increase in short stay accommodation options – is a point of focus, and one I am eager to further understand in terms of its impact on communities, balanced with the benefits it delivers to our economy through the tourism industry.

The provision of short-term accommodation is of course key to the success of this industry and this Government intends to maintain a supportive environment for its ongoing growth. Equally, I appreciate your concerns, and Council's desire to foster pleasant, attractive and accessible neighbourhoods for long-term residents.

South Australia's New Planning System

As you know, the Government together with the State Planning Commission (Commission) has embarked on a comprehensive process of reform to implement a new planning system for South Australia - the most significant planning reforms in over 20 years. A key element of this program is the development of the Planning and Design Code. The Commission is responsible for preparing and maintaining the Code, and its development represents a unique opportunity to take stock of the current planning policy and procedural environment.

In developing the Code, the Commission intends to consider a range of contemporary policy issues, including supporting land use definitions, and I have therefore referred your letter to the Commission for consideration.

Minister for Transport, Infrastructure and Local Government
Minister for Planning
Roma Mitchell House Adelaide SA 5000 | GPO Box 1533 Adelaide SA 5001 DX 171
Tel 08 7109 8430 | Email ministerknoll@sa.gov.au



Amendment to Schedule 1 - Definitions

On the topic of definitions, consultation was recently undertaken across the planning and development sector in relation to the provision of new land use definitions to support the Code. As you know, most definitions currently exist within the Schedule 1 of the *Development Regulations 2008*. In future, land use definitions will reside in, and form part of the Code.

I am advised that the nature and intensity of a large proportion of the short term accommodation market is indeed quite a different land use and offering to that of a hotel. In this regard, I am not of the mind to make an amendment to the Regulations to effect such a change.

Importantly, such a definition change can have far reaching policy implications across multiple Development Plans, which may in turn necessitate a state-wide Development Plan Amendment to resolve. I also don't propose to initiate a Development Plan Amendment of this nature, particularly given the focus on developing the Code.

Planning and Design Code - Policy Discussion Papers

In developing the Code, the Government and the Commission are undertaking a range of consultation and engagement activities. One such measure is the development of a series of policy discussion papers, which will be progressively released on the SA Planning Portal, a number of which are available now.

These papers have been informed by collaborative work undertaken with every council across the state, to review the currently planning policies within existing development plans. These reviews focused on gaining a state-wide understanding of contemporary policy which ought to simply be transitioned to the Code, as well as any challenges and opportunities for policy improvement and reform.

Together, the policy discussion papers seek to outline and harness a broader understanding of planning policy issues across a range of areas, and importantly how policies may shape local communities in the future. Importantly, the papers highlight areas for improvement and reform for the first generation of the Code, as well as for later generations.

The papers cover the following policy topic areas:

- The Blueprint to the Planning and Design Code (released)
- Natural Resources and Environment Discussion Paper (released)
- Integrated Movement Systems Discussion Paper (released)
- Productive Economies Discussion Paper (soon to be released)
- People and Neighbourhoods Discussion Paper (soon to be released)

Both the Commission and I welcome input from your council on all of policy discussion papers. However, in relation to your letter, I would particularly recommend you consider the Productive Economies and the People and Neighbourhoods Discussion Papers when they are released later this year.

Together they will provide insights into the important areas of tourism and tourist accommodation policy, as well as residential policy, which together form a key aspect of the short term accommodation conversation.

Should you wish to discuss the above information, please contact Mr Alex Mackenzie, Unit Manager Planning Reform Implementation on 83432163 or by email at Alex.Mackenzie@sa.gov.au.

Yours sincerely



**HON STEPHAN KNOLL MP
MINISTER FOR TRANSPORT, INFRASTRUCTURE AND LOCAL GOVERNMENT
MINISTER FOR PLANNING**

1 October 2018

Item No: **14.2**

Subject: **2017-18 ANNUAL REVIEW OF INVESTMENTS**

Date: 23 October 2018

Written By: Manager Finance, Manager Finance and Administration - Alwyndor

General Manager: Business Services, Mr R Bria

SUMMARY

Section 140 of the *Local Government Act 1999* (the Act) requires Council to review the performance of its investments on an annual basis. This report explains the process for investing funds, amount of funds invested during 2017-18, average interest rate earned and investment performance against budget for Council's municipal activities and Alwyndor Aged Care.

RECOMMENDATION

That this report comprising a performance review of 2017-18 investments, as required under Section 140 of the *Local Government Act 1999*, be received and noted.

COMMUNITY PLAN

Culture: Being financially accountable

COUNCIL POLICY

Treasury Management Policy

STATUTORY PROVISIONS

Local Government Act 1999, Sections 139 and 140

BACKGROUND

The Act requires Councils to review the performance of its investments annually. Council invests its funds in accordance with its Treasury Management Policy ensuring funds are preserved and invested within legislative requirements and sound prudential requirements.

Refer Attachment 1

Section 139 of the Act details the investment powers of a Council. It requires a Council to exercise care, diligence and skill in placing and managing investments, while avoiding speculative or hazardous investments. It also stipulates matters to be taken into account when placing investments including the nature of risk, likely income return, effect of inflation, the costs of making the investment and any anticipated community benefit.

Council's Treasury Management Policy requires all surplus funds to be invested with secure financial institutions.

REPORT

Investment Types

Council has three major types of investments; cash, loans to community organisations, and equity investments. This report deals with cash investments resulting from the investing of day-to-day surplus funds (operating funds) and specific purpose cash backed reserves.

Investment policy framework

Council's policy states that the LGFA is the preferred financial institution for cash investments. It is guaranteed by the State and is managed and administered by a Board of Trustees, working for the benefit of Councils and other Local Government Bodies within South Australia.

The LGFA also offers an annual bonus payment which enables it to share its financial success with member Councils. It is calculated in relation to the average deposit and loan levels held by the LGFA during the financial year.

Other approved investment types include SA or Commonwealth Government Bonds and interest bearing deposits or bank bills with a credit rating from Standard & Poor's of not less than A1 for investments up to 12 months and not less than AA- for longer investments.

2017-18 Investment placement

All investments were held with either the State backed Local Government Finance Authority (LGFA), the National Australia Bank (NAB), or Westpac. The LGFA, NAB and Westpac have provided Council with secure and competitive interest. The LGFA is also Council's preferred borrower and provides very low borrowing rates that have been unable to be matched by the major banks.

All of Council municipal cash investments were placed with the LGFA. When new investment opportunities arose quotes were obtained from the LGFA and approved banks. The LGFA was given the opportunity to match or exceed the best quote received which it has in all cases for new investments. For existing investments other non-quantifiable factors are taken into account including transaction processing efficiency and the level of service provision.

For Alwyndor investments were also made with the NAB and Westpac. Investments were placed after interest rates were compared. During the financial year 7% of Alwyndor investments were placed with the NAB, 81% placed with Westpac and the remaining 12% placed with the LGFA.

LGFA Bonus Payments

The Board of Trustees of the LGFA annually determines that a bonus payment be made from surplus funds to Councils and prescribed authorities who used the LGFA services. The allocation and amounts are calculated in relation to individual Council deposit and debenture loan levels maintained with the LGFA over the financial year. The bonus payments equate to approximately 0.35% pa additional interest earned on average deposits.

Council received a \$18,027.96 bonus payment for Municipal funds and \$16,529.41 for Alwyndor funds in 2017-18.

Cash backed reserve fund investments

Councils Treasury Management Policy states that cash-backed reserves will not be maintained unless required by legislation or agreed to with third parties. The reserves that are legally required and have been maintained include developer contributions and the Alwyndor Aged Care reserve.

As at 30 June 2018 Alwyndor Aged Care held cash backed reserves totaling \$16.217m which included accommodation bonds.

Reserve funds at Alwyndor are invested in accordance with prudential requirements that include holding \$2m at call and investing the balance for periods up to six months.

2017-18 Overall Budget result

The original forecast for investment income was \$404,912 comprising \$373,852 from Alwyndor and \$31,060 for Municipal operations. The Municipal budget forecast was increased by \$68,800 due to the amount of funds available for investing. Alwyndor investments income increased by \$120,759 due to the amount of funds available for investing. The actual result was \$593,231 comprising \$494,612 from Alwyndor and \$98,619 from Municipal operations.

Municipal Funds

Levels of Investment

The level of municipal invested funds held as at 30 June 2018 increased by \$4,251,463 compared to 30 June 2017. This was due to the 2017-18 operating surplus result and the receipt of large grants for Brighton Sports Complex and Coast Park at Minda Dunes.

Municipal Funds Investment Performance

2017-18 Interest rate movements

During 2017-18 official interest rates were held steady by the Reserve Bank of Australia to continue to support the Australian economy.

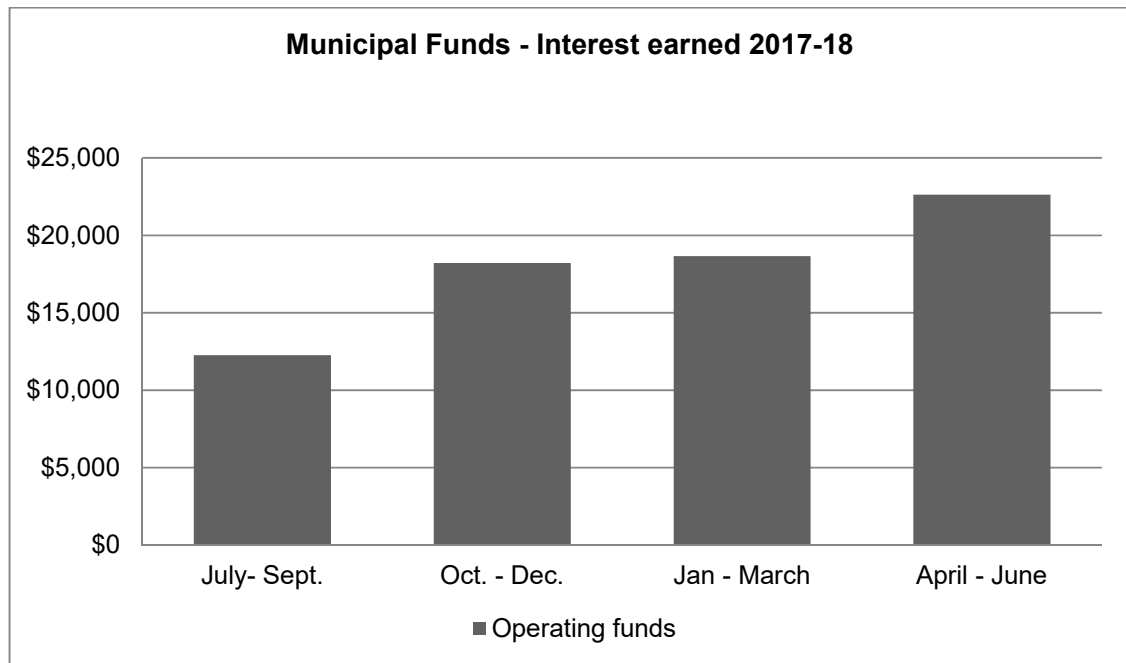
Weighted average interest rate earned

The following table compares the overall weighted average interest rate earned (including LGFA bonus) on investments for 2017-18. All municipal investments were placed with the LGFA.

Funds	RBA Cash Rate	Operational Funds – Term Deposits	Operational Funds – at call investments	Reserve Funds
Municipal	1.5%	2.52%	1.5%	1.85%

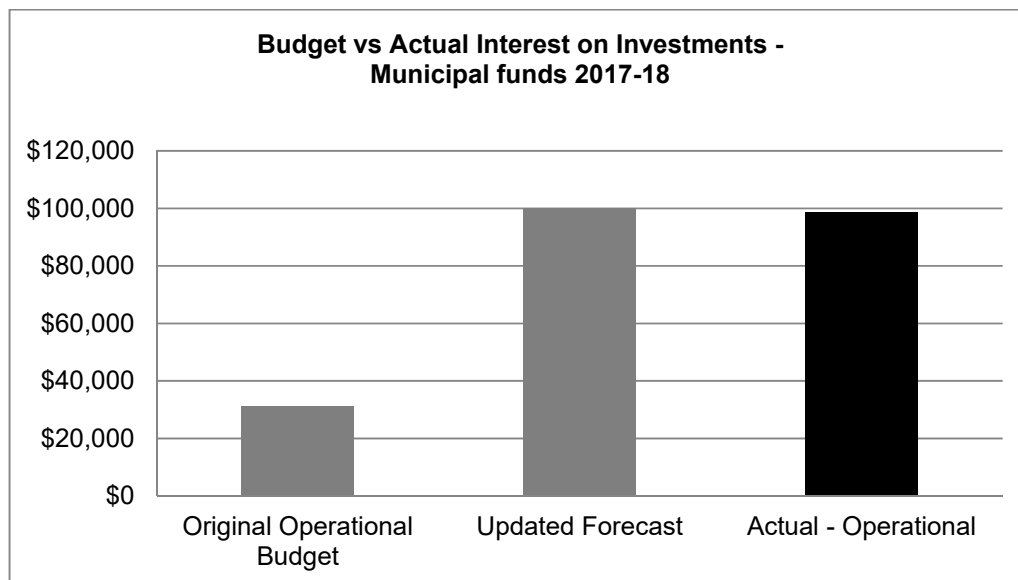
Interest received during 2017-18

Municipal interest received from the LGFA is paid quarterly and is summarised in the following chart. It shows a peak after the first due date for rate payments and thereafter a steady return on available invested cash.



2017-18 budget comparison

The original municipal budget for investment income totaled \$31,060. The actual interest received totaled \$98,619. The following chart shows the budget to actual performance for Municipal funds.

Alwyndor Funds

As at 1 July 2017 a total of \$14.414m of Alwyndor cash funds were invested. As at 30 June 2018 the level of Alwyndor invested funds increased to \$19.185m. The movement in the level of investments reflects the change in Accommodation Bond liability which is in line with the Alwyndor Accommodation Bond Policy. There was only minor capital expenditure in relation to redevelopment, a permitted use of accommodation bonds under the Aged Care Act Prudential requirements.

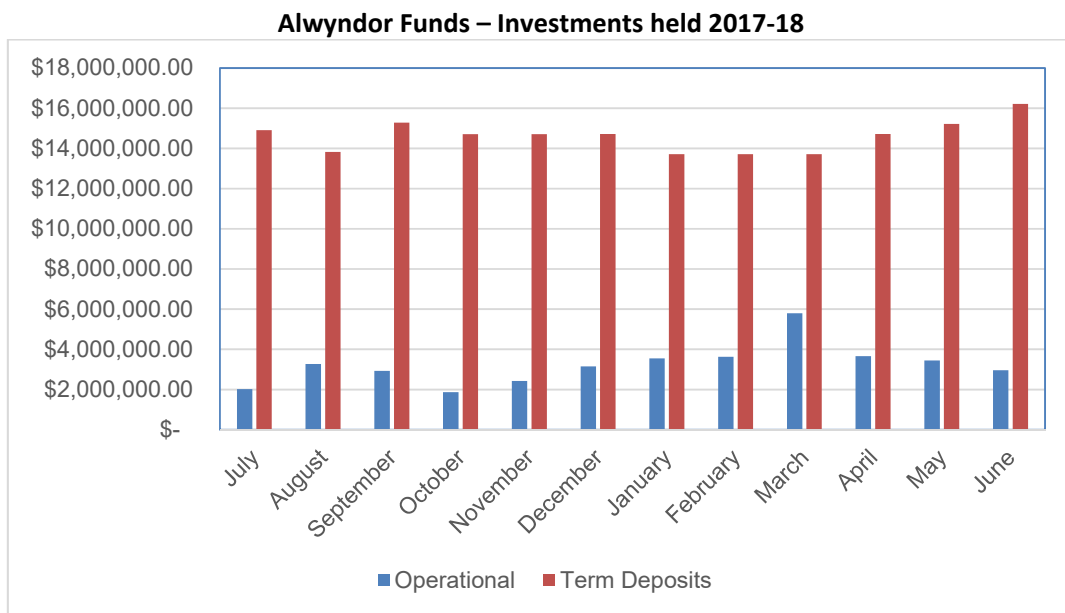
The overall performance reflected:

- a projected increase in interest rates,
- an increase in investments of \$7.771m (24.87%),
- an increase in the Accommodation Bond liability held by Alwyndor of \$1m (2.99%), as per the facilities Accommodation Bond Policy,
- Accommodation Bonds owed of \$172k and Accommodation Bonds awaiting a Grant of Probate to enable Alwyndor to release the funds held of \$4.045m being a variance of \$3.873m owed.

Cash Investments

The operational Alwyndor account is the day-by-day cash account. All receipts and payments are processed through a bank account and any surplus funds arising are invested in accordance with the current policy.

In determining the period of time for investment, consideration is taken of cash flow obligations as well as prevailing interest rate market forces. No investment is placed for a period greater than 12 months. The following chart highlights the level and nature of investments held for Alwyndor funds.



Alwyndor Investment Performance

Weighted Average interest rate earned

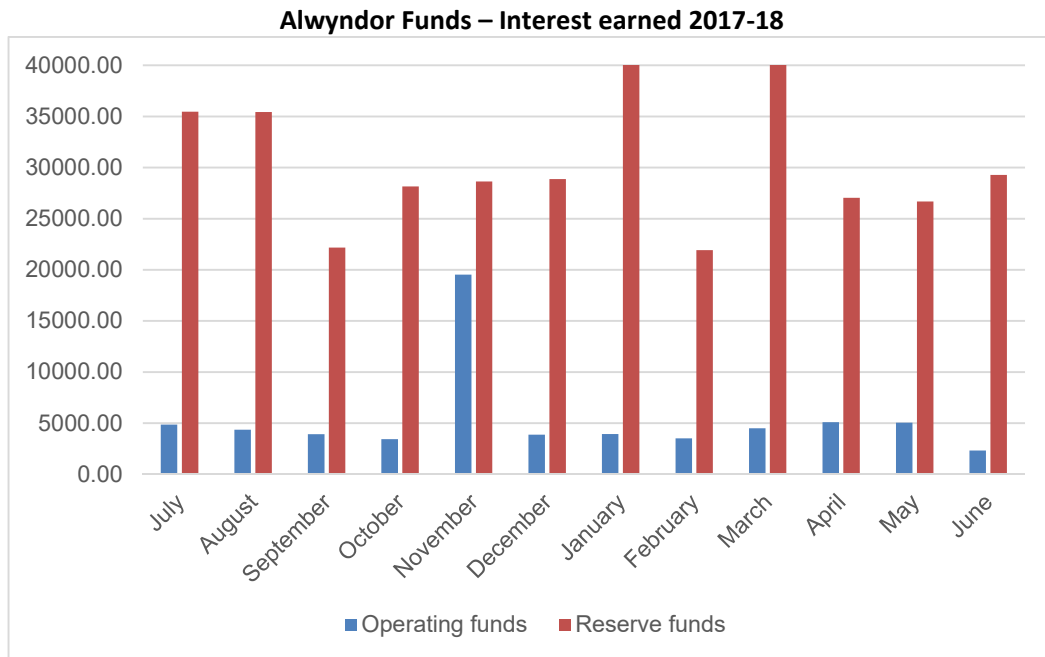
The following table compares the overall weighted average interest rate (including LGFA bonus) earned on Alwyndor investments for 2017-18.

Funds	RBA Cash rate	Operational Funds – Term Deposits	Operational Funds – at call investments	Reserve funds
Alwyndor	1.50%	Refer Reserve Funds	1.50%	2.36%

Alwyndor invests reserve funds for periods of 90 days to six months.

Alwyndor interest received during 2017-18

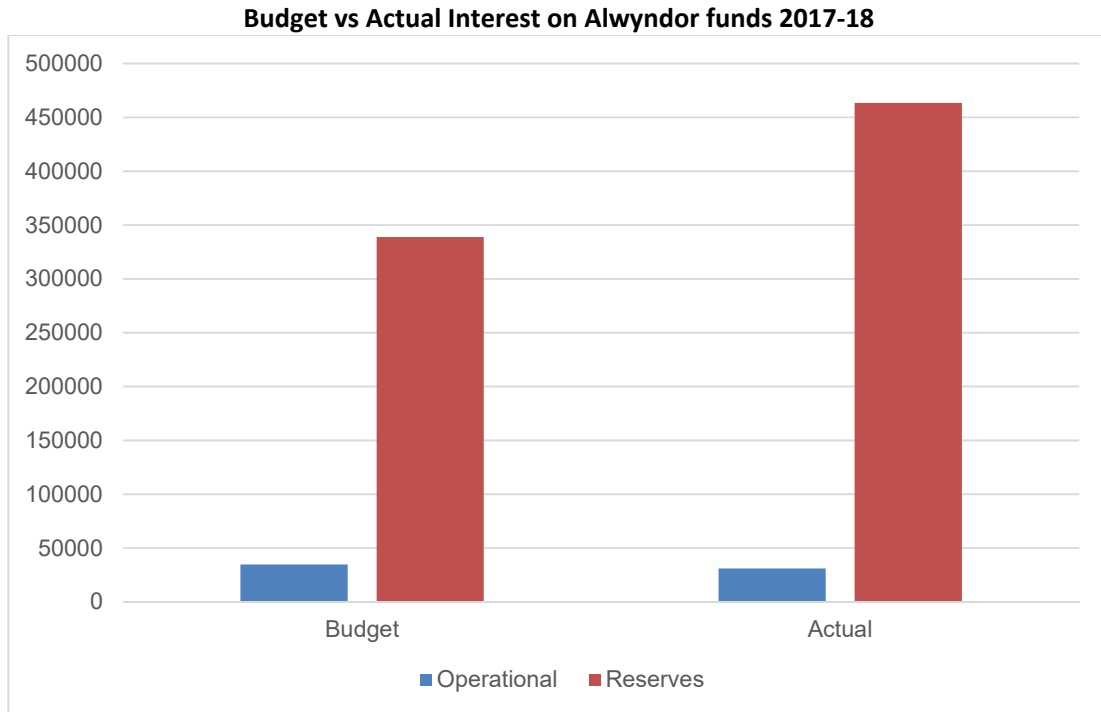
Interest received from the LGFA was paid quarterly until April 18. LGFA now pay interest at the end of the investment. Interest received from the NAB and Westpac are paid at the end of the investment term. This is summarised as per the chart below. It indicates the movement in available cash invested in operating funds, compared with interest rates and amounts earned from the more stable reserve funds. Note that the LGFA Bonus Interest was received in November and therefore explains the spike in operating funds interest.



2017-18 Budget comparison

The original budget for interest on investments for Alwyndor funds totaled \$373,852 from all sources and was revised up to \$413,982 during the year. The total actual amount earned was \$494,612 which was an increase to the revised forecast. This increase was due to the increase in Accommodation Bonds held during the year.

The following chart shows the budget to actual performance during 2017-18.



BUDGET

The 2018-19 budget has been set after taking into consideration treasury management policy, interest rate environment, level of reserve requirements and surplus operational funds. The original municipal budget has been set at \$42,400. For Alwyndor the budget has been set at \$423,861.

Interest on investment budgets will be further monitored during 2018/19 and adjusted as part of the budget forecast update process.

LIFE CYCLE COSTS

This report deals with 2017-18 investment performance it does not have any full life cycle cost implications.

Classification:	Statutory Policy.
Trim Container	B3292
Trim Document Number:	DOC/16/31769
First Issued / Approved:	14/4/2011
Last Reviewed:	9/06/2015
	C090615/129
Next Review:	1/06/2019
Responsible Officer:	Manager Finance
Date Placed on Web:	9/06/2015

1. PREAMBLE

1.1 Background

This policy establishes a decision framework to ensure that:

- (a) Council is able to meet its financial obligations as they fall due and to provide appropriate funding capacity to meet unforeseen events as they arise;
- (b) Council procures funds at the lowest overall cost and with minimal impact of adverse movements in interest rates;
- (c) Council’s investments are with credit-worthy institutions to minimise the risk of loss.

1.2 Purpose

The purpose of this policy is to provide clear direction to management, staff and Council in relation to the treasury (funds) management and is designed to actively support Council’s commitment to financial sustainability.

1.3 Scope

This policy applies to all Council activities.

1.4 Definitions

“Treasury Management” means managing borrowings, investments and cash flows.

“Financial Sustainability” means meeting long term service and infrastructure levels and standards without unplanned increases in rates or disruptive cuts to services.

TREASURY MANAGEMENT POLICY

“Long Term Financial Plan” means the primary financial document linked to the Strategic Plan and informed by the Asset Management Plan expressing activities over at least 10 years providing guidance to formulate a financially sustainable business plan and budget.

“Net Financial Liabilities” means total liabilities less financial assets, where financial assets for this purpose include cash, investments, receivables and prepayments, but excludes inventories and land held for resale.

“Net Financial Liabilities Ratio” means Net Financial Liabilities as a percentage of Operating Revenue.

“Interest Cover Ratio” means the extent to which operating revenues are committed to net interest expense.

“Inter-generational Equity” means resources and assets do not belong to one generation but are administered and preserved for future generations.

“LGFA” means Local Government Finance Authority, being an authority established under the Local Government Finance Authority Act 1983. Under the Act the South Australia Government guarantees all of the Authority’s liabilities, including monies accepted on deposit from clients. The Authority develops and implements borrowing and investment programs for the benefit and interests of Local Government.

“S&P” means Standard & Poors global credit rating agency which is independent and expresses an opinion about the ability and willingness of an institution such as a corporation or government, to meet its financial obligations in full and on time. An AA rating means the institution has a very strong capacity to meet financial commitments.

“Reserve Funds” means funds set aside in an account to meet any unexpected costs that may arise in the future costs of asset renewal or replacement.

1.5 ***Strategic Reference***

Our Place Community Plan 2012-2015. A place that provides value for money.

2. **POLICY STATEMENT**

2.1 **Treasury Management Strategy**

Finances will be managed holistically in accordance with overall financial sustainability strategies and annually reviewed targets. This means that Council will:

- (a) Maintain target ranges for Net Financial Liabilities and Net Financial Liabilities Ratio;
- (b) Maintain target range for Interest Cover Ratio;

TREASURY MANAGEMENT POLICY

- (c) Not retain and quarantine money for particular future purposes unless required by legislation or agreement with other parties;
- (d) Borrow funds in accordance with the requirements set out in its Long Term Financial Plan;
- (e) Maintain a minimum amount of liquidity.

2.2 Liquidity

Council will maintain a minimum amount of cash on hand or at call to meet projected cash needs and maintain a \$1million standby credit facility with the LGFA which can be accessed immediately on the approval of the Chief Executive Officer (or delegate) should the need arise.

Any funds that are not immediately required to meet approved expenditure or minimum liquidity will be applied in the following order of priority:

1. reduce existing borrowings where it is cost effective to do so;
2. defer the timing of new borrowings;
3. invest in accordance with this policy.

2.3 Borrowings

Council recognises the prudent use of borrowings to spread costs over time in support of the principle of intergenerational equity.

Borrowings will be managed in accordance with overall financial sustainability strategies and legislative requirements. This means that Council will:

- (a) approve borrowings having regard to the annual budget, long term financial plan and financial targets;
- (b) borrow in accordance legislative powers pursuant to section 44(3)(c) of the Local Government Act 1999;
- (c) not attach borrowings to specific expenditure commitments or assets;
- (d) maintain flexibility and capacity to borrowings comprising a mixture of:
 - (i) maturity dates;
 - (ii) variable and fixed interest rates;
 - (iii) interest only and amortising loans;
 - (iv) cash advance debentures that enable principal draw down and repayment without penalty;
- (e) borrow from the LGFA (being the preferred financial institution) or the Commonwealth Bank, ANZ, NAB or Westpac;
- (f) not borrow directly from any retail market through the issue of bonds or other debentures.

TREASURY MANAGEMENT POLICY

- (g) not deal in swaps and derivatives without Council approval.

Loans to community organisations must be approved by Council and will be funded by borrowings in accordance with this policy and Council's "Borrowing Guidelines for Community Organisations".

2.4 Investments

Council funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or to avoid raising new borrowings will be invested.

When investing funds Council will select the investment type which delivers the best value having regard to investment returns, transaction costs, future funding needs and other relevant factors. This means that council will invest surplus funds with:

- (1) the LGFA (being the preferred financial institution);
- (2) SA or Commonwealth Government Bonds;
- (3) interest bearing deposits or bank accepted/endorsed bills with banks with:
 - (i) short term credit rating from S&P of not less than A1 for investments of not more than 12 months;
 - (ii) long-term credit rating from S&P of not less than AA- for investments greater than 12 months.

Investments will be made in accordance with this policy by the Chief Executive Officer (or delegate) in accordance with section 139 of the Local Government Act. Council approval is required for investments with a maturity date greater than 12 months.

2.5 Reserve Accounting

Council will not maintain cash-backed reserves unless required to by legislation or agreement with third parties.

Existing cash-backed reserves will be managed as follows:

- (1) provisions for future capital expenditure will be included in Council's long term financial plan;
- (2) existing cash reserve funds will be applied to reduce borrowings or to avoid raising new borrowings.

2.6 Reporting

Council will receive the following reports:

- (1) annual long term financial plan projections including financial targets;
- (2) annual review of borrowing and investment performance pursuant to section 140 of the Local Government Act;
- (3) summary of the level of borrowings, investments and net financial liabilities at each budget review;

TREASURY MANAGEMENT POLICY

- (4) as required a schedule of borrowings and cash when considering new borrowing or investing surplus cash for greater than 12 months.
- (5) as required, in instances of a breach of policy, an audit report to the CEO, chair of the Audit Committee and Internal Auditor.
- (6) as required a report on adherence to treasury management internal controls including liquidity, borrowing and investing of surplus funds.

3. REFERENCES

3.1 Legislation

For borrowings:

- (1) Local Government Act, 1999, sections 44, 122, 134.
- (2) Regulations 5 and 5B of the Financial Management Regulations under the Act.

For investments:

- (1) Local Government Act, 1999, sections 47, 139, 140.

3.2 *Other References*

Nil.

Item No: **14.3**

Subject: **2017-18 GENERAL PURPOSE FINANCIAL STATEMENTS**

Date: 23 October 2018

Written By: Manager Finance, Chief Financial Officer - Alwyndor

General Manager: Business Services, Mr R Bria

SUMMARY

The completed financial statements for the year ended 30 June 2018 have been reviewed by the Audit Committee and audited by Council's external auditors, BDO who have indicated that an unqualified audit opinion will be provided. They are presented to Council to be received, noted and authorised.

The consolidated operating result before capital revenues is \$1,298,000 surplus comprising \$1,202,000 (deficit) from Alwyndor and \$2,500,000 surplus from Council's municipal operations. Contained in Council's municipal operations result is a \$267,000 surplus from Council's 15% equity interest in Sothern Region Waster Resource Authority (SRWRA).

The operating results vary from the preliminary result reported to Council on 14 August (Report 277/18) as indicated in the table below.

Preliminary Report Council 277/18 operating result before net gain/loss on asset disposals/revaluations	Financial Statements Operating Result	Difference (to Council Report 292/17)
<i>Municipal Operations</i>		
\$2,713,000 Surplus	\$2,500,000 Surplus	\$213,000 decrease in surplus
<i>Alwyndor Operations</i>		
(\$653,000) Deficit	(\$1,202,000) Deficit	\$549,000 increase in deficit
<i>Consolidated</i>		
\$2,060,000 Surplus	\$1,298,000 Surplus	\$762,000 decrease in surplus

The major difference with the Council operating result was accounting for the final SRWRA surplus result, processing final invoices to 2017/18 and accounting for in-kind library grants. Loan receivables were reviewed and considered by the Audit Committee on 29 August (Report 298/18). The financial statements have maintained the loan impairment provision in accordance with the recommendations.

The major difference with the Alwyndor result was additional depreciation on the revalued buildings of \$230,000, take up of on-costs on Long Service Leave in line with council policy of \$110,000 and processing final invoices to 2017/18.

RECOMMENDATION

1. **That the financial statements for the City of Holdfast Bay for the year ended 30 June 2018 as contained in Attachment 1 to Report No: 352/18 be received and noted.**
2. **That the Mayor and the Chief Executive Officer be authorised to sign the following certification of the financial statements;**

In our opinion:

- (a) **the accompanying (2017/18) financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.**
- (b) **the financial statements present a true and fair view of the Council's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year.**
- (c) **internal controls implemented by Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.**
- (d) **the financial statements accurately reflect the Council's accounting and other records.**

COMMUNITY PLAN

Culture: Being financially accountable

COUNCIL POLICY

Note 1 to the Financial Statements details Council's significant accounting policies.

STATUTORY PROVISIONS

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

BACKGROUND

The financial statements for the year ended 30 June 2018 have been prepared in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011* and Council policies. They have also been reviewed by the Audit Committee which resolved that it is satisfied that they present fairly the state of affairs of Council.

Report No: 277/18 presented to Council at its meeting on 14 August 2018 included preliminary unaudited financial statements as at 30 June 2018. Subsequently, the financial statements have been completed and audited.

REPORT

Compliance with the *Local Government Act 1999* ("the Act) and *Local Government (Financial Management) Regulations 2011* ("the Regulations") necessarily results in a detailed and lengthy report. It has been divided into four parts and discusses the financial performance of Council's municipal activities and Alwyndor Aged Care facility:

- Statutory requirements and audit
- Changes since the unaudited interim statements were presented to Council on 14 August 2018
- Comparison with the prior year, 2016/17, audited financial statements
- Comparison of actual results with the 2017/18 original budget and revised forecast

Statutory requirements and audit

The Act and Regulations provide for a number of requirements in relation to the preparation, presentation, audit and adoption of Council's financial statements.

Council's financial statements have been prepared in accordance with legislative requirements and Council policies and are provided at Attachment 1.

Refer Attachment 1

Consolidation

The consolidated financial statements include Alwyndor Aged Care Facility (Alwyndor) and Council's equity interests in the Southern Region Waste Resource Authority (SRWRA).

Alwyndor is not a separate entity to Council but is operated with reasonable autonomy with oversight by the Alwyndor Management Committee, a committee of Council established under section 41 of the *Local Government Act*, comprising Elected Members and independent members with industry expertise.

Alwyndor prepare separate financial statements and these are provided along with a signed Alwyndor management letter at Attachment 2.

Refer Attachment 2

SRWRA is a regional subsidiary under section 43 of the *Local Government Act*. Council has a 15% equity interest in SRWRA. The WRWMA was officially wound up on 29 June 2016 and a final distribution to the City of Holdfast Bay was made in March 2017. Council had a 5.91% equity interest in WRWMA. The audited financial statements for SRWRA are included in Council's annual report.

Review by Audit Committee

Section 126(4) of the Act requires Council's Audit Committee to review the annual financial statements to ensure that they present fairly the state of affairs of Council.

At its meeting on 17 October 2018, the Audit Committee received an unqualified audit completion report from Council's external auditor, BDO and the minutes of this meeting are provided elsewhere in this agenda under Report No: 354/18.

Independence of Council's Auditor

Regulation 16A requires that Council must not engage its auditor to provide services to Council outside the scope of the auditor's functions under the Act. Furthermore, the Presiding Member of the Audit Committee and Chief Executive Officer are required to provide a statement that provides certification as to compliance with the auditor's independence, such statements to accompany the financial statements.

Copies of the statements from the Presiding Member of the Audit Committee and Chief Executive Officer are contained at Attachment 3.

Refer Attachment 3

Certification by Chief Executive Officer and Mayor

The format of certification of the Annual Financial Statements is governed by Regulation 14 which requires that the financial statements must be in accordance with the requirements set out in the Model Financial Statements as published by the Local Government Association and approved by the Minister. The certification statement is placed at the beginning of the statements and requires the Mayor and the Chief Executive Officer to express an opinion as to the statement's legislative compliance, current financial position, effectiveness of associated internal controls and accuracy of accounting records.

The Audit Committee has reviewed the statements and expressed an opinion on Council's internal controls. It has also met with the external auditor who has indicated that an unqualified audit report will be given. It is proposed that the certification statement be authorised for signature as part of the final recommendation contained within this report.

Audit

The financial statements for the year ended 30 June 2018 have been audited by Council's auditor, BDO. The auditor has indicated that an unqualified audit report will be given after the final statements are signed by the Mayor and the Chief Executive Officer.

As part of the audit, the General Manager Business Services and Manager Finance have signed a letter to the auditor which provides certain representations in relation to the financial statements pursuant to Australian Auditing Standard ASA580, a copy of which is provided at Attachment 4.

Refer Attachment 4

Operating Result

The consolidated operating result before capital revenues is \$1,298,000 surplus comprising \$1,202,000 (deficit) from Alwyndor and \$2,500,000 surplus from Council's municipal operations.

The operating results vary from the preliminary result reported to Council on 14 August 2018 (report 277/18) due to the accounting for the \$267,000 SRWRA surplus result, processing final invoices to 2017/18 and accounting for in-kind library grants.

Loan receivables were reviewed and considered by the Audit Committee on 29 August 2018 (Report 298/18). On 11 September Council noted the minutes of the Audit Committee (Minute 120917/897). The loan impairment provision has been maintained in accordance with the recommendations.

The major difference with the Alwyndor result was additional depreciation on the revalued buildings of \$230,000, take up of on-costs on Long Service Leave in line with council policy of \$110,000 and processing final invoices to 2017/18.

The key features affecting the overall operating result for 2017-18 compared to the previous year and referenced to the notes in the financial statements are provided as Attachment 5.

Refer Attachment 5

Comparison of actual result to budget forecasts

During 2017/18 three budget updates detailing budget variances were approved by Council (Report Nos: 389/17, 11/18 and 130/18). A report covering the preliminary results and budget variations was also received by Council (Report No: 277/18).

Regulation 10 of the *Local Government (Financial Management) Regulations 2011* requires a final report to be prepared on the aggregated audited financial results relative to the estimated results set out in the original and revised budgets. The report must include the four principal financial statements (excluding notes) presented in the same format as the Model Financial Statements. Separate funding statements with explanatory notes and the four comparative consolidated statements are provided as attachment 6.

Refer Attachment 6

Ratio Analysis

Financial indicators have been determined and are detailed in note 15 of the financial statements.

The ratios have been compared to the 2016-17 budget including the interest cover ratio which indicates the ability to service debt by calculating net financial interest as a percentage of overall operating revenue. The following table provides ratio analysis for consolidated activities including comparisons to budget.

Ratio Consolidated Funds (refer definitions below)	Target – from Long Term Financial Plan	Original Budget	Revised Budget Forecast	Actual Results
Operating Result*	≥ 0	\$567,015 Surplus	\$778,081 Surplus	\$1,298,000 Surplus
Operating Ratio**	$\geq 0\%$	0.9%	1.2%	2%
Net Financial Liabilities Ratio***	$\leq 75\%$	55%	53%	49%
Interest Cover Ratio****	$\leq 5\%$	1.2%	0.5%	0.5%
Asset Sustainability Ratio*****	90% -110%	73%	85%	51%

***Operating Result** is the result from total operating income less total operating expenses before asset disposals, amounts received for assets and changes in the valuations of assets.

****Operating Ratio** expresses the operating result as a percentage of total operating income.

*****Net Financial Liabilities Ratio** expresses total liabilities less total financial assets as a percentage of total operating income.

******Interest Cover Ratio** expresses finance costs including interest on borrowings less interest on investments as a percentage of total operating revenue excluding interest on investments.

*******Asset Sustainability Ratio** is defined as net capital expenditure on the renewal and replacement of existing assets expressed as a percentage of depreciation.

Ratios - Municipal Funds

The following table provide ratio analysis for municipal activities including comparisons to budget.

Ratio – Municipal Funds	Target – from Long Term Financial Plan	Original Budget	Revised Budget Forecast	Actual Results (rounded)
Operating Result	≥ 0	\$102,540 Surplus	\$1,077,734 Surplus	\$2,500,000 Surplus
Operating Ratio	$\geq 0\%$	0.2%	2.3%	5%
Net Financial Liabilities Ratio	$\leq 75\%$	48%	42%	35%
Interest Cover Ratio	$\leq 5\%$	2.4%	1.7%	1.3%
Asset Sustainability Ratio	90% -110%	72%	86%	57%

Explanation of variances between budget and result – Municipal Funds

The contributing factors for the *operating result* budget forecast surplus result from the original forecast have been reported to Council throughout the financial year and are detailed in attachment 6.

The following table summarises the major contributing factors:

Major Municipal Operational Variances	Amount
Lower employment costs	\$63,903
Lower materials, contract, other expenditure	\$536,099
Yet to be finalised operational projects	\$231,705
Lower interest on borrowings expense	\$189,066
Lower depreciation expense	\$53,000
Timing of Financial Assistance Grant	\$63,064
Higher Caravan Park user income	\$101,341
Higher planning and hoarding fees	\$99,498
Higher contributions and reimbursement income	\$103,252
SRWRA Equity Share – adjustment	(\$116,000)
State Library Grant – in-kind lending materials	\$97,072
Total variance to forecast	\$1,422,000

The major contributing factors for the reduced *net financial liabilities ratio* are as follows:

- The 2017/18 original ratio assumed completion of the 2016/17 capital works program. However not all 2016/17 capital projects were completed and the net capital expenditure budget was increased by \$5,688,433 during 2017/18.
- A strong positive cash position due to the receipt of major grant income received in advance including \$4.35m for Minda Coast Park and \$2m for Brighton Sports Complex.
- The 2017/18 capital expenditure program was not finalised by 30 June 2018 and \$1,768,284 has been approved by Council (Report 277/18) to be carried forward into 2018/19. This is part funded by new borrowings totaling \$1,536,923.
- The above factors contributed to sufficient positive cash flow throughout 2017/18 to not require new borrowings.

The major contributing factor for the reduced *asset sustainability ratio* is the timing of capital expenditure as previously discussed.

Ratios – Alwyndor Funds

Ratio – Alwyndor Funds	Target – from Long Term Financial Plan	Original Budget	Revised Budget Forecast	Actual Results Rounded
Operating Result	≥ 0	\$464,475 Surplus	(\$299,653) Deficit	(\$1,202,000) Deficit

Additional Alwyndor Performance Indicators	Target	Actual to 30 June 2018
Bed occupancy rate – year-to-date average	98%	95.97%
Cash Liquidity Level – ability to refund bonds/refundable accommodation deposits (RAD's)	Minimum of \$2m	\$2.9m @ call
Accommodation Bond/RAD Level – to ensure it is increasing to provide financial reserves for future capital expenditure	@ 30/6/16 \$28.5m. Target is 2% pa. increase	@ 30/6/18 \$32.6m. 3.16% increase
Cash to total revenue	4%	3.38%
Percentage of full pension funded beds – this determines eligibility for Federal Government refurbishment supplement funding	40% - 53 beds	40% - 53 beds
Resident Financial Position – surplus/(deficit) position per resident	\$4.85 surplus per resident per day	\$42.19 deficit per resident per day

Explanation of variances between target, budget and result – Alwyndor Funds

The major contributing factors for the *operating result* actual deficit increase from the original forecast is based on numerous factors as tabled below:

Major Alwyndor Operational Variances	Amount
Additional Depreciation on revalued buildings	\$230,000
First time provision of on-costs for Long Service Leave	\$107,000
Operational Review Costs	
- Employment costs	\$380,000
- Consultant and training costs	\$77,000
Higher materials, contract, other expenditure	\$112,000
Total variance to forecast	\$906,000

BUDGET

The content and attachments to this report detail the 2017/18 financial results and budget variations.

LIFE CYCLE COSTS

This report has no direct implication for life cycle costs.

City of Holdfast Bay

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018



City of Holdfast Bay

General Purpose Financial Statements for the year ended 30 June 2018

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City of Holdfast Bay

General Purpose Financial Statements

for the year ended 30 June 2018

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 2018 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.

J.P. Lynch

CHIEF EXECUTIVE OFFICER

A. Wilson

ACTING MAYOR

City of Holdfast Bay

Statement of Comprehensive Income

for the year ended 30 June 2018

\$ '000	Notes	2018	2017
Income			
Rates Revenues	2a	34,886	33,702
Statutory Charges	2b	2,224	2,171
User Charges	2c	7,034	7,079
Grants, Subsidies and Contributions	2g	13,739	13,642
Investment Income	2d	562	418
Reimbursements	2e	2,697	2,289
Other Income	2f	3,915	2,555
Net Gain - Equity Accounted Council Businesses	19	267	211
Total Income		65,324	62,067
Expenses			
Employee Costs	3a	29,316	27,232
Materials, Contracts & Other Expenses	3b	24,048	22,787
Depreciation, Amortisation & Impairment	3c	9,806	9,135
Finance Costs	3d	856	1,000
Total Expenses		64,026	60,154
Operating Surplus / (Deficit)		1,298	1,913
Asset Disposal & Fair Value Adjustments	4	(142)	(2,187)
Amounts Received Specifically for New or Upgraded Assets	2g	1,832	4,446
Net Surplus / (Deficit) ¹		2,988	4,172
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	(9,203)	76,214
Total Other Comprehensive Income		(9,203)	76,214
Total Comprehensive Income		(6,215)	80,386

¹ Transferred to Statement of Changes in Equity

City of Holdfast Bay

Statement of Financial Position

as at 30 June 2018

\$ '000	Notes	2018	2017
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	27,092	21,362
Trade & Other Receivables	5b	3,062	3,334
Inventories	5c	10	9
Total Current Assets		30,164	24,705
Non-Current Assets			
Financial Assets	6a	1,496	1,694
Equity Accounted Investments in Council Businesses	6b	2,869	2,985
Infrastructure, Property, Plant & Equipment	7a	727,944	733,491
Other Non-Current Assets	6c	520	1,019
Total Non-Current Assets		732,829	739,189
TOTAL ASSETS		762,993	763,894
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	45,228	37,303
Borrowings	8b	1,130	2,618
Provisions	8c	4,303	4,180
Total Current Liabilities		50,661	44,101
Non-Current Liabilities			
Borrowings	8b	12,460	13,589
Provisions	8c	439	556
Total Non-Current Liabilities		12,899	14,145
TOTAL LIABILITIES		63,560	58,246
Net Assets		699,433	705,648
EQUITY			
Accumulated Surplus		174,459	171,538
Asset Revaluation Reserves	9a	518,559	527,762
Other Reserves	9b	6,415	6,348
Total Council Equity		699,433	705,648

City of Holdfast Bay

Statement of Changes in Equity for the year ended 30 June 2018

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2018					
Balance at the end of previous reporting period		171,538	527,762	6,348	705,648
a. Net Surplus / (Deficit) for Year		2,988	-	-	2,988
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(9,203)	-	(9,203)
Other Comprehensive Income		-	(9,203)	-	(9,203)
Total Comprehensive Income		2,988	(9,203)	-	(6,215)
c. Transfers between Reserves		(67)	-	67	-
Balance at the end of period		174,459	518,559	6,415	699,433
2017					
Balance at the end of previous reporting period		167,366	451,548	6,348	625,262
a. Net Surplus / (Deficit) for Year		4,172	-	-	4,172
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	76,214	-	76,214
Other Comprehensive Income		-	76,214	-	76,214
Total Comprehensive Income		4,172	76,214	-	80,386
Balance at the end of period		171,538	527,762	6,348	705,648

City of Holdfast Bay

Statement of Cash Flows

for the year ended 30 June 2018

\$ '000	Notes	2018	2017
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts		34,812	33,727
Statutory Charges		2,444	2,331
User Charges		7,452	7,454
Grants, Subsidies and Contributions (operating purpose)		14,052	13,900
Investment Receipts		562	418
Reimbursements		2,783	2,324
Other Receipts		12,524	5,797
<u>Payments</u>			
Payments to Employees		(29,345)	(27,300)
Payments for Materials, Contracts & Other Expenses		(26,364)	(24,571)
Finance Payments		(856)	(1,000)
Net Cash provided by (or used in) Operating Activities	11b	18,064	13,080
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,832	4,446
Sale of Replaced Assets		227	225
Sale of Surplus Assets		17	1,104
Sale of Non Current Assets "Held for Sale"		-	2,098
Repayments of Loans by Community Groups		260	148
Distributions Received from Equity Accounted Council Businesses		383	5
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(5,208)	(6,899)
Expenditure on New/Upgraded Assets		(8,142)	(6,077)
Loans Made to Community Groups		(50)	(21)
Net Cash provided by (or used in) Investing Activities		(10,680)	(4,971)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Bonds & Deposits		18	-
Proceeds from Aged Care Facility Deposits		9,416	10,791
<u>Payments</u>			
Repayments of Borrowings		(2,617)	(1,932)
Repayment of Bonds & Deposits		-	(2)
Repayment of Aged Care Facility Deposits		(8,471)	(7,720)
Net Cash provided by (or used in) Financing Activities		(1,654)	1,137
Net Increase (Decrease) in Cash Held		5,730	9,246
plus: Cash & Cash Equivalents at beginning of period	11	21,362	12,116
Cash & Cash Equivalents at end of period	11	27,092	21,362

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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n/a - not applicable

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

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*.

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 Holdfast Bay is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 24 Jetty Road, Brighton. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income Recognition

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

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

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

	Cash Payment Received	Annual Allocation	Difference
2015/16	\$522,000	\$1,110,830	- \$588,830
2016/17	\$1,676,106	\$1,106,206	+ \$599,900
2017/18	\$1,185,644	\$1,136,934	+ \$48,710

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

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.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

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

6.2 Materiality

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

Office Furniture & Fittings	\$2,000
Equipment	\$2,000
Buildings	\$10,000
Roads	\$10,000
Other Infrastructure	\$6,500

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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

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

Plant, Furniture & Equipment

Office Furniture & Equipment	3 to 10 years
Vehicles and Road-making Equip	6 to 15 years
Other Plant & Equipment	3 to 25 years

Building & Other Structures

Buildings – masonry	50 to 170 years
Buildings – other construction	20 to 60 years
Park Structures – masonry	40 to 100 years
Park Structures – other construction	20 to 50 years

Infrastructure

Sealed Roads – Surface	15 to 40 years
Sealed Roads – Structure	120 to 150 years
Sealed Roads – Sub-base	300 years
Sealed Roads – Kerbing	100 years
Bridges	15 to 100 years
Paving & Footpaths	10 to 50 years
Drains / Culverts	50 to 150 years
Playground Equipment	10 to 20 years
Benches, seats, etc	10 to 25 years

Other Assets

Library Lending Materials	7 years
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6.5 Impairment

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

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

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that

class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

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. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

11 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

12 GST Implications

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

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.

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

13 New accounting standards and UIG interpretations

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.

The City of Holdfast Bay has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

14 Disclaimer

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

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 2. Income

\$ '000	Notes	2018	2017
(a). Rates Revenues			
General Rates			
General Rates		33,592	32,537
Less: Mandatory Rebates		(409)	(397)
Less: Discretionary Rebates, Remissions & Write Offs		(200)	(267)
Total General Rates		32,983	31,873
Other Rates (Including Service Charges)			
Natural Resource Management Levy		1,173	1,110
Separate & Special Rates		633	621
Total Other Rates		1,806	1,731
Other Charges			
Penalties for Late Payment		66	59
Legal & Other Costs Recovered		31	39
Total Other Charges		97	98
Total Rates Revenues		34,886	33,702
(b). Statutory Charges			
Development Act Fees		447	439
Animal Registration Fees & Fines		185	185
Parking Fines / Expiation Fees		1,015	1,028
Other Licences, Fees & Fines		577	519
Total Statutory Charges		2,224	2,171
(c). User Charges			
Cemetery/Crematoria Fees		159	120
Community Centres		1	24
Parking Fees		862	886
Sundry		111	96
Commercial Leases/Caravan Park		2,791	2,409
Aged Care Residential Fees and Rentals		2,912	3,381
Major Community Event		191	163
Other		7	-
Total User Charges		7,034	7,079

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 2. Income (continued)

\$ '000	Notes	2018	2017
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		160	79
- Banks & Other		402	339
Total Investment Income		562	418
(e). Reimbursements			
Private Works		149	89
Other		2,548	2,200
Total Reimbursements		2,697	2,289
(f). Other Income			
Rebates Received		439	405
Sundry		2,124	1,674
Aged Care Facility		973	476
Other		379	-
Total Other Income		3,915	2,555
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		1,832	4,446
Total Amounts Received Specifically for New or Upgraded Assets		1,832	4,446
Other Grants, Subsidies and Contributions		10,923	10,486
Untied - Financial Assistance Grant		1,325	1,106
Roads to Recovery		537	586
Home and Community Care Grant		905	894
Individually Significant Item - Additional Grants Commission Payment (Refer Note 1 (3))		49	570
Total Other Grants, Subsidies and Contributions		13,739	13,642
Total Grants, Subsidies, Contributions		15,571	18,088
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		3,419	4,484
State Government		1,571	3,617
Other		10,581	9,987
Total		15,571	18,088

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 3. Expenses

\$ '000	Notes	2018	2017
(a). Employee Costs			
Salaries and Wages		24,591	22,443
Employee Leave Expense		2,059	2,307
Superannuation - Defined Contribution Plan Contributions	18	1,136	1,022
Superannuation - Defined Benefit Plan Contributions	18	1,250	1,175
Workers' Compensation Insurance		1,076	1,062
Less: Capitalised and Distributed Costs		(796)	(777)
Total Operating Employee Costs		29,316	27,232
Total Number of Employees (full time equivalent at end of reporting period)		335.1	324.6
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		35	31
Elected Members' Expenses		310	354
Election Expenses		14	11
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		36	54
Subtotal - Prescribed Expenses		395	450
(ii) Other Materials, Contracts and Expenses			
Contractors		7,903	7,170
Energy		729	620
Maintenance		2,173	2,209
Legal Expenses		293	329
Levies Paid to Government - NRM levy		1,152	1,094
Levies - Other		35	35
Professional Services		2,792	2,260
Sundry		1,527	2,275
Water		638	516
Materials		2,547	1,972
Insurances		481	477
Waste Management		3,305	3,309
Other		78	71
Subtotal - Other Material, Contracts & Expenses		23,653	22,337
Total Materials, Contracts and Other Expenses		24,048	22,787

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 3. Expenses (continued)

\$ '000	Notes	2018	2017
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings & Other Structures		2,787	2,223
Infrastructure			
- Stormwater Drainage		459	409
- Roads		1,331	1,322
- Footpaths		926	925
- Kerb & Guttering		721	714
- Other Transport		426	401
- Open Space & Coastal		1,763	1,712
Plant & Equipment		918	858
Furniture & Fittings, Office Equipment		325	303
Library Lending Materials		150	150
Subtotal		9,806	9,017
(ii) Impairment			
Loans to Community Organisations		-	118
Subtotal		-	118
Total Depreciation, Amortisation and Impairment		9,806	9,135
(d). Finance Costs			
Interest on Loans		722	904
Interest on Accommodation Bonds		134	96
Total Finance Costs		856	1,000

City of Holdfast Bay

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	Notes	2018	2017
Infrastructure, Property, Plant & Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		227	225
Less: Carrying Amount of Assets Sold		(357)	(831)
Gain (Loss) on Disposal		(129)	(606)
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		17	1,104
Less: Carrying Amount of Assets Sold		(30)	(2,212)
Gain (Loss) on Disposal		(13)	(1,108)
Non Current Assets Held For Sale			
Proceeds from Disposal		-	2,098
Less: Carrying Amount of Assets Sold		-	(2,571)
Gain (Loss) on Disposal		-	(473)
Net Gain (Loss) on Disposal or Revaluation of Assets		(142)	(2,187)

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 5. Current Assets

\$ '000	Notes	2018	2017
(a). Cash & Cash Equivalents			
Cash on Hand at Bank		1,423	500
Deposits at Call		6,445	6,412
Short Term Deposits & Bills, etc.		19,224	14,450
Total Cash & Cash Equivalents		27,092	21,362
(b). Trade & Other Receivables			
Rates - General & Other		471	397
Council Rates Postponement Scheme		30	30
Accrued Revenues		186	288
Debtors - General		1,276	1,350
GST Recoupment		95	81
Prepayments		632	616
Loans to Community Organisations		208	220
Aged Care Facility Deposits		352	540
Subtotal		3,250	3,522
Less: Allowance for Doubtful Debts		(188)	(188)
Total Trade & Other Receivables		3,062	3,334
(c). Inventories			
Stores & Materials		10	9
Total Inventories		10	9

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 6. Non-Current Assets

\$ '000	Notes	2018	2017
(a). Financial Assets			
Receivables			
Loans to Community Organisations		2,014	2,212
Provision for Impairment on Loans to Community Organisations		(518)	(518)
Total Receivables		1,496	1,694
Total Financial Assets		1,496	1,694
(b). Equity Accounted Investments in Council Businesses			
Southern Region Waste Resource Authority	19	2,869	2,985
Total Equity Accounted Investments in Council Businesses		2,869	2,985
(c). Other Non-Current Assets			
Capital Works-in-Progress		520	1,019
Total Other Non-Current Assets		520	1,019

City of Holdfast Bay

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

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

\$ '000	Fair Value Level	as at 30/6/2017					Asset Movements during the Reporting Period							as at 30/6/2018					
		At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Tfrs from/(to) "Held for Sale" category	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals									Dep'n	Impairment	
Land	2	28,062	-	-	-	28,062	-	-	-	-	-	-	-	28,062	-	-	-	-	28,062
Land	3	330,274	-	-	-	330,274	200	-	-	-	-	-	-	330,274	200	-	-	-	330,474
Buildings & Other Structures	3	137,559	-	43,345	-	94,214	510	951	(3)	(2,749)	-	-	-	129,626	1,452	38,155	-	-	92,923
Buildings & Other Structures	2	3,539	-	2,478	-	1,061	-	-	-	(38)	-	-	-	3,539	-	2,516	-	-	1,023
Infrastructure																			
- Stormwater Drainage	3	54,650	-	18,899	-	35,751	2,692	438	(37)	(459)	207	-	-	54,799	3,130	19,337	-	-	38,592
- Roads	3	119,571	2,357	24,021	-	97,907	-	1,057	(58)	(1,331)	-	-	-	119,402	3,414	25,241	-	-	97,575
- Footpaths	3	43,973	105	15,501	-	28,577	-	103	(7)	(926)	-	-	-	43,960	208	16,421	-	-	27,747
- Kerb & Guttering	3	70,516	1,541	25,919	-	46,138	-	645	(118)	(721)	-	-	-	70,332	2,186	26,574	-	-	45,944
- Other Transport	3	22,767	58	3,701	-	19,124	943	275	(24)	(426)	525	-	-	23,593	1,276	4,452	-	-	20,417
- Open Space & Coastal	3	43,081	22,582	21,147	-	44,516	2,188	1,139	-	(1,763)	(732)	-	(9,174)	53,961	-	17,787	-	-	36,174
Plant & Equipment	3	1	9,791	4,472	-	5,320	131	1,062	(108)	(918)	-	-	-	-	8,423	2,936	-	-	5,487
Furniture & Fittings, Office Equipment	3	(1)	7,441	5,656	-	1,784	921	401	(31)	(325)	-	-	-	(1,281)	4,817	786	-	-	2,750
Library Lending Materials	3	1,298	-	535	-	763	-	192	-	(150)	-	-	(29)	-	1,253	477	-	-	776
Total Infrastructure, Property, Plant & Equipment		855,290	43,875	165,674	-	733,491	7,585	6,263	(386)	(9,806)	-	-	(9,203)	856,267	26,359	154,682	-	-	727,944
Comparatives		777,556	46,644	169,839	-	654,361	9,007	6,944	(3,043)	(9,017)	-	(975)	(1,306)	855,290	43,875	165,674	-	-	733,491

Note 7a (ii). Investment Property

Nil

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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

\$ '000

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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

\$ '000

Valuation of Assets (continued)

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Land & Land Improvements

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

Land and Land improvements, including bulk earthworks with an assessed unlimited useful life, were valued at 30 June 2017 by Maloney Field Services

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2017
- Valuer: Maloney Field Services

Buildings & Other Structures

Buildings and other structures were revalued as at 30 June 2017 by Maloney Field Services

- Basis of valuation: Fair Value / Written down current replacement cost
- Date of valuation: 30 June 2017
- Valuer: Maloney Field Services

City of Holdfast Bay

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

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

\$ '000

Valuation of Assets (continued)

Infrastructure

Infrastructure assets have been valued as follows:

Roads, Kerb and Gutter, Footpaths

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2015
- Valuer: Assetic Pty Ltd

Footpaths

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 September 2015
- Valuer: Assetic Pty Ltds

Stormwater Drainage

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2017
- Valuer: Jones Lang LaSalle

Other Transport - Bridges, Car Parks, Traffic Control Devices

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2016
- Valuer: Maloney Field Services

Open Space, Coastal

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2018
- Valuer: Jones Lang LaSalle

Plant, Furniture & Equipment

These assets are recognised at cost.

Library Lending Materials

Library Lending Materials were valued as at 30 June 2018 by Council senior library officers.

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 8. Liabilities

\$ '000	Notes	2018 Current	2018 Non Current	2017 Current	2017 Non Current
(a). Trade and Other Payables					
Goods & Services		4,457	-	4,280	-
Payments Received in Advance		6,677	-	406	-
Accrued Expenses - Employee Entitlements		176	-	61	-
Accrued Expenses - Other		284	-	298	-
Aged Care Facility Deposits		32,564	-	31,619	-
Deposits, Retentions & Bonds		30	-	12	-
Other		1,040	-	627	-
Total Trade and Other Payables		45,228	-	37,303	-
(b). Borrowings					
Loans		1,130	12,460	2,618	13,589
Total Borrowings		1,130	12,460	2,618	13,589
All interest bearing liabilities are secured over the future revenues of the Council					
(c). Provisions					
Employee Entitlements		4,303	439	4,180	556
Total Provisions		4,303	439	4,180	556

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 9. Reserves

\$ '000	1/7/2017	Increments (Decrements)	Transfers	Impairments	30/6/2018
(a). Asset Revaluation Reserve					
Land	310,456	-	-	-	310,456
Buildings & Other Structures	40,198	-	-	-	40,198
Infrastructure					
- Stormwater Drainage	22,004	-	-	-	22,004
- Roads	80,851	-	-	-	80,851
- Footpaths	14,055	-	-	-	14,055
- Kerb & Guttering	39,538	-	-	-	39,538
- Other Transport	2,727	-	-	-	2,727
- Open Space & Coastal	17,483	(9,174)	-	-	8,309
Library Lending Materials	450	(29)	-	-	421
Total Asset Revaluation Reserve	527,762	(9,203)	-	-	518,559
Comparatives	451,548	76,214	-	-	527,762

\$ '000	1/7/2017	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2018
(b). Other Reserves					
Car Park Contributions Fund	37	-	(36)	-	1
Alwyndor General Reserve	6,311	103	-	-	6,414
Total Other Reserves	6,348	103	(36)	-	6,415
Comparatives	8,412	-	(2,064)	-	6,348

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).

Car Park Contributions Fund

To provide for improved off-street, car parking and improved access throughout the Glenelg Precinct. Specific developers contributions towards car parking are held within this fund.

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2018	2017
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.			
Receivables			
Accommodation Bonds		352	540
Total Receivables		352	540
Total Assets Subject to Externally Imposed Restrictions		352	540

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2018	2017
(a). Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	27,092	21,362
Balances per Statement of Cash Flows		27,092	21,362
(b). Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		2,988	4,172
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		9,806	9,135
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(267)	(211)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,832)	(4,446)
Net (Gain) Loss on Disposals		142	2,187
		10,837	10,837
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		260	1,317
Change in Allowances for Under-Recovery of Receivables		-	29
Net (Increase)/Decrease in Inventories		(1)	(3)
Net (Increase)/Decrease in Other Current Assets		-	297
Net Increase/(Decrease) in Trade & Other Payables		6,962	529
Net Increase/(Decrease) in Unpaid Employee Benefits		6	74
Net Cash provided by (or used in) operations		18,064	13,080
(c). Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Corporate Credit Cards		100	100
LGFA Cash Advance Debenture Facility		14,358	13,181

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

City of Holdfast Bay

Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017
\$ '000										
Business Undertakings	3,625	3,246	2,384	2,258	1,241	988	-	-	18,774	18,820
Community Services	20,293	18,624	26,436	24,061	(6,143)	(5,437)	11,397	10,981	157,409	157,840
Culture	614	664	4,997	4,164	(4,383)	(3,500)	270	363	17,200	17,447
Economic Development	634	602	1,294	1,349	(660)	(747)	-	-	338	342
Environment	339	206	7,000	7,251	(6,661)	(7,045)	40	27	41,423	39,037
Recreation	310	296	6,500	6,001	(6,190)	(5,705)	-	-	315,262	324,164
Regulatory Services	1,957	1,908	5,089	5,080	(3,132)	(3,172)	-	-	495	501
Transport & Communication	27	41	7,677	7,460	(7,650)	(7,419)	121	949	189,223	188,766
Unclassified Activities	-	-	-	-	-	-	-	-	3,365	3,407
Council Administration	37,258	36,269	2,649	2,530	34,609	33,739	1,911	1,322	19,504	13,570
Total Functions/Activities	65,057	61,856	64,026	60,154	1,031	1,702	13,739	13,642	762,993	763,894

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

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

BUSINESS UNDERTAKINGS

Caravan Parks, Off-street Car Parks, Private Works, Commercial Property, Commercial Activities

COMMUNITY SERVICES

Public Order and Safety, Crime Prevention, Health Services, Nursing Homes, Elderly Citizens Facilities, Home Assistance Scheme, Aged and Disabled Services, Youth Services, Community Bus, Community Amenities including Cemeteries and Public Conveniences

CULTURE

Library Services, Heritage and Museum Facilities and Services.

ECONOMIC DEVELOPMENT

Tourism and Local Businesses Support

ENVIRONMENT

Domestic Waste & Green Waste, Recycling, Coastal Protection, Stormwater and other Drainage, Street Cleaning, Street Lighting.

RECREATION

Jetties, Other Marine Facilities, Parks and Gardens, Sports Facilities

REGULATORY SERVICES

Dog and Cat Control, Building Control, Town Planning, Health Inspection, Litter and Parking Control

TRANSPORT

Construction and Maintenance of Roads, Footpaths, Traffic Control, Streetscape, Kerb and Water Table, Bridges

COUNCIL ADMINISTRATION

Administration n.e.c., Elected Members, Organisational, Support Services, Rate Revenue

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

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 1.5% and 2.77% (2017: 1.5% and 2.82%). Short term deposits have an average interest rate of 1.96% (2017: 1.55%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

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 0.56% per month (2017: 0.58 % pm). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

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).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

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.

Receivables

Retirement Home Contributions

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:

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Liabilities

Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Liabilities

Retirement Home Contributions

Accounting Policy:

To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

Terms & Conditions:

Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

Carrying Amount:

Approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.

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 six monthly; interest is charged at rates between 3.75% and 7.05% (2017: 3.75% and 7.35%).

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

City of Holdfast Bay

Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2018					
Financial Assets					
Cash & Equivalents	27,092	-	-	27,092	27,092
Receivables	2,498	429	2,762	5,689	4,150
Total Financial Assets	29,589	429	2,762	32,780	31,242
Financial Liabilities					
Payables	45,346	-	-	45,346	44,944
Current Borrowings	1,772	-	-	1,772	1,130
Non-Current Borrowings	-	5,538	11,527	17,065	12,460
Total Financial Liabilities	47,118	5,538	11,527	64,183	58,534
2017					
Financial Assets					
Cash & Equivalents	21,362	-	-	21,362	21,362
Receivables	3,751	810	489	5,050	4,708
Total Financial Assets	25,113	810	489	26,412	26,070
Financial Liabilities					
Payables	37,088	-	-	37,088	37,005
Current Borrowings	3,354	-	-	3,354	2,618
Non-Current Borrowings	-	6,462	13,168	19,630	13,589
Total Financial Liabilities	40,442	6,462	13,168	60,072	53,212

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

	30 June 2018		30 June 2017	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Other Variable Rates		-	3.65%	1,057
Fixed Interest Rates	4.81%	13,590	5.94%	15,150
		13,590		16,207

Net Fair Value

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$ '000

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 & 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 Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 14. Commitments for Expenditure

\$ '000	Notes	2018	2017
(a). Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Buildings		122	249
Infrastructure		239	3,872
Reserves		94	1,397
Plant & Equipment		309	325
		764	5,843
These expenditures are payable:			
Not later than one year		764	5,843
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		764	5,843
(b). Other Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		31	61
Waste Management Services		8,861	11,918
Employee Remuneration Contracts		3,045	3,733
Other Maintenance Contracts		1,975	566
Other		52	1,236
		13,964	17,514
These expenditures are payable:			
Not later than one year		6,276	6,221
Later than one year and not later than 5 years		7,683	11,293
Later than 5 years		5	-
		13,964	17,514

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 15. Financial Indicators

\$ '000	Amounts 2018	Indicator 2018	Prior Periods 2017	2016
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These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus	1,298			
Total Operating Income	65,324	2%	3%	1%

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	31,910			
Total Operating Income	65,324	49%	51%	63%

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.

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

Adjusted Operating Surplus Ratio	2%	2%	2%
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Adjusted Net Financial Liabilities Ratio	49%	51%	63%
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3. Asset Sustainability Ratio

Net Asset Renewals	4,981			
Depreciation expenditure	9,806	51%	73%	47%

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 16. Uniform Presentation of Finances

\$ '000	2018	2017
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	65,324	62,067
<i>less</i> Expenses	(64,026)	(60,154)
Operating Surplus / (Deficit)	1,298	1,913
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(5,208)	(6,899)
<i>add back</i> Depreciation, Amortisation and Impairment	9,806	9,135
<i>add back</i> Proceeds from Sale of Replaced Assets	227	225
Subtotal	4,825	2,461
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(8,142)	(6,077)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	1,832	4,446
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	17	1,104
Subtotal	(6,292)	(527)
Net Lending / (Borrowing) for Financial Year	(169)	3,847

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 17. Operating Leases

\$ '000	2018	2017
Leases commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:		
Not later than one year	501	470
Later than one year and not later than 5 years	1,898	1,698
Later than 5 years	286	2,589
	2,685	4,757

Lease Payment Commitments of Council

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

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

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease return or acquire the equipment leased

No lease contains any escalation clause

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

Not later than one year	45	51
Later than one year and not later than 5 years	60	92
Later than 5 years	5	-
	110	143

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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 2017/18; 9.50% in 2016/17). 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 2016/17) 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 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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	
	2018	2017	2018	2017
Joint Ventures	267	211	2,869	2,985
Total	267	211	2,869	2,985

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2018	2017
Southern Region Waste Resource Authority	Management of waste and waste facilities	2,869	2,985
Western Region Waste Management Authority	Management of waste and waste facilities	-	-
Total Carrying Amounts - Joint Ventures & Associates		2,869	2,985

Southern Region Waste Resource Authority

Established under Section 43 of the Local Government Act, 1999 to provide operate services for the management of waste and the management of waste facilities under its control on behalf of the constituent Council, being the City of Holdfast Bay, City of Marion, and City of Onkaparinga. The Authority made a provision of \$13m in the accounts for landfill restoration which is considered reasonable.

Western Region Waste Management Authority

Established under Section 43 of the Local Government Act, 1999 to provide operate services for the management of waste and the management of waste facilities under its control on behalf of the constituent Councils, being the City of Holdfast Bay, City of Port Adelaide, City of West Torrens and City of Charles Sturt. The site was closed on 28 February 2001 and an Environment Performance agreement between Renewal SA, the Environment Protection Authority and the Waste Region Waste Management Authority (WRWMA) was signed in October 2005. The major obligations of the agreement were completed and the landfill site was handed back to Renewal SA on 1 September 2015. The WRWMA was officially wound up under Notice of Winding-up of a Subsidiary in the South Australian Government Gazette on 29 June 2016 and final distributions were made to the member councils during 2016/17.

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2018	2017	2018	2017	2018	2017
Southern Region Waste Resource Authority	15%	15%	15%	15%	33%	33%
Western Region Waste Management Authority		5.91%		5.91%		25%

City of Holdfast Bay

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 19. Interests in Other Entities (continued)

\$ '000

(c) Movement in Investment in Joint Venture or Associate

	Southern Region Waste Resource Authority		Western Region Waste Management Authority	
	2018	2017	2018	2017
Opening Balance	2,986	2,779	-	10
Share in Operating Result	267	207	-	4
Distributions Received	(384)	-	-	-
Adjustments to Equity	-	-	-	(14)
Council's Equity Share in the Joint Venture or Associate	2,869	2,986	-	-

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

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

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

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 178 km of road reserves of average width 8.7 metres.

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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

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

4. 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 14 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. SOUTHERN REGION WASTE RESOURCE AUTHORITY

Council has a 15% interest in Southern Region Waste Resource Authority. The Authority describes contingent liabilities in Note 15 to their Financial Statements for the year ended 30 June 2018.

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2018, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 23/10/18.

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

Note 23. Related Party Transactions

\$ '000	2018	2017
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Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, 22 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	1,010	954
Payments to Mayor and Elected Members	317	334
Development Assessment Panel Independent Members, Alwyndor Management Committee	56	48
Total	1,383	1,336

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

City of Holdfast Bay

General Purpose Financial Statements for the year ended 30 June 2018

Auditor's Report - Financial Statements

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City of Holdfast Bay

General Purpose Financial Statements for the year ended 30 June 2018

Auditor's Report - Financial Statements

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City of Holdfast Bay

General Purpose Financial Statements for the year ended 30 June 2018

Auditor's Report - Internal Controls

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City of Holdfast Bay

General Purpose Financial Statements for the year ended 30 June 2018

Auditor's Report - Internal Controls

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City of Holdfast Bay

General Purpose Financial Statements

for the year ended 30 June 2018

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Holdfast Bay (excluding Alwyndor Aged Care) for the year ended 30 June 2018, the Council's Auditor, BDO Audit Partnership (SA) 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*.

J.P. Lynch

CHIEF EXECUTIVE OFFICER

J. Smedley

PRESIDING MEMBER, AUDIT COMMITTEE

Date:

Alwyndor Aged Care

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018



ABN: 66 219 253 940

Alwyndor Aged Care

General Purpose Financial Statements for the year ended 30 June 2018

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Alwyndor Aged Care

General Purpose Financial Statements for the year ended 30 June 2018

Certification of Financial Statements

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

In our opinion:

- the financial statements present a true and fair view of the Alwyndor's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year,
- the financial statements accurately reflect the Alwyndor's accounting and other records.

Justin Lynch
CHIEF EXECUTIVE OFFICER

Rick Kluge
GENERAL MANAGER

Dated this day of 2018

Alwyndor Aged Care

General Purpose Financial Statements

for the year ended 30 June 2018

Alwyndor Management Committee Declaration

The Alwyndor Management Committee declare that

In our opinion:

The financial statements and notes, as set out in the document are in accordance with the *Australian Charities and not-for-profits Commission Action 2012 and :*

- a comply with Australian Accounting Standards; and
- b give a true and fair view of the financial position of the registered entity as at 30 June 2018 and of its performance for the year ended on that date.

There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Trish Auket
CHAIR

Dated this day of 2018

Alwyndor Aged Care

Statement of Comprehensive Income

for the year ended 30 June 2018

\$	Notes	2018	2017
Income			
User Charges	2a	2,912,359	3,380,832
Grants, Subsidies and Contributions	2e	10,172,010	9,772,597
Investment Income	2b	463,464	381,007
Reimbursements	2c	2,201,012	1,927,495
Other Income	2d	2,766,420	1,569,530
Total Income		18,515,265	17,031,461
Expenses			
Employee Costs	3a	13,202,268	12,386,336
Materials, Contracts & Other Expenses	3b	5,306,476	3,985,372
Depreciation and Amortisation	3c	1,074,184	824,715
Finance Costs	3d	133,921	96,371
Total Expenses		19,716,849	17,292,794
Operating Surplus / (Deficit)		(1,201,584)	(261,333)
Asset Disposal & Fair Value Adjustments	4	(4,114)	(3,403)
Net Surplus / (Deficit) ¹		(1,205,698)	(264,736)
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	-	4,903,315
<i>Amounts which will be reclassified subsequently to operating result</i>			
Nil			
Total Other Comprehensive Income		-	4,903,315
Total Comprehensive Income		(1,205,698)	4,638,579

¹ Transferred to Statement of Changes in Equity

Alwyndor Aged Care

Statement of Financial Position

as at 30 June 2018

\$	Notes	2018	2017
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	20,421,789	18,923,398
Trade & Other Receivables	5b	765,559	983,701
Total Current Assets		21,187,348	19,907,099
Non-Current Assets			
Infrastructure, Property, Plant & Equipment	7a	40,174,718	40,733,910
Total Non-Current Assets		40,174,718	40,733,910
TOTAL ASSETS		61,362,066	60,641,009
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	34,829,344	32,940,743
Provisions	8b	1,504,745	1,432,663
Total Current Liabilities		36,334,089	34,373,405
Non-Current Liabilities			
Provisions	8b	128,440	162,370
Total Non-Current Liabilities		128,440	162,370
TOTAL LIABILITIES		36,462,529	34,535,775
Net Assets		24,899,537	26,105,234
EQUITY			
Accumulated Surplus		9,414,526	10,723,474
Asset Revaluation Reserves	9a	9,070,657	9,070,657
Other Reserves	9b	6,414,354	6,311,103
Total Alwyndor Equity		24,899,537	26,105,234

Alwyndor Aged Care

Statement of Changes in Equity

for the year ended 30 June 2018

\$	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2018					
Balance at the end of previous reporting period		10,723,475	9,070,657	6,311,103	26,105,235
a. Net Surplus / (Deficit) for Year		(1,205,698)	-	-	(1,205,698)
b. Other Comprehensive Income					
Nil					
Total Comprehensive Income		(1,205,698)	-	-	(1,205,698)
c. Transfers between Reserves		(103,251)	-	103,251	-
Balance at the end of period		9,414,526	9,070,657	6,414,354	24,899,537
2017					
Balance at the end of previous reporting period		10,988,210	4,167,342	6,311,103	21,466,655
a. Net Surplus / (Deficit) for Year		(264,736)	-	-	(264,736)
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	4,903,315	-	4,903,315
Other Comprehensive Income		-	4,903,315	-	4,903,315
Total Comprehensive Income		(264,736)	4,903,315	-	4,638,579
Balance at the end of period		10,723,474	9,070,657	6,311,103	26,105,234

Alwyndor Aged Care

Statement of Cash Flows

for the year ended 30 June 2018

\$	Notes	2018	2017
Cash Flows from Operating Activities			
<u>Receipts</u>			
User Charges		2,918,359	3,385,832
Grants, Subsidies and Contributions (operating purpose)		10,272,010	9,870,415
Investment Receipts		463,464	381,007
Reimbursements		2,201,012	1,927,495
Other Receipts		3,422,122	3,399,930
<u>Payments</u>			
Payments to Employees		(13,127,334)	(12,357,711)
Payments for Materials, Contracts & Other Expenses		(4,943,244)	(3,930,759)
Finance Payments		(133,921)	(96,371)
Net Cash provided by (or used in) Operating Activities	11b	1,072,468	2,579,839
Cash Flows from Investing Activities			
<u>Receipts</u>			
Sale of Replaced Assets		37,458	31,501
<u>Payments</u>			
Expenditure on New/Upgraded Assets		(556,564)	(533,125)
Net Cash provided by (or used in) Investing Activities		(519,106)	(501,624)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Aged Care Facility Deposits		9,416,274	10,790,684
<u>Payments</u>			
Repayment of Aged Care Facility Deposits		(8,471,246)	(7,719,570)
Net Cash provided by (or used in) Financing Activities		945,028	3,071,114
Net Increase (Decrease) in Cash Held		1,498,391	5,149,329
plus: Cash & Cash Equivalents at beginning of period	11	18,923,398	13,774,070
Cash & Cash Equivalents at end of period	11	20,421,789	18,923,398

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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n/a - not applicable

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Alwyndor 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

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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 Alwyndor'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.

2 The Local Government Reporting Entity

Alwyndor Aged Care reports under the Aged Care Act 1997 and has its principal place of business at 52 Dunrobin Road, Hove. These financial statements include the Alwyndor's direct operations and all entities through which Alwyndor controls resources to carry on its functions. In the process of reporting

on the Alwyndor as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income Recognition

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

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

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Alwyndor'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. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

5 Infrastructure, Property, Plant & Equipment

5.1 Initial Recognition

All assets are initially recognised at cost.

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

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

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

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 Alwyndor for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$2,000
Other Plant & Equipment	\$2,000
Buildings - new construction/extensions	\$10,000

5.3 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.

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 on a straight-line basis which, in the opinion of Alwyndor, 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.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on

the best information available to Alwyndor, 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.

5.5 Impairment

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

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

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

6 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.

6.2 Payments Received in Advance & Deposits

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

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

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 Alwyndor 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. Alwyndor does not make payment for untaken sick leave.

7.2 Superannuation

The Alwyndor 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 Alwyndor's involvement with the schemes are reported in Note 15.

8 Leases

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

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

9 GST Implications

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

- Receivables and Creditors include GST receivable and payable.

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

10 New accounting standards and UIG Interpretations

In the current year, Alwyndor 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 Alwyndor's accounting policies.

Alwyndor Aged Care has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Alwyndor will implement them when they are effective.

11 Disclaimer

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

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 2. Income

\$	Notes	2018	2017
(a). User Charges			
Aged Care Residential Fees and Rentals		2,912,359	3,380,832
Total User Charges		2,912,359	3,380,832
(b). Investment Income			
Interest on Investments			
- Local Government Finance Authority		65,731	46,386
- Banks & Other		397,732	334,621
Total Investment Income		463,464	381,007
(c). Reimbursements			
Other		2,201,012	1,927,495
Total Reimbursements		2,201,012	1,927,495
(d). Other Income			
Sundry		1,786,217	1,093,810
Aged Care Facility		972,858	475,720
Other		7,346	-
Total Other Income		2,766,420	1,569,530
(e). Grants, Subsidies, Contributions			
Other Grants, Subsidies and Contributions		10,172,010	9,772,597
Total Grants, Subsidies, Contributions		10,172,010	9,772,597
(i) Sources of grants			
Commonwealth Government		9,672,008	9,272,595
State Government		500,002	500,002
Total		10,172,010	9,772,597

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 3. Expenses

\$	Notes	2018	2017
(a). Employee Costs			
Salaries and Wages		11,742,780	10,793,808
Employee Leave Expense		38,152	262,700
Superannuation - Defined Contribution Plan Contributions	15	49,453	58,748
Superannuation - Defined Benefit Plan Contributions	15	995,593	891,267
Workers' Compensation Insurance		376,291	379,814
Total Operating Employee Costs		13,202,268	12,386,336
Total Number of Employees (full time equivalent at end of reporting period)		164	155
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		13,887	11,115
Operating Lease Rentals - Non-Cancellable Leases	14		
- Minimum Lease Payments		12,610	13,356
Subtotal - Prescribed Expenses		26,497	24,471
(ii) Other Materials, Contracts and Expenses			
Contractors		3,256,274	2,386,515
Professional Services		239,875	-
Sundry		321,491	659,194
Materials		1,462,339	915,192
Subtotal - Other Material, Contracts & Expenses		5,279,979	3,960,901
Total Materials, Contracts and Other Expenses		5,306,476	3,985,372
(c). Depreciation and Amortisation			
Buildings & Other Structures		781,693	583,333
Plant & Equipment		173,607	140,033
Furniture & Fittings		118,884	101,349
Total Depreciation and Amortisation		1,074,184	824,715
(d). Finance Costs			
Interest on Accommodation Bonds		133,921	96,371
Total Finance Costs		133,921	96,371

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 4. Asset Disposal & Fair Value Adjustments

\$	Notes	2018	2017
Infrastructure, Property, Plant & Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		37,458	31,501
Less: Carrying Amount of Assets Sold		(39,784)	(34,904)
Gain (Loss) on Disposal		(2,325)	(3,403)
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		-	-
Less: Carrying Amount of Assets Sold		(1,788)	-
Gain (Loss) on Disposal		(1,788)	-
Net Gain (Loss) on Disposal or Revaluation of Assets		(4,114)	(3,403)

Note 5. Current Assets

(a). Cash & Cash Equivalents

Cash on Hand at Bank	1,236,866	293,419
Deposits at Call	2,961,190	4,215,984
Short Term Deposits & Bills, etc.	16,223,733	14,413,995
Total Cash & Cash Equivalents	20,421,789	18,923,398

(b). Trade & Other Receivables

Accrued Revenues	185,545	288,215
Debtors - General	137,950	114,300
GST Recoupment	89,764	41,186
Aged Care Facility Deposits	352,300	540,000
Total Trade & Other Receivables	765,559	983,701

Note 6. Non-Current Assets

Nil

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

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

	Fair Value Level	as at 30/6/2017					Asset Movements during the Reporting Period					as at 30/6/2018				
		At Fair Value	At Cost	Accumulated		Carrying Value	Asset Additions		WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated		Carrying Value
				Dep'n	Impairment		New / Upgrade	Renewals						Dep'n	Impairment	
Land	2	5,288,840	-	-	-	5,288,840	-	-	-	-	-	5,288,840	-	-	-	5,288,840
Buildings & Other Structures	3	39,920,070	-	7,150,588	-	32,769,482	-	8,800	-	(781,693)	-	31,996,589	-	-	-	31,996,589
Plant & Equipment		-	2,743,256	1,163,066	-	1,580,190	116,219	125,732	(40,537)	(173,607)	-	-	1,607,997	-	-	1,607,997
Furniture & Fittings		-	1,961,402	866,003	-	1,095,399	190,041	115,771	(1,035)	(118,884)	-	-	1,281,292	-	-	1,281,292
Total Infrastructure, Property, Plant & Equipment		45,208,910	4,704,658	9,179,657	-	40,733,910	306,260	250,303	(41,572)	(1,074,184)	-	37,285,429	2,889,289	-	-	40,174,718
Comparatives		40,629,266	4,208,598	8,680,775	-	36,157,089	213,224	319,900	(34,904)	(824,715)	4,903,315	45,208,910	4,704,658	9,179,657	-	40,733,910

Note 7a (ii). Investment Property

Nil

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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

\$

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

Valuation techniques used to derive Level 2 and Level 3 fair values recognised in the financial statements

The following table sets out the valuation techniques used to measure fair value within Level 2, including a description of the significant inputs used.

Description	Valuation approach and inputs used
Land	Direct comparison of market evidence approach. This method seeks to determine the current value of an asset by reference to recent comparable transactions involving the sale of similar assets. The valuation is based on price per square metre.

The following table sets out the valuation techniques used to measure the fair value within Level 3, including details of the significant unobservable inputs used and the relationship between unobservable inputs and fair value.

Description	Valuation Approach	Unobservable Inputs	Range of Inputs	Relationship between unobservable inputs and fair value
Buildings & Other Structures	Depreciated replacement cost approach. This is the current replacement cost of an asset less, where applicable accumulated depreciation calculated on a basis to reflect the already consumed or expired service potential.	Replacement Cost	\$5,844 to \$2,854,414	The higher the replacement cost the higher the fair value
		Remaining Useful Life of Assets	30 years to 150 years	The shorter the remaining life the lower the fair value

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

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

\$

Valuation of Assets (continued)

Other Information

At 1 July 2004 upon the transition to AIFRS, Alwyndor elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

All of Alwyndor's non financial assets are considered as being utilised for their highest and best use.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Land & Land Improvements

Land and Land improvements, with an assessed unlimited useful life, were valued at 30 June 2017.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2017
- Valuer: Maloney Field Services

Buildings & Other Structures

Buildings and other structures were revalued as at 30 June 2017

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2017
- Valuer: Maloney Field Services

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

Residential Bed Licences

Alwyndor holds 134 bed licenses. These have not been brought to account as they do not meet the recognition criteria of AASB 138 Intangible Assets.

All other Assets

These assets are recognised at cost.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 8. Liabilities

\$	Notes	2018 Current	2018 Non Current	2017 Current	2017 Non Current
(a). Trade and Other Payables					
Goods & Services		958,591	-	523,779	-
Payments Received in Advance		-	-	32,482	-
Accrued Expenses - Employee Entitlements		175,624	-	58,842	-
Accrued Expenses - Other		92,081	-	80,073	-
Aged Care Facility Deposits		32,563,848	-	31,618,820	-
Other		1,039,201	-	626,747	-
Total Trade and Other Payables		34,829,344	-	32,940,743	-
(b). Provisions					
Employee Entitlements (including oncosts)		1,504,745	128,440	1,432,663	162,370
Total Provisions		1,504,745	128,440	1,432,663	162,370

Note 9. Reserves

\$	1/7/2017	Increments (Decrements)	Transfers	Impairments	30/6/2018
(a). Asset Revaluation Reserve					
Land	4,943,268	-	-	-	4,943,268
Buildings & Other Structures	4,127,389	-	-	-	4,127,389
Total Asset Revaluation Reserve	9,070,657	-	-	-	9,070,657
Comparatives	4,167,342	4,903,315	-	-	9,070,657
\$	1/7/2017	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2018
(b). Other Reserves					
General Reserves	6,311,103	103,251	-	-	6,414,354
Total Other Reserves	6,311,103	103,251	-	-	6,414,354
Comparatives	6,311,103	-	-	-	6,311,103

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 10. Assets Subject to Restrictions

\$	Notes	2018	2017
<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 Alwyndor, or for which the revenues were originally obtained.</p>			
Receivables			
Accommodation Bonds		352,300	540,000
Total Receivables		352,300	540,000
Total Assets Subject to Externally Imposed Restrictions		352,300	540,000

Note 11. Reconciliation to Statement of Cash Flows

(a). Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	20,421,789	18,923,398
Less: Short-Term Borrowings		-	-
Balances per Statement of Cash Flows		20,421,789	18,923,398

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

Net Surplus/(Deficit)		(1,205,698)	(264,736)
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		1,074,184	824,715
Net (Gain) Loss on Disposals		4,114	3,403
		(127,400)	563,382
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		218,143	1,504,739
Change in Allowances for Under-Recovery of Receivables		-	28,954
Net (Increase)/Decrease in Other Current Assets		-	(57,908)
Net Increase/(Decrease) in Trade & Other Payables		943,574	435,930
Net Increase/(Decrease) in Unpaid Employee Benefits		38,152	104,741
Net Cash provided by (or used in) operations		1,072,468	2,579,839

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 12. Financial Instruments

\$

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 2.52% and 2.77% (2017: 2.52% and 2.82%). Short term deposits have an average maturity of 180 days and an average interest rate of 2.06% (2017: 145 days and 2.21%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Fees & 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. Alwyndor is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Alwyndor's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

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.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 12. Financial Instruments (continued)

\$

Recognised Financial Instruments

Receivables

Retirement Home Contributions

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:

Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

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 Alwyndor.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Retirement Home Contributions

Accounting Policy:

To avoid inconvenience when complying with the separate audit requirements imposed by the relevant legislation, amounts are carried at nominal values.

Terms & Conditions:

Pursuant to Commonwealth legislation certain intending residents are required to contribute amounts on an interest free basis. The amounts are subject to certain deductions as prescribed by the legislation, the balance being repaid on termination of tenancy.

Carrying Amount:

Approximates fair value for short tenancies; may be non-materially overstated for longer tenancies.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

Note 12. Financial Instruments (continued)

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2018					
<u>Financial Assets</u>					
Cash & Equivalents	20,421,789	-	-	20,421,789	20,421,789
Receivables	765,558	-	-	765,558	765,559
Total Financial Assets	21,187,347	-	-	21,187,347	21,187,347
<u>Financial Liabilities</u>					
Payables	35,095,344	-	-	35,095,344	34,829,344
Total Financial Liabilities	35,095,344	-	-	35,095,344	34,829,344
2017					
<u>Financial Assets</u>					
Cash & Equivalents	18,923,398	-	-	18,923,398	18,923,398
Receivables	983,702	-	-	983,702	983,701
Total Financial Assets	19,907,100	-	-	19,907,100	19,907,099
<u>Financial Liabilities</u>					
Payables	32,940,743	-	-	32,940,743	32,940,743
Total Financial Liabilities	32,940,743	-	-	32,940,743	32,940,743

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 Alwyndor.

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 Alwyndor is the carrying amount, net of any allowance for doubtful debts. All Alwyndor investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Alwyndor'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 Alwyndor'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 Alwyndor 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. Alwyndor 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. Alwyndor 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.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 13. Commitments for Expenditure

\$	Notes	2018	2017
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Lease Payment Commitments of Alwyndor

Alwyndor has entered into non-cancellable operating leases for various items of office equipment.

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

Other		52,339	5,869
		<u>52,339</u>	<u>5,869</u>

These expenditures are payable:

Not later than one year		11,816	5,869
Later than one year and not later than 5 years		35,448	-
Later than 5 years		5,075	-
		<u>52,339</u>	<u>5,869</u>

Note 14. Operating Leases

Leases Providing Revenue to the Alwyndor

Alwyndor 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.

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

Not later than one year		11,816	5,869
Later than one year and not later than 5 years		35,448	-
Later than 5 years		5,075	-
		<u>52,339</u>	<u>5,869</u>

Alwyndor Aged Care

Notes to and forming part of the Financial Statements

for the year ended 30 June 2018

Note 15. Superannuation

\$

The Alwyndor 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 2017/18; 9.50% in 2016/17). No further liability accrues to the Alwyndor 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. Alwyndor 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 2016/17) of "superannuation" salary.

In addition, Alwyndor 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), Alwyndor 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 2017. 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 Alwyndor's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Alwyndor 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 Alwyndor.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 16. Interests in Other Entities

\$

Alwyndor has no interest in any Equity Accounted Businesses such as Joint Ventures, Associates & Joint Operations.

Note 17. Non-Current Assets Held for Sale & Discontinued Operations

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

Note 18. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

Alwyndor does not have any Contingencies & Asset/Liabilities Not Recognised in the Balance Sheet.

Note 19. Events after the Balance Sheet Date

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

Note 20. Related Party Transactions

\$

2018

2017

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Alwyndor include the Alwyndor Management Committee, and General Manager - Alwyndor under section 112 of the *Local Government Act 1999*. In all, 10 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	140,645	94,425
Payments to Alwyndor Management Committee	36,301	31,324
Total	176,946	125,749

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

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 21. Segment Reporting

\$	2018	2017
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Alwyndor operates in the aged care industry within South Australia and within 3 primary business segments:

- provision and management of residential aged care accommodation
- aged care services to the community,
- rehabilitation and support services (day therapy)

Residential Aged Care

Income Statement

for the year ended 30 June 2016

Care Income

Subsidies & Supplements (Commonwealth)	7,429,149	7,087,673
Resident Fees - Means Tested Care Fees	617,171	566,892
Total Residential Care Income	8,046,320	7,654,565

Accommodation Income

Subsidies & Supplements (Commonwealth)	801,234	848,494
Resident Accommodation Payments and Charges	321,422	397,336
Accommodation Bond Retention amounts	34,264	78,384
Total Residential Accommodation Income	1,156,920	1,324,214

Other Resident Fee Income

Basic Daily Fee	2,322,278	2,317,690
Total Other Residential Fee Income	2,322,278	2,317,690

Financing Income

Interest Income	463,464	366,781
Total Financing Income	463,464	366,781

Other Income

Donations and Fundraising	6,568	-
Other Income	55,333	198,764
Total Other Income	61,901	198,764

Total Revenue	12,050,883	11,862,014
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Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 21. Segment Reporting (continued)

\$	2018	2017
Residential Aged Care		
Income Statement (continued) for the year ended 30 June 2016		
Care Expenses		
Labour Costs	8,328,589	7,063,186
Other Expenses	198,774	133,554
Total Care Expenses	8,527,363	7,196,740
Accommodation Expenses		
Labour Costs	195,696	134,143
Property Repairs, Maintenance and Replacement	310,570	180,114
Other Accommodation Expenses	401,868	399,526
Total Accommodation Expenses	908,134	713,783
Hotel Services Expenses		
Labour Costs	528,769	468,925
Contracted Services - External Service Organisations	1,372,150	374,732
Other Hotel Services Expenses	116,476	866,722
Total Hotel Services Expenses	2,017,395	1,710,379
Administration Expenses		
Labour Costs	1,034,220	654,436
Management Fees	54,965	70,950
Other Administration Expenses	390,538	317,157
Total Administration Expenses	1,479,723	1,042,543
Capital and Financing Expenses		
Depreciation	1,069,731	824,716
Interest Expenses	108,262	96,370
Total Capital and Financing Expenses	1,177,993	921,086
Other Expenses		
Loss on Sale of Assets	4,114	3,403
Other Expenses	-	97,447
Total Other Expenses	4,114	100,850
Total Expenses	14,114,722	11,685,381
Net Profit (Before Tax)	(2,063,839)	176,633

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 21. Segment Reporting (continued)

\$	2018	2017
Residential Aged Care		
Statement of Financial Position		
as at 30 June 2016		
ASSETS		
Current Assets		
Cash	20,421,789	18,923,398
Trade & Other Receivables	765,558	983,701
Total Current Assets	21,187,347	19,907,099
Non-Current Assets		
Property, Plant & Equipment	40,174,718	40,733,910
Total Non-Current Assets	40,174,718	40,733,910
TOTAL ASSETS	61,362,065	60,641,009
LIABILITIES		
Current Liabilities		
Trade & Other Payables	1,238,339	695,177
Employee Provisions	945,379	1,120,226
Accommodation Bonds	32,563,848	31,618,820
Total Current Liabilities	34,747,566	33,434,223
Non-Current Liabilities		
Employee Provisions	71,963	101,701
Total Non-Current Liabilities	71,963	101,701
TOTAL LIABILITIES	34,819,529	33,535,924
Net Assets	26,542,536	27,105,085

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 21. Segment Reporting (continued)

\$	Rehabilitation and Support Services	Consumer Directed Care	Other Home Care	Total
2018				
Revenue	939,928	4,084,483	1,439,971	6,464,382
Expenses	849,811	3,464,380	1,292,049	5,606,240
Surplus/(Deficit)	90,117	620,103	147,922	858,142
Assets	-	-	-	-
Liabilities	187,809	1,377,729	77,461	1,642,999
Total Equity	(187,809)	(1,377,729)	(77,461)	(1,642,999)
2017				
Revenue	837,983	2,961,732	1,369,730	5,169,445
Expenses	946,017	3,202,660	1,462,137	5,610,814
Surplus/(Deficit)	(108,034)	(240,928)	(92,407)	(441,369)
Assets	-	-	-	-
Liabilities	71,163	911,820	16,870	999,853
Total Equity	(71,163)	(911,820)	(16,870)	(999,853)

Alwyndor Aged Care

General Purpose Financial Statements for the year ended 30 June 2018

Auditor's Report - Financial Statements

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Alwyndor Aged Care

General Purpose Financial Statements for the year ended 30 June 2018

Auditor's Report - Financial Statements

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G K Edwards
BDO Audit (SA) Pty Ltd
422 King William Street
ADELAIDE SA 5000

18 October, 2018

Dear Mr Edwards

AUDIT FOR YEAR ENDED 30 JUNE 2018 OF ALWYNDOR AGED CARE

This representation letter is provided in connection with your audit of the financial report of Alwyndor Aged Care for the year ended 30 June 2018, for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purposes of appropriately informing ourselves:

Financial report

1. We have fulfilled our responsibilities, as set out in your engagement letter dated 07 April 2017, for the preparation for the financial report in accordance with Australian Accounting Standards; in particular that the financial report presents fairly in accordance therewith.
2. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained. Any and all deficiencies in internal control of which we are aware have been communicated to you.
3. We confirm that the selection and application of accounting policies remains appropriate, and that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
6. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.

-
7. We acknowledge the existence of, and have disclosed to you all information in relation to restatements made to correct any material misstatements in the prior period financial report that affects the comparative information.

Books, records and documentation

7. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - All minutes of meetings held by the Board of Directors, Committees and shareholders since the end of the previous reporting period have been given to you for your inspection;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
8. All transactions have been recorded in the accounting records and are reflected in the financial report.

Uncorrected Misstatements

9. There have been no uncorrected misstatements brought to our attention.

Related parties

10. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions.
11. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with Australian Accounting Standards in the financial report.

Fraud

12. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud.
13. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
14. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where fraud could have a material impact on the financial report.
15. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.

Litigation and claims

16. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered in the financial report; and accounted for and disclosed in accordance with Australian Accounting Standards.

Compliance with laws and regulations

17. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.

18. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.
There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Subsequent events

19. All events occurring subsequent to the date of the financial report and for which adjustment or disclosure are required have been adjusted or disclosed.

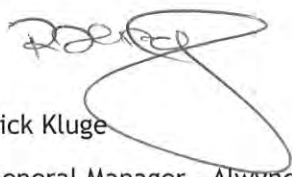
Other information

20. We have informed you of all the documents that we expect to issue which may compromise other information accompanying the financial report.
21. The financial report and any other information obtained by you prior to the date of the auditor's report are consistent with one another, and the other information does not contain any material misstatements.
22. The final version of the other information will be provided to you when available, and prior to issuance to allow you to complete your procedures over this other information.

Electronic presentation of Financial Report

23. We are responsible for the electronic presentation of the financial report.
24. We will ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version.
25. We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation.
26. We have assessed the controls over the security and integrity of data on the web site and that adequate procedures are in place to ensure the integrity of the information published.
27. We will not present the auditor's report on the full financial statements with extracts only of the full financial statements.

Yours faithfully



Rick Kluge
General Manager - Alwyndor



Nadia Andjelkovic
Chief Financial Officer - Alwyndor

City of Holdfast Bay

General Purpose Financial Statements for the year ended 30 June 2018

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Holdfast Bay (excluding Alwyndor Aged Care) for the year ended 30 June 2018, the Council's Auditor, BDO Audit Partnership (SA) 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*.



J.P. Lynch
CHIEF EXECUTIVE OFFICER



J. Smedley
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 17/10/18



holdfast.sa.gov.au

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P 08 8229 9999 F 08 8298 4561

Glenelg Customer Service Centre and Library

2 Colley Terrace, Glenelg SA 5045

18 October 2018

Mr GK Edwards
BDO Audit (SA) Pty Ltd
Level 7, BDO Centre
420 King William Street
ADELAIDE SA 5000

Dear Mr Edwards

AUDIT FOR YEAR ENDED 30 JUNE 2018 OF CITY OF HOLDFAST BAY

This representation letter is provided in connection with your audit of the financial report of City of Holdfast Bay for the year ended 30 June 2018, for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purposes of appropriately informing ourselves:

Financial report

1. We have fulfilled our responsibilities, as set out in your engagement letter dated 7 April 2017, for the preparation for the financial report in accordance with Australian Accounting Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011; in particular that the financial report presents fairly in accordance therewith.
2. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained. Any and all deficiencies in internal control of which we are aware have been communicated to you.
3. We confirm that the selection and application of accounting policies remains appropriate, and that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.



5. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
6. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.
7. We acknowledge that valuations of Infrastructure, Property, Plant & Equipment have been appropriately undertaken so as to ensure that the carrying amounts do not differ materially from that which would be determined using fair value at the end of the reporting. Individual classes of Infrastructure, Property, Plant & Equipment are assigned to the appropriate level in the AASB 13 fair value hierarchy.

Books, records and documentation

8. We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - All minutes of meetings held by the Board of Directors, Committees and shareholders since the end of the previous reporting period have been given to you for your inspection;
 - Additional information that you have requested from us for the purpose of the audit;
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
9. All transactions have been recorded in the accounting records and are reflected in the financial report.

Uncorrected Misstatements

10. There have been no uncorrected misstatements brought to our attention.

Related parties

11. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions.
12. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with Australian Accounting Standards in the financial report.

Fraud

13. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud.
14. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
15. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where fraud could have a material impact on the financial report.
16. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.

Litigation and claims

17. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered in the financial report; and accounted for and disclosed in accordance with Australian Accounting Standards.

Compliance with laws and regulations

18. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
19. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.
20. There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Subsequent events

21. All events occurring subsequent to the date of the financial report and for which adjustment or disclosure are required have been adjusted or disclosed.

Other information

22. We have informed you of all the documents that we expect to issue which may compromise other information accompanying the financial report.

23. The financial report and any other information obtained by you prior to the date of the auditor's report are consistent with one another, and the other information does not contain any material misstatements.
24. The final version of the other information will be provided to you when available, and prior to issuance to allow you to complete your procedures over this other information.

Electronic presentation of Financial Report

25. We are responsible for the electronic presentation of the financial report.
26. We will ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version.
27. We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation.
28. We have assessed the controls over the security and integrity of data on the web site and that adequate procedures are in place to ensure the integrity of the information published.
29. We will not present the auditor's report on the full financial statements with extracts only of the full financial statements.

Yours sincerely



John Newton
FINANCE MANAGER



Roberto Bria
GENERAL MANAGER BUSINESS SERVICES

2017-18 Financial Statements - Prior Year Comparison***Note 2(b) - Statutory Charges \$2,224,000 (2016-17 \$2,171,000)***

Increased food inspection fees \$21,000, hoarding fees \$25,000 and development fees \$8,000.

Note 2(c) - User Charges \$7,034,000 (2016-17 \$7,079,000)

Municipal user charges increased by \$429,000. This comprised increased income from Brighton Caravan Park \$310,000, Partridge House \$36,000, cemeteries \$38,000, lease income \$18,000 and Winter Wonderland ticket sales \$28,000.

Alwyndor user charges decreased by \$468,000. This is due to a re-allocation of the means-tested care fee (Federal Government initiative that requires consumers who can afford to contribute to the cost of the care) to other income in line with current Aged Care reporting requirements \$600,000; offset by an increase in consumer contributions to both residential and therapy services.

Note 2(d) - Investment Income \$562,000 (2016-17 \$418,000)

Municipal reserve fund investment increased by \$62,000 due to improved positive cash flow and the early receipt of major capital grant funds.

Alwyndor investment income increased by \$82,000 due to an increase in cash reserve balances as a result of increases in refundable accommodation deposits (RAD).

Note 2(e) - Reimbursements \$2,697,000 (2016-17 \$2,289,000)

Municipal reimbursements increased by \$135,000 due to increased private contributions including memorial seats \$82,000; timing of re-imbursements for employee costs from NRM board \$62,000 less reduced income for seaside memorials \$24,000.

Alwyndor reimbursements increased by \$274,000 and is due to an increase of Consumer Directed Care (CDC) packages gained throughout the year, this has resulted in increased services provided to home care consumers.

Note 2(f) - Other Income \$3,915,000 (2016-17 \$2,555,000)

Municipal other income has increased by \$432,000. This includes an insurance claim for Glenelg Oval Grandstand \$332,000; revised Alwyndor land lease and management fee \$46,000; bus shelter advertising income \$40,000; and increased reserve hire income \$27,000 offset by reduced event sponsorship income \$13,000.

Alwyndor other income increased by \$1,197,000 due to the re-allocation of the means-tested care fee as stated in note 2c above \$600,000 and an increase in home care case management and administration fee income as a result of increased Consumer Directed Care packages \$597,000.

Note 2(g) – Operating Grants, Subsidies and Contributions \$13,739,000 (2016-17 \$13,642,000)

Municipal operating grants decreased by \$303,000. Commonwealth Supplementary Local Road Funding program was reinstated in 2017/18 and Council received \$187,797. This grant is untied and distributed by the SA Local Government Grants Commission. The amount has been included in the Financial Assistance Grant classification. Other various grants exceeded the prior year by \$48,000. These increases were offset by reduced roads to recovery funding \$49,000 and the timing and indexation of the grants commission payments being \$490,000 net.

Alwyndor grants and subsidies increased by \$400,000. This is due to an increase in the Aged Care Funding Instrument (ACFI) revenue generated throughout the year, which is based on the care needs of each resident.

Note 19 - Net gain – EQUITY ACCOUNTED COUNCIL BUSINESSES \$267,000 (2016-17 \$211,000)

This refers to Council's 15% share (\$267,000 surplus) in the SRWRA. For 2017/18 SRWRA achieved a \$1,756,000 operating surplus (\$1,217,000 in 2016/17). During 2017/18 council received a distribution of \$384,000 from the SRWRA. The prior year figures refer also to Council's 5.91% share in WRWMA. The WRWMA site has been rehabilitated and the authority was wound up in 2016/17. The financial results, provisions and expanded notes of both entities are included in Note 19 to the financial statements.

Note 3(a) - Employee Costs \$29,316,000 (2016-17 \$27,232,000)

Overall municipal employee costs increased by \$576,000 from prior year due to salary staff (ASU) enterprise agreement 2.5% increase \$303,000; wages staff (AWU) enterprise agreement 2.8% \$117,000; approved new employees/initiatives - Business Development \$97,200, Events - Life Saving Championship/Queens Baton Relay \$65,400.

Alwyndor employment costs increased by \$816,000. However, the actual increase in employment costs is greater than this as last year agency costs were included in employment costs but have now been allocated to materials, contracts and other expenses. The increase is due to a number of factors being salary staff enterprise agreement of 2.3% increase \$285,000; transition costs and training costs resulting from the operational review \$500,000; increased support worker hours to deliver the increased services for home care consumers \$586,000; and first time accrual of on-costs for the long service leave provision \$110,000.

Note 3(b) - Materials, Contracts and Other Expenses \$24,048,000 (2016-17 \$22,787,000)

Municipal expenses in this grouping increased by \$902,000. This comprised numerous items either included in the original budget or varied throughout the year. Major prior year variances occurred in operational new initiatives \$207,000; electricity \$109,000; water \$231,000; NRM Levy \$58,000; Caravan Park operations \$86,000; gas monitoring \$48,000; Grant funded green bag program \$67,000; Regulatory Services \$41,000; Cemetery operations \$37,000.

Alwyndor expenses increased by \$1,321,000. A significant portion of this increase is the re-allocation of agency costs from employment costs \$690,000; increased third party costs paid on behalf of home care consumers, which is offset by income \$65,000; increased catering

consumables to assist with managing increasing residential dietary requirements \$40,000; third party consulting and training costs associated with the operational review \$77,000; and increased catering contract costs \$200,000.

Note 3(c) - Depreciation \$9,806,000 (2016-17 \$9,135,000)

Overall municipal depreciation increased by \$421,000 with the larger increases in drainage, open space and plant and equipment. Alwyndor depreciation increased by \$250,000 with most of this increase resulting from an increase in the valuation of buildings and the removal of the residual value from the depreciation calculation methodology.

Note 4 - Asset Disposal and Fair Value Adjustments (\$142,000 loss) - (2016-17 \$2,187,000 - loss)

Municipal assets were sold throughout the year resulting in a \$137,000 loss. The assets are itemised as follows:

- \$247,000 – Loss - Capital renewal program. Refers to existing infrastructure assets removed or disposed as part of the annual capital program.
- \$17,500 – Profit - Sale of road reserve.
- \$92,000 – Net Profit - Sale of plant and vehicles.

Note 2(g) - Amounts Received for New/Upgraded Assets \$1,832,000 (2016-17 \$4,446,000)

Overall Municipal capital grants decreased by \$2.6m. This variance is due primarily due to one-off grants received in the prior 2016-17 year including Kauri Parade Sporting Complex \$3m; Coast Park Precinct 7 \$1m; Jetty Road Brighton crossing upgrade \$296,000. New grants were received in 2017/18 for stormwater projects \$1.4m; reserve improvements \$200,000; and CCTV projects \$54,000.

Note 9(a) - Change in Revaluation Surplus – \$9,203,000 decrease (2016-17 \$76,214,000 increase)

Open Space and Coastal assets were revalued by Jones Lang LaSalle. The last revaluation on these assets was performed in 2013. This resulted in a valuation decrease of \$9.17m. The main explanations are as follows:

- The process included capturing assets at an individual level rather than in groups with an existing capital threshold of \$6,500 applied.
- Large open space projects of high financial value include significant overheads and expensive groundworks. The direct replacement of these assets will not require the same overhead costs and their value has therefore decreased.
- A number of car parks located at sporting facilities and local reserves have been transferred to the infrastructure class of assets in line with current maintenance and renewal policies.

Details of this revaluation including the effect on future depreciation were reported to the Audit Committee on 29 August 2018 (report 299/18).

Library lending materials were revalued by the Library Services Manager. This has resulted in a net revaluation decrease of \$329,000.

Note 5(a) - Cash and Cash Equivalents

As at 30 June 2018, cash and cash equivalents amounted to \$27,092,000 (2016-17 \$21,362,000). This comprises \$6,670,000 of municipal funds and \$20,422,000 of Alwyndor funds as shown in the cash flow statements. The significant increase in municipal cash is due to prepayments of large capital government grants including \$4.24m for Minda Coast Park and \$2m for Brighton Sports Complex.

Alwyndor funds include monies received and invested for accommodation bonds. Accommodation bonds total \$32,563,000 (2017-18 \$31,619,000) and are subject to externally imposed restrictions with the requirement to be used for capital purposes.

Note 5(b) - Trade and Other Receivables –Current \$3,062,000 (2016-17 \$3,334,000)

Municipal debtors decreased by \$55,000 to \$2,484,000. General debtors decreased by \$98,000.

Alwyndor debtors had a net decrease of \$165,000 primarily due to a decrease in current aged care facility deposits outstanding.

Note 6 (a) - Loans to Community Organisations

Council's normal practice for larger loans is to borrow from the Local Government Finance Authority and on-lend to the community organisation on similar terms along with an additional 0.5% credit margin to cover administrative costs. The total amount of principal owing as at 30 June 2018 is \$2,222,000.

During 2016-17 Council received correspondence for the Glenelg Football Club and considered strategies to support the Club in its objective of long term financial sustainability. In May 2017 Council accepted a principal reduction scheme over six years (via the SANFL) and agreed to waive interest up to 31 October 2019. As at 30 June 2018 the Club had met its remaining financial obligations. The total amount of principal owing from the Glenelg Football Club as at 30 June 2018 was \$2,029,922.

On 29 August 2018 the Audit Committee received a report assessing community loan receivables as at 30 June 2018 (Report 298/18). On 11 September Council noted the minutes of the Audit Committee (Minute C110918/1279). The financial statements include maintaining the loan impairment provision of \$517,780 for the Glenelg Football Club loan in accordance with the recommendations.

Note 6 (b) - Regional Subsidiaries – \$2,869,000 (2016-17 \$2,985,000)

This refers to Council's 15% share in the net assets of SRWRA. As at 30 June 2018 SRWRA had \$19,130,000 net assets. The reduction is due to distribution of \$2.5m to member Councils in 2017/18 offset by a \$2.2m reduction in the rehabilitation and restoration provision. The WRWMA

was wound up during 2016-17. The financial results, provisions and expanded notes of both entities are included in Note 19 to the Council statements.

Note 6 (c) – Other Non-Current Assets - Capital Works-in-Progress \$520,000 (2016-17 \$1,019,000)

This includes preliminary works of \$163,000 for the new sports complex at Brighton Oval and \$112,000 for the construction of a coast park footpath at Minda Dunes, \$111,000 for various stormwater projects, \$87,000 for improvements to Council owned buildings and the remaining amounts on other incomplete municipal capital projects.

Note 7 - Capital Expenditure

In 2017/18 asset additions totaled \$13,848,000 (2016-17 \$15,951,000).

For municipal activities this comprised \$7.6m on completed new and upgraded assets. The major projects included \$2.5m drainage improvements at Tarlton Street/Bickford Terrace, \$1.6m extension to the Coast Park footpath, \$943,000 car park at Seacliff Sports and Community Centre, \$913,000 business transformation software and implementation costs, \$720,000 viewing mound and upgrade works at Glenelg Football Club and \$165,000 purchase of land at Minda Dunes.

Asset additions for renewed and replaced assets totaled \$5.7m. These included \$2.5m on infrastructure including roads, kerb, footpaths and stormwater. The renewal of Open Space assets totaled \$1.1m including \$300,000 irrigation replacement at various reserves, \$180,000 playground equipment at Angus Neill Reserve and \$163,000 street lighting. Renewal works on Council owned buildings totaled \$942,000 and \$915,000 for the replacement of plant and equipment.

For Alwyndor activities this comprised \$556,000 including \$306,000 on new assets, and \$250,000 on renewal and replacement of existing assets. New assets included \$160,000 on a new finance system and \$55,000 on televisions for resident rooms. Replaced assets included \$75,000 on the phone system, \$23,000 on two commercial washing machines, \$43,000 on beds, \$32,000 replacing two commercial ovens in the main kitchen and \$16,000 nurse call upgrade.

Note 8(a) - Aged Care Facility Deposits – accommodation bonds

The liability for Alwyndor accommodation bonds has increased by \$943,000 from the previous year. The overall liability is \$32,563,000. This increase is a result of new residents entering the facility and selecting to pay accommodation bonds.

Note 8(b) - Borrowings

Net borrowings have decreased by \$2,617,000 to \$13,590,000. Fixed term loan principal repayments totaled \$1,441,559 with the balance being repayment of cash advance debenture (CAD) facilities with the Local Government Finance Authority. No new borrowings were made during 2017/18 as Council had sufficient cash to meet its capital expenditure.

Note 9 - Reserve Funds

All reserve funds required by legislation have been maintained.

Equity

Council's net equity decreased by \$6,215,000 during the year as a result of:

- \$1,298,000 operating surplus
- (\$142,000) deficit on disposal of assets
- \$1,832,000 capital revenue received specifically for new or upgraded assets
- (\$9,203,000) net decrease of assets on revaluation



City of Holdfast Bay Municipal Funds Statement as at June 2018

2017 - 2018 Original Budget \$'000	Year to Date				Note
	Adopted Forecast \$'000	Actual \$'000	Variance \$'000		
(737)	(774)	(765)	(9)	Administrative Services	
1,659	1,847	1,910	(63)	FAG/R2R Grants	1
(1,058)	(994)	(997)	2	Financial Services	
(8,623)	(8,773)	(8,732)	(41)	Financial Services-Depreciation	
(241)	(241)	(310)	69	Financial Services-Employee Leave Provisions	2
(1,070)	(900)	(712)	(188)	Financial Services-Interest on Borrowings	3
230	383	267	116	Financial Services-SRWRA	4
33,187	33,175	33,169	6	General Rates	
(633)	(550)	(524)	(26)	Human Resources	
(3,659)	(3,906)	(3,751)	(155)	Strategic and Commercial Services	5
(644)	(539)	(553)	14	Strategy and Policy	
(522)	(519)	(492)	(27)	Business Development	
(952)	(959)	(910)	(49)	Community Development	
(340)	(340)	(347)	7	Community Engagement Admin	
(848)	(767)	(704)	(63)	Community Events	6
(299)	(302)	(260)	(41)	Community Services Administration	
(135)	(135)	(120)	(16)	Community Transport	
(59)	(62)	21	(83)	Community Wellbeing	7
(517)	(517)	(521)	5	Customer Service	
-	(37)	40	(77)	Jetty Road Mainstreet	8
(1,337)	(1,308)	(1,192)	(115)	Library Services	9
4	(16)	52	(68)	SA HACC	10
(310)	(310)	(304)	(7)	Tourism & Marketing Admin	
(1,471)	(1,501)	(1,423)	(78)	Asset Management	11
(1,422)	(1,093)	(1,127)	34	Assets and City Services	
30	30	57	(27)	Cemeteries	
612	491	596	(105)	City Regulation	12
878	988	1,014	(26)	Commercial - Brighton Caravan Park	
(15)	(15)	(14)	(1)	Commercial - Partridge House	
436	439	396	44	Commercial - Recreational Clubs Leases	
(865)	(777)	(695)	(82)	Development Services	13
(633)	(618)	(753)	135	Environmental Services	14
(373)	(373)	(382)	8	Infrastructure Maintenance	
(18)	(18)	(16)	(1)	Property Maintenance	
(7,432)	(7,331)	(6,913)	(418)	Public Spaces	15
(3,519)	(3,399)	(3,305)	(94)	Waste Management	16
796	796	796	-	Less full cost attribution - % admin costs capitalised	
103	1,078	2,497	(1,419)	=Operating Surplus/(Deficit)	
8,623	8,773	8,732	41	Depreciation	
11	(141)	43	(184)	Other Non Cash Items	2 & 4
8,634	8,632	8,775	(143)	Plus Non Cash Items in Operating Surplus/(Deficit)	
8,737	9,709	11,272	(1,563)	=Funds Generated from Operating Activities	
-	1,731	1,832	(102)	Amounts Received for New/Upgraded Assets	17
231	304	208	96	Proceeds from Disposal of Assets	18
231	2,035	2,040	(5)	Plus Funds Sourced from Capital Activities	
(5,125)	(6,432)	(5,770)	(662)	Capital Expenditure on Renewal and Replacement	
(1,099)	(7,750)	(6,921)	(830)	Capital Expenditure on New and Upgraded Assets	
(6,224)	(14,182)	(12,691)	(1,491)	Less Total Capital Expenditure	19
209	209	260	(51)	Plus:Repayments of loan principal by sporting groups	20
209	209	260	(51)	Plus/(less) funds provided (used) by Investing Activities	
2,952	(2,229)	881	(3,110)	= FUNDING SURPLUS/(REQUIREMENT)	
Funded by					
1,371	4,231	4,231	-	Increase/(Decrease) in Cash & Cash Equivalents	
-	(4,465)	(3,568)	(897)	Non Cash Changes in Net Current Assets	
-	(3,577)	218	(3,794)	Less: Proceeds from new borrowings	
1,581	1,581	-	1,581	Plus: Principal repayments of borrowings	
2,952	(2,229)	881	(3,110)	=Funding Application/(Source)	

Note 1 – Financial Assistance Grant - \$63,000 (3%) favourable

The first two instalments of the 2018/19 Financial Assistance Grant were received by Council in June 2018 and, under accounting standards, have been included as revenue in 2017/18 even though they relate to 2018/19. As the same process occurred in 2016/17 this has resulted in a timing issue across two financial years and a variance in 2017/18 of \$63,000.

Note 2 – Financial Services – Employee Leave Provisions - \$69,000 (29%) unfavourable

Final movements in the provisions made for Annual Leave and Long Service Leave owed to employees.

Note 3 – Financial Services – Interest on Borrowings - \$188,000 (21%) favourable

Cash flow requirements are managed throughout the year by utilising available cash and short-term cash advance debentures (CAD) arranged through the Local Government Finance Authority. Low interest rates and less reliance on short term variable CADs has meant the final interest on borrowings was lower than forecast.

Note 4 – Financial Services – SRWRA - \$116,000 (30%) unfavourable

Council's 15% share of Southern Region Waste Resource Authority's net profit for 2017/18 of \$266,550 was lower than budgeted for.

Note 5 – Strategic and Commercial Services - \$155,000 (4%) favourable

Savings on Elected Members' allowances (\$20,000 - \$12,000 diverted as per Council resolution for mural on Glenelg Community Centre), insurance premiums (\$44,000), employment costs (\$17,000), Jetty Road, Glenelg Masterplan (\$45,000) and as yet uncompleted grant applications for business startups carried forward to 2018/19 (\$24,000).

Note 6 – Community Events - \$63,000 (8%) favourable

Savings on various Council events including New Year's Eve (\$8,000), Life Saving Championship (\$13,000), Australia Day (\$4,000), Fringe at the Foreshore (\$7,000), Citizenship Ceremonies (\$6,000), Christmas Pageant (\$4,000) and other public functions (\$21,000).

Note 7 – Community Wellbeing - \$83,000 (134%) favourable

Additional Home Maintenance/Assistance co-payment income (\$15,000), savings in employment costs due to vacancies (\$30,000) and the Domestic Assistance program (\$40,000).

Note 8 – Jetty Road Mainstreet - \$77,000 (208%) favourable

Underspend on Winter Wonderland (\$39,000), Tour Down Under (\$8,000) and Christmas Pageant (\$5,000) events. Glenelg Mainstreet budget underspent on employment costs (\$16,000) and other minor variances.

Note 9 – Library Services - \$115,000 (9%) favourable

Grant in kind for new library books received from State Library Board (\$97,000) and savings on employment costs due to vacancies (\$17,000).

Note 10 – SA HACC (Lifelinks) - \$68,000 (425%) favourable

Unspent 2016/17 grant funding which will need to be returned to Department for Communities and Social Inclusion (\$49,000), savings on employment costs due to vacancies (\$16,000).

Note 11 – Asset Management - \$78,000 (5%) favourable

Building operational costs savings on cleaning (\$12,000), water (\$15,000) and repairs and maintenance (\$39,000). Utilities reimbursements from lessees higher than budgeted for (\$12,000).

Note 12 – City Regulation - \$105,000 (21%) favourable

Less than anticipated income from parking and fines for both on-street parking (\$10,000) and off-street parking (\$40,000) offset by savings on employment costs (\$28,000), additional hoarding fee income (\$100,000) and food inspection registrations and licences (\$32,000).

Note 13 – Development Services - \$82,000 (11%) favourable

Additional planning fee income (\$25,000) and savings on the Shopfront Character/Heritage Grant scheme (\$57,000).

Note 14 – Environmental Services - \$135,000 (22%) unfavourable

The allocation for tree maintenance employee costs are within the Public Spaces budget which offsets this negative variance (\$212,000) – see note 15. Offset by additional tree removal income (\$11,000), savings on employee costs (\$7,000) and uncompleted projects carried forward to 2018/19; Green Bag Retail Pilot Program (\$14,000), Stormwater Retention Plan (\$33,000).

Note 15 – Public Spaces - \$418,000 (6%) favourable

Employee costs accounted for within Environmental Services (\$212,000) - see Note 14. Additional memorial seat income (\$49,000), lower electricity (\$135,000) and telecommunication (\$19,000) costs.

Note 16 – Waste Management - \$94,000 (3%) favourable

Disposal costs lower than anticipated (\$39,000) and savings on the collection and disposal of street litter bin waste (\$52,000).

Note 17 – Amounts Received for New/Upgraded Assets - \$102,000 (6%) favourable

Grant funding for Minda Coast Park budgeted for in 2018/19, but matched against earlier than expected expenditure in 2017/18.

Note 18 – Proceeds from Disposal of Assets - \$96,000 (32%) unfavourable

Two Council trucks and one tractor will now be disposed in 2018/19 due to delay in the receipt of replacement vehicles.

Note 19 – Capital expenditure - \$1,491,000, (11%) favourable

A number of projects were not completed at the 30 June 2018. Details of these projects were provided as part of the report to Council approving the carry-forward of budgets from 2017/18 (C140818/1246).

Note 20 – Repayment of loan principal by sporting groups - \$51,000, (24%) favourable

Brighton Tennis Club negotiated to repay the total principal outstanding on their loan when it had been due for roll-over this financial year.



Alwyndor Aged Care Funds Statement as at 30 June 2018

2017-18 Original Budget \$'000	Year to Date				Note
	Adopted Forecast \$'000	Actual YTD \$'000	Variance \$'000		
4,480	3,859	3,795	64	User Charges	1
10,486	10,059	10,172	(113)	Operating Grants and Subsidies	1
374	478	463	15	Investment Income	
1,670	2,254	2,455	(201)	Reimbursements	2
1,121	1,589	1,750	(161)	Other Income	3
18,130	18,239	18,635	(396)	Operating Revenue	
(12,944)	(13,927)	(14,519)	592	Employee Costs - Salaries & Wages	4
(3,745)	(3,689)	(4,114)	425	Materials, contracts and other expenses	5
(80)	(90)	(134)	44	Finance Charges	6
(897)	(832)	(1,074)	242	Depreciation	7
(17,666)	(18,538)	(19,841)	1,303	Less Operating Expenditure	
464	(299)	(1,206)	907	=Operating Surplus/(Deficit)	
897	832	1,074	(242)	Depreciation	7
-	-	72	(72)	Provisions	8
897	832	1,146	(314)	Plus Non Cash Items in Operating Surplus/(Deficit)	
1,361	533	(60)	593	=Funds Generated from Operating Activities	
(742)	(702)	(556)	(146)	Capital Expenditure on New and Upgraded Assets	9
(742)	(702)	(556)	(146)	Less Total Capital Expenditure	
620	(169)	(616)	447	= Funding SURPLUS/(REQUIREMENT)	
				Funded by	
620	(169)	(616)	447	Increase/(Decrease) in Cash & Cash Equivalents	
620	(169)	(616)	447	=Funding Application/(Source)	

Note 1 – User Charges – positive variance

To be read in conjunction with government subsidies as the split between government funding and consumer contribution is dependent on resident means testing. Overall combined variance is minimal.

Note 2 – Reimbursements – positive variance

Continued growth in Consumer Directed Care services being provided.

Note 3 – Other Income - positive variance

Continued growth in Consumer Directed Care packages resulting in administration and case management fee income.

Note 4 – Employee Costs – Salaries & Wages – negative variance

Increased staff training costs and ongoing transition costs associated with the operational review, agency use greater than anticipated and the first-time accrual of on-costs on long service leave provision.

Note 5 – Materials, contracts and other expenses – negative variance

An increase in brokered services for Home Support consumers, which is offset by increased reimbursement income. Additional costs of consulting fees in relation to the operational review. Numerous operating expenses coming in greater than forecast such as medical supplies, repairs & maintenance and cleaning consumables.

Note 6 – Finance Charges – negative variance

Delay with Grants of Probate for Accommodation Bond refunds, resulting in higher interest payments.

Note 7 – Depreciation – negative variance

Most of this increase has resulted from final year calculations of depreciation based on an increase in the valuation of buildings and the removal of the residual value from the depreciation calculation methodology.

Note 8 – Capital Expenditure – positive variance

Balance of the Finance System capital project not fully expensed at 30 June and the CCTV project which has been carried forward to 2018/19.

CITY OF HOLDFAST BAY
PROJECTED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018

	2017-18 ORIGINAL BUDGET	2017-18 ADOPTED FORECAST	2017-18 ACTUAL
	\$'000	\$'000	\$'000
REVENUES			
Rates - General	33,103	33,085	33,081
Rates - Jetty Road Glenelg	564	564	564
Rates - Patawalonga Marina	68	68	68
Rates - NRM Levy	1,173	1,172	1,173
Statutory Charges	2,136	2,142	2,224
User Charges	7,842	7,590	7,034
Operating Grants & Subsidies	13,518	13,414	13,739
Investment Income	405	578	562
Reimbursements	2,309	3,061	2,697
Other	2,143	2,777	3,915
Net gain/loss disposal of assets	-	-	-
Share of profit - joint ventures	230	383	267
TOTAL REVENUES	63,491	64,834	65,324
EXPENSES			
Employee Costs	30,125	31,046	29,316
Materials, contracts and other expenses	22,914	23,209	24,048
Finance Charges	1,161	926	856
Depreciation	9,520	9,670	9,806
Less full cost attribution	(796)	(796)	
TOTAL EXPENSES	62,924	64,055	64,026
Operating Surplus/(Deficit) - Before Capital Revenue	567	779	1,298
Amounts specifically for new or upgraded assets	-	1,730	1,690
NET SURPLUS/(DEFICIT)	567	2,509	2,988

CITY OF HOLDFAST BAY
PROJECTED CONSOLIDATED BALANCE SHEET
AS AT 30TH JUNE 2018

	2017-18 ORIGINAL BUDGET	2017-18 ADOPTED FORECAST	2017-18 ACTUAL
	\$'000	\$'000	\$'000
CURRENT ASSETS			
Cash and cash equivalents	18,994	20,220	27,092
Trade and Other Receivables	4,557	3,335	3,062
Inventory	6	9	10
TOTAL CURRENT ASSETS	23,557	23,564	30,164
NON-CURRENT ASSETS			
Financial Assets	1,638	1,485	1,496
Equity accounted investments-Council businesses	3,009	2,985	2,869
Land, Infrastructure, Property, Plant & Equipment	663,484	739,420	728,464
TOTAL NON-CURRENT ASSETS	668,131	743,890	732,829
TOTAL ASSETS	691,688	767,454	762,993
CURRENT LIABILITIES			
Trade and Other Payables	33,754	37,304	45,228
Borrowings	3,054	1,037	1,130
Short-term Provisions	5,184	4,510	4,303
TOTAL CURRENT LIABILITIES	41,992	42,851	50,661
NON-CURRENT LIABILITIES			
Long-term Borrowings	17,781	15,889	12,460
Long-term Provisions	560	394	439
Other Non-current Liabilities	-	162	-
TOTAL NON-CURRENT LIABILITIES	18,341	16,445	12,899
TOTAL LIABILITIES	60,333	59,296	63,560
NET ASSETS	631,355	708,158	699,433
EQUITY			
Accumulated Surplus	173,461	176,301	174,459
Asset Revaluation Reserve	451,547	525,510	518,559
Other Reserves	6,347	6,347	6,415
TOTAL EQUITY	631,355	708,158	699,433

CITY OF HOLDFAST BAY
PROJECTED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2018

	<u>2017-18 ORIGINAL BUDGET</u>	<u>2017-18 ADOPTED FORECAST</u>	<u>2017-18 ACTUAL</u>
	\$'000	\$'000	\$'000
ACCUMULATED SURPLUS			
Balance at beginning of period	172,894	169,357	171,538
Net Surplus/(Deficit)	567	6,944	2,988
Transfers from reserves			
Balance at end of period	173,461	176,301	174,526
ASSET REVALUATION RESERVE	451,547	525,510	518,559
MUNICIPAL RESERVES	36	36	-
ALWYNDOR RESERVES	6,311	6,311	6,348
TOTAL RESERVES CLOSING BALANCE	457,894	531,857	524,907
TOTAL EQUITY	631,355	708,158	699,433

CITY OF HOLDFAST BAY
PROJECTED CONSOLIDATED BUDGETED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2018

	<u>2017-18 ORIGINAL BUDGET</u>	<u>2017-18 ADOPTED FORECAST</u>	<u>2017-18 ACTUAL</u>
	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating Receipts	63,261	64,604	74,629
<u>Payments</u>			
Operating payments to suppliers and employees	(51,682)	(52,773)	(55,709)
Finance Payments	(1,162)	(1,052)	(856)
NET CASH PROVIDED BY OPERATING ACTIVITIES	10,417	10,779	18,064
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Grants specifically for new or upgraded assets	-	1,731	1,832
Sale of replaced assets	231	304	227
Sale of surplus assets	-	-	17
Distributions from SRWRA	-	-	383
Net repayments of loans (principal) by community groups	209	209	211
<u>Payments</u>			
Expenditure on renewal/replacement of assets	(6,966)	(8,224)	(5,208)
Expenditure on new/upgraded assets	-	(6,660)	(8,142)
NET CASH (USED IN) INVESTING ACTIVITIES	(6,526)	(12,640)	(10,680)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Proceeds from Bonds/Borrowings/CAD - External	-	2,300	18
<u>Payments</u>			
Repayments of Borrowings/CAD - External	(1,581)	(1,581)	(2,617)
Aged Care Facility Deposits - Net Movement	-	-	945
NET CASH PROVIDED BY FINANCING ACTIVITIES	(1,581)	719	(1,654)
NET INCREASE (DECREASE) IN CASH HELD CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	2,310	(1,142)	5,730
CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	16,684	21,362	21,362
	18,994	20,220	27,092

RECONCILIATION OF INCOME STATEMENT TO BUDGETED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2018

SURPLUS FROM INCOME STATEMENT	567	2,509	2,988
NON-CASH ITEMS IN INCOME STATEMENT			
Depreciation	9,520	9,670	9,806
Increase (decrease) in provisions - nett	330	330	826
TOTAL NON-CASH ITEMS	9,850	10,000	10,632
CASH ITEMS NOT IN INCOME STATEMENT			
Capital Expenditure	(6,966)	(14,884)	(13,350)
Loan Repayments - External	(1,581)	(1,581)	(2,617)
Proceeds from Borrowings - External	-	2,300	-
Repayments of loans (principal) by community groups	209	209	211
Proceeds from Disposal of Assets	231	304	244
Proceeds from prepayments of grants	-	-	6,677
Net Proceeds - Aged Care Facility Deposits	-	-	945
TOTAL CASH ITEMS	(8,107)	(13,652)	(7,890)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,310	(1,143)	5,730

CITY OF HOLDFAST BAY
PROJECTED CONSOLIDATED SUMMARY OF OPERATING AND CAPITAL INVESTMENT ACTIVITIES
FOR THE YEAR ENDED 30TH JUNE 2018

	<u>2017-18</u> <u>ORIGINAL</u> <u>BUDGET</u>	<u>2017-18</u> <u>ADOPTED</u> <u>FORECAST</u>	<u>2017-18</u> <u>ACTUAL</u>
	\$'000	\$'000	\$'000
Operating Revenues	63,491	64,835	65,324
less Operating Expenses	(62,924)	(64,056)	(64,026)
Operating Surplus/(Deficit) before Capital Amounts	567	779	1,298
Less net outlays on Existing Assets			
Capital Expenditure on renewal & replacement of existing assets	6,966	8,224	5,208
Less Depreciation	(9,520)	(9,670)	(10,033)
	(2,554)	(1,446)	(4,825)
Less outlays on New and Upgraded Assets			
Capital Expenditure on new & upgraded assets	-	6,660	8,142
Less amounts received for for new & upgraded assets	-	(1,730)	(1,850)
	-	4,930	6,292
Net lending/(borrowing) for financial year	3,121	(2,705)	(169)

PROJECTED FINANCIAL INDICATORS
FOR THE YEAR ENDED 30TH JUNE 2018

	<u>2017-18</u> <u>ORIGINAL</u> <u>BUDGET</u>	<u>2017-18</u> <u>ADOPTED</u> <u>FORECAST</u>	<u>2017-18</u> <u>ACTUAL</u>
	\$'000	\$'000	\$'000
OPERATING SURPLUS/(DEFICIT) - BEFORE CAPITAL AMOUNTS	567	779	1,298
OPERATING SURPLUS RATIO (Operating surplus/(deficit) before capital amounts as % of total operating revenue)	0.9%	1.2%	2.0%
NET FINANCIAL LIABILITIES - (Total liabilities less financial assets)	35,144	34,256	31,910
NET FINANCIAL LIABILITIES RATIO (Total liabilities less financial assets as % of total operating revenue)	55%	53%	49%
INTEREST COVER RATIO (Net interest expense as % of total operating revenue less investment income)	1.2%	0.5%	0.5%
ASSET SUSTAINABILITY RATIO (Capital expenditure on renewal/replacement of existing assets, excluding new capital expenditure as % of depreciation expense)	73%	85%	51%

Item No: **14.4**

Subject: **2017–18 ANNUAL REPORT**

Date: 23 October 2018

Written By: Corporate Planning Officer

General Manager: Business Services - Mr R Bria

SUMMARY

Council's Annual Report is an important document providing legislators and the community with assurance that the City of Holdfast Bay is meeting all its strategic and governance requirements.

The 2017–18 Annual Report has been prepared to meet all statutory requirements. The annual report due to its adoption in the caretaker period has been prepared in a text format only and does not include a Mayoral message. Once adopted by Council the report will be professionally designed and not published until after the Council election.

The 2017-18 Annual Report shows that Council has continued to deliver quality and improved services and facilities to its community.

RECOMMENDATION

That Council adopts the 2017–18 Annual Report, subject to design and minor alterations, and the inclusion of the audited financial statements.

COMMUNITY PLAN

Culture: Enabling high performance
Culture: Being financially accountable
Culture: Supporting excellent, efficient operations

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Section 131 *Local Government Act 1999*.

BACKGROUND

Council has not previously considered the 2017–18 Annual Report.

REPORT

Section 131 of the *Local Government Act 1999* requires Council to prepare and adopt an Annual Report each year, by 30 November, that reflects the progress in reaching its strategic and financial goals. The 2017-18 Annual Report has been brought forward and presented in a draft form to the meeting of 23 October 2018 for the current Council to endorse.

A copy of this Annual Report must be submitted by Council to the Presiding Members of both Houses of Parliament and to the SA Local Government Grants Commission by 31 December.

The draft 2017–18 Annual Report meets all the requirements of the *Local Government Act 1999* and provides an overview of Council's substantial achievements.

Refer Attachments 1

The achievements include:

- Completing the Tarlton Street stormwater project
- Holding the Queens Baton Relay event
- Converting the damaged HY Sparks Grandstand at the Glenelg Oval to a grassed mound
- Completing the Kingston Park section of Coast Park
- Installing five rain gauges for data collection
- Launching the business start-up support scheme
- Progressing our Business Transformation program installing financial management, and corporate planning and reporting software.

These achievements have been accomplished within a framework of tight financial control resulting in a consolidated operating surplus of \$1,298,000.

The attached draft report does not include the audited financial statements. These statements are presented for endorsement by Council in Report No 352/18 in this agenda and will be included in the Annual Report for publication, as will the annual reports of Council's regional subsidiary; Southern Region Waste Resource Authority.

Refer Attachment 1

As in previous years, this year's Annual Report will be provided in an electronic format on the Council's website with a limited number of printed copies available upon request.

BUDGET

The cost of design and publishing of the Annual Report is incorporated in the 2018-19 Budget.

LIFE CYCLE COSTS

There are no full life cycle cost implications.

[FRONT COVER]

OUR PLACE
2017-18
ANNUAL REPORT

<<IMAGE

<<CHB logo>>

Draft

[INSIDE FRONT COVER]

OUR VISION

Welcome to our place

The 2018–19 Annual Business Plan outlines the Holdfast Bay Council’s program of works and budget for the coming year. It is built on our city’s strategic plan, Our Place 2030, and community input. As you’ll see in this summary, Council has put together some ambitious plans – to undertake improvements for our community and continue delivering our extensive suite of high-quality services – all while containing this year’s rate revenue increase to a modest 2.7 per cent.

Major achievements in 2017–18

In 2017–18, Council successfully:

- completed a number of stormwater improvements, including the Tarlton Street Stormwater Project and water sensitive urban design garden beds
- completed the Kingston Park section of Coast Park, from the Seacliff Surf Life Saving Cub to the city’s southern boundary
- completed the Jetty Road Glenelg and Environs Masterplan
- launched the Business Start-Up Support Scheme, to support small businesses to locate or expand in our city completed the final stage of the Kauri Community and Sporting Complex

Our traditional custodians

We acknowledge the Kaurna people as the traditional owners of this land. We respect their spiritual relationship with the country that has developed over thousands of years and the cultural heritage and beliefs that remain important to the Kaurna people today.

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OUR PLACE

Adelaide's Favourite Coastal Destination

Located 11 kilometres south-west of the Adelaide Central Business District, Holdfast Bay is regarded as a progressive and lively seaside community. With our rich heritage, sandy beaches and exciting attractions, we are widely celebrated as Adelaide's favourite coastal destination.

With a footprint of just under 14 square kilometres, our city includes the suburbs of Brighton, North Brighton, South Brighton, Glenelg, Glenelg East, Glenelg North, Glenelg South, Hove, Kingston Park, Seacliff, Seacliff Park and Somerton Park.

Our city is predominantly residential, with thriving retail precincts in Glenelg, Brighton and along Brighton Road, as well as a light industrial base at Somerton Park. The 2016 Commonwealth Census data shows a residential population of 36 399, of which 48.6 per cent are under 45 years old; 28.6 per cent are aged between 45 and 64; and 22.7 per cent are over 64 years of age. Comparisons with the 2011 Census show a slight increase in the number of older residents 65–74, and a relatively stable number of younger people.

[PAGE 3]

FROM THE MAYOR

(NOT INCLUDED IN THIS YEAR'S ANNUAL REPORT DUE TO ELECTION TIMINGS)

Draft

[PAGE 4]

FROM THE CEO

It has been a dynamic period for the City of Holdfast Bay.

In the last 12 months a number of new initiatives have begun and several long-standing, “big-ticket” items have gone beyond concept stage and into final development.

It also brings to the end the period of the current elected term of Council, with a new Council to begin in mid-November. The commitment of the elected members of Council, our past Mayor, Steven Patterson, and current Acting Mayor, Amanda Wilson, has been significant in seeing all of the major projects through to their current levels of progress.

The past year has also seen an increase in external political focus on local government. Some of this focus is cyclical and not unexpected. This year as part of State election campaign, rate capping became a primary topic of conversation. Regardless of the outcome, the Council prides itself on keeping rates as low as possible, whilst balancing the needs and expectations of one of the premier tourist and seaside residential areas in the State.

Whilst the list of achievements have been great for the City, it’s also important to remember that the “business as usual” part of Council – maintaining road, parks and gardens, picking up rubbish and providing events and services – has continued to deliver at high level with our customer satisfaction survey showing a quality of life score of 8.5 out of 10.

As a council we are excited to see the Brighton Oval Redevelopment formally commence, the completion of the Kauri Parade Sports Complex, the completion of the Coast Path and Kingston Park and the final stage of the Path at Minda Dunes move from design to construction.

We also acknowledge our team of impressive volunteers who donate their time to assist Council in many facets throughout the year. With more than 480 volunteers filling 510 volunteer positions we thank them for their valuable efforts.

Importantly, the work of the current Council will pass on a healthy legacy to the new Council, ready to build on what they have begun in conjunction with the Council’s administrative staff.

I thank them all for their service and dedication, and look forward to our future with confidence.

Mr Justin Lynch
CEO

[PAGE 5]

2017-18 HIGHLIGHTS

DID YOU KNOW THAT IN 2017-18...

<<Infographic to be developed>>

Draft

[PAGE 6]

QUALITY OF LIFE SURVEY

<<insert infographic from Annual Business Plan>>

Draft

COMMUNITY

In 2017–18 we delivered many projects and services that supported our goal of building a strong community, creating a place with a quality lifestyle, for every generation that celebrates culture and is safe and secure.

Active Communities

We promote an active, healthy and socially connected lifestyle for all members of our community by providing high-quality sporting and recreational facilities; opportunities for volunteering; a network of community centres; youth programs; opportunities for local clubs and community groups to improve their governance, as well as initiatives that celebrate and showcase our indigenous history and diverse culture.

This year's highlights include:

- Involving 481 volunteers across 537 active roles, contributing a total of 89,594 hours at an estimated value of \$3.6 Million to support the Holdfast Bay community.
- Currently work with 6 local schools to grow our environment volunteering program and offer a service that teaches environmental sustainability.
- The annual Community Centres 'Come and Try Week' was facilitated by Council and is designed to promote the four Community Centres and the activities hosted in these venues. This year's event was held from Sunday 30 April -Friday 6 May 2018 and allows members of the community to try existing Community Centre activities or a program for free during the week. Forty activities were showcased in this year's program providing a diverse range of leisure, health and educational activities.
- Fostering multi-cultural community connection and promoting healthy eating through our regular, low-cost 'Let's Eat' community lunches and dinners at our Brighton, Holdfast Bay and Glenelg Community Centres
- In celebration of National Reconciliation Week across Australia, over 100 people attended activities and workshops that shared the cultural importance and heritage of the Aboriginal people.
- Cultural workshops and activities facilitated by traditional owners were held throughout the year that encouraged cultural learning and a greater understanding and respect for Aboriginal culture and history
- Traditional Welcome to Country by Kurna Elders and cultural activities were organised for Proclamation Day, Australia Day, the Commonwealth Games Baton Relay and Harmony Day Events.
- A variety of workshops and activities were held throughout the year that encouraged cultural sharing and a greater understanding and respect for Aboriginal heritage and culture.
- In celebration of National Reconciliation Week weaving workshops and cultural walking tours at Kingston Park facilitated by Kurna Elders.
- The Little River Exhibition at the Bay Discovery Centre had a strong Kurna heritage focus and Aboriginal Dreaming Stories and Wiltja Making Workshops were held as part of our School Holiday Program.

- Community Activation Events such as Sidewalk Sunday's, Harmony Day and Mud Fest were held throughout the year, which connected the community, promoted local businesses and supported artists, musicians, community centres.
- Promoting our parks and reserves by encouraging more than 100 children and their families to participate in the Life Looks Brighter Outside Challenge over the months of July and August 2017.
- Providing quarterly professional development workshops in school gardening for our early learning and primary school staff in partnership with the Cities of West Torrens and Marion and Natural Resource Management Education.
- Supporting 75 young people with representing South Australia and Australia at national and international events through Youth Achievement Sponsorships.
- Holding a range of youth programs and events including; music workshops, quiz nights and an SA Skate League Event with the YMCA.
- Involving hundreds of children and their families in our school holiday programs and sports clinics
- Engaged with over 280 young people to develop a 5 year Youth Action Plan for the City of Holdfast Bay
- Undertook investigation and research on our 30 playspaces and industry best practice standards for playspace provision to develop Playspace Research and Guidelines, a guiding document for Council playspace redevelopments.
- Working with our local sport and recreation clubs to develop responsible, positive and sustainable club management through workshops and individualised support in areas such as volunteer management, strategic and succession planning
- Getting over 240 community members of all ages active and participating in our Be Active at the Bay Yoga program
- Recognising our sport and recreation clubs through the Club of the Year program which was won in 2017 by the Glenelg District Cricket Club

Community donations

This year, we provided a total of \$29,384 in donations to 14 community groups and organisations for community and wellbeing initiatives (including creating a Youth Zone, disability and senior engagement programs, musical instruments and kayaks), events (ranging from Handball championship to Surf Life Saving competitions) and arts and cultural projects (including public murals and artworks, cultural exhibition and workshops and an anthology). Our community donation recipients were:

- Golden Memories Karaoke
- Reclink Australia
- YMCA SA- Holdfast Bay Community Centre
- Holdfast Bay Concert Band
- Warradale Cricket Club
- The Scouts Association of Australia
- Glenelg Brass Band
- Seacliff Surf Life Saving Club
- Handball SA
- Holdfast Bay Sensory Playgroup
- Hyde and Seek Arts
- Circle of Arts Foundation

- Camile Espayza- Artist
- Seaside Writers

COMMUNITY AND SPORTING FACILITIES

Brighton Oval redevelopment progressed with a Prudential Report and a comprehensive Social and Economic Business case outlining the wide ranging benefits to our community of undertaking the redevelopments to this community sporting hub. We worked closely with the sporting clubs to develop concept designs and plans for each new clubroom building. Council secured \$2 million in State Government funding to help enable the redevelopments to commence in the coming year.

Council endorsed the Glenelg Oval Masterplan in July and progressed with concept planning for upgrades to the Holdfast Tennis Club. We also applied for State Government grant funding through the Office for Recreation, Sport and Racing to part fund the clubroom and court upgrades.

This year, we supported our sporting and community groups by continuing with improvements to our community and sporting facilities. This included:

- Kauri Parade Sporting and Community Complex (final stage finished in 2017-18)

Capital Works

- Glenelg Community Centre - Colley Terrace - Ventilation, Kitchen & Toilet Upgrade
- Holdfast Bay Community Centre - Security Lighting
- Glenelg Football Club - Removal of the Sparks Stand
- Somerton Surf Lifesaving Club - Exterior Lighting, Refurbish Toilet Facilities
- Brighton Tennis Club – 2 X Tennis court Plexi Pave & line marking
- Brighton Table Tennis Club - Stormwater, Paving & Fence Replacement
- Glenelg North Community Centre -Interior & Exterior Painting
- Holdfast Bay Bowling Club - Clubrooms - Asbestos Removal
- Wattle Reserve - Plexi pave half court surface, Volleyball Nets & Posts
- In partnership with Somerton Park Rotary Club additional amenities to the Brighton Pump Track - Drinking Fountain including Water Meter, shelter, seating, BBQ and landscaping

Carried Forward Capital Works

(Works from the 2016-17 Capital Works program but completed in 2017-18)

- Brighton Tennis Clubrooms - Asbestos/Insulation replacement
- Somerton Yacht Club - Replace Elec/Switchboard
- Holdfast Bay Community Centre - Weatherboard Cladding/Air Cond

Playspaces

Angus Neill Reserve Nature Playspace

The Angus Neill Reserve Playspace came up for renewal in Council's Asset Management System in the 2017-2018 Annual Business Plan. Council staff saw this as a great opportunity to review this space, with a focus of best practice design principles, integrating nature play elements as a key design principle with the input of our community.

We met with students from Seacliff and St Teresa's Primary Schools to speak to the experts about what makes a great place to play and visit with friends and family. A Community Engagement Day was held on site, as well as an online engagement survey. We reached over 200 children and young people and 20 adults and all of their great ideas were pulled together in an Engagement Report given to our consultants to create the exciting design for the playspace. Construction began on the new playspace in June 2018 and is due to be completed in August 2018.

HoldUp Youth Committee

Council staff work to build community capacity and engagement with our young people through facilitation of the HoldUp Youth Committee. HoldUp are a group of young people aged 12 to 25 years who live, work, study or spend time in the City of Holdfast Bay and are passionate about:

- Contributing to important community development projects affecting young people
- Informing Council on issues that are important to young people.
- Developing youth initiatives and planning and organising youth activities and events
- Directing decisions that affect young people in the community

The committee currently has 10 members and over the last 12 months they have organised a range of initiatives and events for young people including: running two themed quiz nights, contributed towards the Jetty Road Master Plan, Holdfast Bay Community Centre Youth Zone and Draft Youth Action Plan, and promoted local opportunities for young people via their social media pages.

Alwyndor Aged Care

Our Alwyndor Aged Care service provided permanent accommodation and care to 134 residents and operates ten transitional care places as well as community care services to a further 190 clients in their homes, and our rehabilitation centre provided therapy and allied health services to 1,700 people.

Operated by Council as Trustee of the Dorothy Cheater Trust, Alwyndor is fully funded by the Commonwealth and State Governments and Alwyndor resident and client contributions.

Community Wellbeing

Our Community Wellbeing Program works within a rapidly changing Aged Care landscape to enhance wellbeing, promote independence and maintain quality of life for older people, people with disabilities and their carers. This year we:

- Provided 10,776 hours of domestic assistance and home maintenance in resident's homes
- Facilitated 6,288 hours of social support in a variety of settings
- Invested \$33,192 to enhance safety and mobility in people's homes

- Delivered 8,568 community bus trips and 1,833 personal transport trips (a total of 10,401 transport trips) to help people access our libraries, local shops and community venues

During the year we also partnered with a number of organisations on key projects to benefit our city and enhanced options for our local residents, including:

- Flinders University to implement Inspiring Health Project, receiving commendation for Excellence in Public Health. 126 local residents participated in the project.
- Department of Health to implement MECC (Making Every Contact Count) project. The City of Holdfast Bay was the first South Australian Metropolitan Council to participate in the project. The project encompassed delivering key health promotion messages to the local community using a peer to peer model. Over 900 residents participated in the project.
- Supported 175 residents with disabilities to prepare for introduction of National Disability Insurance Scheme (NDIS)
- Continued our work to build a dementia friendly community, working in partnership with Flinders University to engage our community on what a dementia friendly community looks like.
- Enhanced our partnership with Cities of Marion, Mitcham and Onkaparinga to deliver PERMA+ wellbeing and resilience training, including winning a grant to train community residents identified as 'community champions' to deliver the courses using a Peer to Peer model
- Introduced a 'Pet Pals' Program to address issue of people relinquishing pets due to frailty or disability
- Growth in participation rates at the Let's Eat! Community meal programs at both locations

Library Services

Our accessible, progressive library services not only meet our community's research and recreational reading needs, but also foster lifelong learning. This year, the service lent 443,582 items via our Brighton and Glenelg branches, Home Library Service and online resources. Our active borrower membership reached 13,904 members, with 1,778 new borrowers joining our service.

We held our regular weekly programs, with 228 Wriggle N Rhyme sessions for 12,462 babies and toddlers and 74 Storytime sessions for 4,086 children. We held story and craft sessions for 1,059 primary school students and 695 kindy children attended stories and rhyme programs. We ran 'Little Big Bang' STEM activities for 249 children aged 3-5, 192 children attended our holiday programs, 299 children came to our author events and 297 attended our other children's events.

We provided programs for 202 adults with 87 attending our digital literacy training sessions to access the increasing number of electronic books and magazines.

During the year we continued the refurbishment of the Brighton and Glenelg Libraries with the installation of new library shelves and displays.

Holdfast Bay History

The Holdfast Bay History Centre celebrates and shares Holdfast Bay's unique history. Each year the Centre works to preserve its nationally significant collection in order to make it accessible to our

community and ensure its longevity. During the 2017–18 year volunteers dedicated over 4,000 hours to help deliver the Centre’s extensive program.

This year’s highlights include:

- answering 784 community history enquiries
- digitising over 800 collection items including photographs, objects and paintings
- welcoming over 2195 attendees to sixteen events during South Australia’s History Festival welcoming 379 visitors to the Glenelg Air-Raid Shelter
- successfully attracting \$6,380 in grant funding from the History Trust of South Australia for the Little River Exhibition which attracted over 5,500 local, interstate and national visitors generating \$3,024 in donations and sales
- continuing to work with Glenelg’s museum, the Bay Discovery Centre, to provide content for short-term and long-term exhibition
- providing research and content for the heritage walking brochure of Glenelg and the WWI commemoration project From the Bay to the Battlefield.

Public Art

During 2017 / 2018 we continued to support local arts initiatives, including:

- *Susan Grace Benny Sculpture*: A bronze bust of Susan Grace Benny by sculptor Melissa Judge was commissioned and installed in the garden near the Brighton Library as a lasting tribute to the first women to enter Local Government in 1919.
- *Broadway Kiosk and Seacliff Coast Path Exceloo Historic Image installations*: Historical images were selected and installed along the Esplanade at Glenelg South and Seacliff as permanent public artworks. The selected images create interest to the sites and provides people with the opportunity to interact, ponder and reminisce about the past and local heritage of the area.
- *Still Water Sculpture*: The Still Water Sculpture by artist Will Hendriks was commissioned and installed in the roundabout at the corner of Colley Tce and Anzac Highway, Glenelg. The elegant six metre sculpture is a significant public artwork that adds vitality to the roundabout and acts as a welcoming destination marker for Glenelg.
- *Temporary Art Interventions*: Temporary art installations, creative interventions and performances featured as part of community events and activities such as Sidewalk Sunday’s, Tour Down Under, SALA Festival, Harmony Day Anzac Day and Remembrance Day.
- *Artisan on Partridge at historic Partridge House*: A two day celebration of art held during the SALA Festival that supported over sixty (60) artists, musicians and performers. The event featured an indoor exhibition, arts market, arts workshops, live music and come and try art activities.

Regulatory Services

Local laws and regulations are important in ensuring that Holdfast Bay is enjoyed by the whole community. Public expectations are high for safety and maintenance, particularly in the areas of

health and traffic monitoring. Our Regulatory Services team fulfils Council's obligations under the relevant acts and regulations concerned with the safety, health and environmental wellbeing of the general community. The team employs a range of strategies including employing education, prevention and enforcement. This year's highlights include:

- Providing 2191 immunisations
- Registering 4610 dogs
- Reuniting 174 dog owners
- Managing 446 Dog & Cat complaints
- Conducting 540 beach patrols
- Attending to 76 nuisance and pest complaints
- Attending to 264 litter complaints
- Undertaking 273 food inspections

Our security service also operates 365 days of the year, patrolling our community spaces to increase public safety

Public Safety Infrastructure

Effective street lighting and a network of strategically placed CCTV cameras improve public confidence in the safety of our public spaces. We continued to expand the coverage of our CCTV network to include the grounds at Partridge House. Street lighting was upgraded at the following locations Chappell Drive, Glenelg Foreshore south, Angus Neill, DaCosta Reserve, Brighton Jetty, and Colley Terrace adjacent to the Glenelg Community Centre.

[PAGE 10 & 11]

ENVIRONMENT

In 2017–18 we delivered many projects and services that supported our goal of creating a place that values its natural environment and manages its environmental impacts.

Environmental projects undertaken include:

- Maintained and rehabilitated our natural reserves and coastal areas
- Protected habitats for native flora and fauna including sand dunes
- Maintained volunteer group to support the natural reserves and coastal areas
- Provided workshops and community education for a sustainable living
- Managed the waste collection services
- Prepared the implementation arrangements for street light conversion to LEDs to reduce carbon emission
- Delivered programs that improved the diversion rate of household waste from land fill
- Prepared a number of plans including biodiversity baseline data and improvement program.
- Awarded 9 Greening Our Community grants
- Continued participation in Resilient South Program
- Improved stormwater infrastructure and installed new Water Sensitive Urban Design (WSUD) installations.
- Installed 5 rain gauges that are now connected to BoM

Community coastal and natural areas rehabilitation

Our Environmental team works in partnership with local schools and community groups in an ongoing effort to rehabilitate Holdfast Bay's natural areas. This year, we:

- planted indigenous plants in our sand dunes, natural areas and reserves
- held over 40 community education sessions, including six Green Living workshops, school and community group waste talks and plus interactive events for Clean Up Australia Day and National Tree Day
- held a number of coastal working bees involving our volunteers
- Installed an additional 6 cigarette butt bins along the beach front, which are to be monitored by "Adopt a Spot" volunteers

We have undertaken a Biodiversity Baseline study, which provides council with baseline data and recommendations on how an increase in flora and fauna biodiversity can be achieved. This study indicated that council has successfully increased its tree canopy coverage from 13.24% in 2016 to 13.5% in 2018.

We have also reviewed and updated pine gully master plan, Barton Gully master plan and Gilbertson gully master plan in consultation with the neighbours and friends of the gully.

Greening our community grants

CHB Annual Report 2017-18 Draft 1

This year we provided eight local community organisations with a total \$17894.22 in grant funding to support environmentally themed projects, involving biodiversity and water conservation, energy and waste reduction, renewable energy or educational programs. The recipients were:

- Baden Pattison Kindergarten, which received \$1420 to assist with their “Living Summer Garden” irrigation project
- Brighton Bowls Club, which received \$2917 for energy efficient hand dryers
- Brighton Rugby Club, which received \$1482.14 for a lighting retro fit
- Glenelg Primary School, which received \$950 for their “Environmental Learning Space” project
- Paringa Park Primary School, which received \$5216 for their “Nude Food” and Nature Play Space projects
- Seacliff Community Recreation Association, which received \$3993.18 for tap and light sensors and dual flush toilets
- Seacliff Uniting Church, which received \$300 for indigenous plants
- Glenelg District Cricket Club, which received \$1615.90 for energy saving switches.

Successful rare bird breeding in Seacliff

The first successful Hooded Plover (a small shore bird listed as vulnerable across South Australia) breeding event occurred at Seacliff last summer with a chick fledging from the site in January 2018. 3 new volunteers were recruited and trained in October 2017 and continued to monitor the birds along with our existing volunteer team until March 2018. The CHB Media team significantly raised the profile of Hooded Plovers not only at Seacliff but across the Fleurieu Peninsula through media and social media. NRM Coastal Conservation officer was interviewed on several occasions via radio (5AA and ABC), newspaper articles (Advertiser and Messenger), Channel 7 news and appeared in a segment on Totally Wild television program.

Resilient South Project

The Resilient South Project is a regional partnership with the Cities of Onkaparinga, Marion and Mitcham, developing adaptation strategies to strengthen the area’s ability to manage the impacts of climate change.

In 2017-18 we continued to facilitate actions listed within our 2015-2018 Local Action Plan including planting street trees in identified “Urban Heat Islands”, continued implementation of the region wide “Climate Ready Communities” with Red Cross, endorsement of our Gully Masterplans and launching a Green Living Subsidies program.

The Resilient South Sector agreement was renewed until 2020 at a regional Heatwave Hypothetical event in February 2018, where an audience of 200 people heard from a panel of 12 experts about how various departments and groups are preparing for extreme heatwave events in the future which could last up to three weeks with maximum temperatures around 47 degrees. The event Emceed by identity Amanda Blair was so successful that it won the 2018 Minister for Health and Wellbeing - Excellence in Public Health Award for Metropolitan Adelaide.

Compostable bags in local supermarkets pilot

The City of Holdfast Bay received a \$92,962 grant from Green Industries SA to replace plastic bags for fruit and vegetable purchases with compostable versions at Brighton Foodland and Glenelg South Romeos Foodland. Commencing in March 2018 the pilot reduces the supermarkets reliance on plastic and provides the community with another collection point for free compostable bags to be used in kitchen organic baskets. Waste audits have demonstrated a significant increase of food present in organic bins since the beginning of the pilot. In store surveys have also demonstrated an overwhelming positive support for the project. Stories about the pilot have been featured on National News outlets and council has received additional funding for the project to be extended under March 2019

Water Sensitive Urban Design improvements

Trees and plants produce oxygen, store carbon and cool our environment while improving the appearance of our streets and public spaces. During the 2017–18 year, we:

- Leak and Blackburn Avenue -Rain Gardens
- Kibby Community Centre -Rain Garden
- Dover Square Tennis Club -Rain Garden
- Maitland Terrace - Stormwater diversion/Flood mitigation
- Bob Lewis Reserve - Stormwater diversion/Flood mitigation

Stormwater management

To improve our stormwater system's capacity and mitigate the risk of flooding, we are implementing our stormwater management plan in stages, according to priority. During 2017–18, we improved the stormwater flood management within the city considerably.

Approximately \$350,000 has been spent to investigate, design, and improve stormwater pipes and pits to reduce the flash floods at 12 locations within the City at:

- Brighton Rd, Somerton
- David Ave, Glenelg North
- Short Ave, Glenelg East
- Carnarvon Ave, Glenelg North
- Clovelly Ave, Glenelg North
- Corner of Pier and Mosely Streets, Glenelg
- Alice Street, Hove
- Highland Ave, Glenelg North
- Moseley St, Glenelg
- Colley Tce and Anzac, Glenelg
- Tarlton St, Somerton Park

We established an easement for stormwater to flow from Kauri Parade and the railway line and also installed new a pipeline.

ECONOMY

In 2017–18, we delivered many projects and services that supported our goal of delivering economic prosperity – creating a place to do business that welcomes visitors and provides value for money.

Tourism and Business Marketing Services

We work to promote and strengthen Holdfast Bay's tourism profile by developing tourism opportunities that aim to increase the number of visitors to our city; extend the length of their stay; increase the amount they spend while they are here; and encourage them to return.

The adoption of this Tourism Plan 2020 confirmed an ongoing commitment of council, industry and the community to see our City go from strength to strength as a Tourism destination. The Tourism Plan 2020 provides a framework and strategic priorities for the planning, development, management and marketing of Holdfast Bay.

In 2017–18, Holdfast Bay hosted 1.335 million visitors, made up of 10,000 international overnight visitors, 191,000 domestic overnight visitors and 1.144 million day trippers.

We support our marketing strategies by hosting and running community events. This year our city hosted more than 200 events, which attracted more than 480,000 attendees. We continued to support many of these events through specialist advice, event planning, sponsorship and in-kind support. These events included the well-established Sunday Mail City Bay Fun Run; Channel 7 Brighton Jetty Classic Swim; Brighton Jetty Classic Sculptures; Bay Sports Festival; Openair Cinema; Pol Roger Beach Polo; Beach Concerts, Santos Tour Down Under Race Start and the Big Wedgie as well as the Glenelg and Brighton ANZAC Day dawn services. We also welcomed two new events; November Street Party and the Moseley Beach Club (see page XX). Also mention Queens Baton Relay and Pacific School Games support.

We also managed our own iconic events, including:

- New Year's Eve celebrations in Glenelg, which, with support from the South Australian Government, sponsorship partners, RAA, Solo Resource Recovery and Nova 91.9, and emergency services, attracted more than 50,000 people, while our Brighton fireworks display drew a strong crowd of more than 15,000.
- The 62nd Annual Glenelg Christmas Pageant, which, with support from the Jetty Road Mainstreet Committee, involved 2,000 community participants from 80 community groups, schools and local businesses and attracted 30,000 spectators, 50 per cent of which travelled to the event from outside the precinct. The pageant achieved an estimated economic return of \$902,000.
- The Winter Wonderland Festival in Glenelg, which we ran in partnership with the Jetty Road Mainstreet Committee from 1–26 July. The event attracted more than 28,000 people to our ice rink in Moseley Square (86 per cent of which travelled to the event from outside the precinct) with an estimated economic return of \$1 million
- The Glenelg Street Party, which attracted 32,000 attendees to Glenelg the night before our Santos Tour Down Under Race Start. Our involvement in the TDU generated 1,507 individual

items of media coverage with a cumulative audience reach of 18.82 million people and a value of \$22 million

- The official 180th South Australian Proclamation Day ceremony, which saw His Excellency Hieu Van Le, Governor of South Australia reading the Proclamation of South Australia, and included an address by the Premier of South Australia, The Hon. Jay Weatherill MP. An estimated 350 people attended the official ceremonies, followed by a community barbecue
- Our official Australia Day citizenship and awards ceremonies, which saw 85 people from 17 different countries become Australian citizens and involved special guests, Dr Duncan McFetridge MP, State Member for Morphett; Steve Georganas MP, Federal Member for Hindmarsh; 2017 Australia Day Ambassador, Bruce Macky, former Chief Commissioner of Scouts SA; and Olympic Gold Medallist, Kyle Chalmers. We followed our official ceremonies with a range of free all-ages, family-friendly Australia Day at the Bay activities
- Our Beachfront Twilight Markets at Angus Neill Reserve in Seacliff, and Glenelg Sunset Markets on the Glenelg Foreshore which attracted a total of 20,000 people.

Social Media

Social media and online platforms have become increasingly important communications tools for Council. In 2017–18, our:

- Jetty Road Facebook fans increased from 19,826 to 23,283
- Jetty Road Twitter followers increased from 5,089 to 5,260
- Jetty Road Instagram followers increased from 3,200 to 5,000
- City of Holdfast Bay Facebook page fans increased to 4,880
- City of Holdfast Bay Twitter followers increased to 3,789.

A PLACE THAT WELCOMES VISITORS

Australia's first beach club arrives at Glenelg

The Moseley Beach Club was launched in January 2018 offering sun lounges and beds, each with table service. It also featured a casual dining area and bar with live acoustic music and DJs. The MBC employed 40 additional staff, sourced local produce, welcomed over 30,000 visitors, engaged local businesses, was well supported by the local community and increased patronage to surrounding retail precinct.

Tourism activations and marketing

We continued to develop an environment that assists the future viability of local businesses and creates opportunities to enhance our tourism offering.

Our visitor and business services include:

- planning, implementing and supporting a wide range of community events to increase visitation and length of stay within our city.
- actively consulting and communicating with our community through our community engagement program.
- preserving and stabilising the Holdfast History collection while developing opportunities to make it more accessible to the community.
- providing targeted tourism and marketing services aligned with community desires and needs. developing city-wide commercial and economic opportunities providing a voice for the business and property owners in the Glenelg precinct through the Jetty Road Mainstreet Committee.

Bay Discovery Centre

In 2017–18, the Bay Discovery Centre delivered a comprehensive cultural program, presenting a broad range of projects and exhibitions. The centre recorded a total of 42,942 visitors, including 64 groups who enjoyed educational tours through the museum.

Our Bay to the Battlefield project continued throughout 2017-18. A World War One commemoration project funded by the Commonwealth Government's ANZAC Centenary Local Grant Program, the project features large paste-up image installations throughout our city. Bay to the Battlefield will conclude in 2018, marking the duration of World War One.

Brighton Caravan Park

Brighton Caravan Park Our Brighton Caravan Park in Kingston Park is a community asset that provides an income to augment our ratepayer funding. It

In 2016–17 we commenced the investigation and design planning phase of park's Stage Two redevelopment; this was continue through to 2017-18. It is expected that the construction of the new administration building, replacement of older cabins and installation of various additional amenities will commence during the 2018-19 financial year.

The park recorded a total of 13,139 guests during the year.

Property and Assets

Throughout the year we continued to review our property and assets portfolio to ensure it meets our community's needs. In 2017–18 we:

- Finalised the sale of a section of surplus road reserve at 83 Tapleys Hill Road, Glenelg North
- Formally agreed to the sale of surplus sections of road reserve incorporating a laneway off-Marlborough Street, Brighton; adjacent the Esplanade at Brighton (corner with King Street); and adjacent 20 Seaview Avenue, Kingston Park

PLACEMAKING

In 2017–18, we delivered a broad range of projects and services that supported our goal of enhancing city design and function, creating a place that is well planned, and providing choice and enhancing life.

Coast Park: Seacliff to Kingston Park and Minda Coast Park

The Coast Park Project is a State Government initiative which commenced in 2012. When complete, the project will provide a 70-kilometre stretch of shared use linear pathway for pedestrians and cyclists along Adelaide’s metropolitan coastline.

Our share of the Coast Park boasts wide paved footpaths featuring access to our beaches, fencing, boardwalks, upgraded street lighting, shelters, benches, seating, showers and drinking fountains incorporating dog bowls. This is a significant asset for our region that enables the community and visitors to enjoy the foreshore of our popular beaches.

In May 2018, we finished building the Kingston Park section of the Coast Park. This section of coast park extends from south of the Seacliff Surf Life Saving Club to the Council boundary on Burnham Road, Kingston Park.

During 2018/19 we will construct the last remaining section of Coast Park in Holdfast Bay through the Minda Dunes. This 500 metre section extends from the Somerton Surf Life Saving Club in the North, to the Gladstone Road car park in the South. This project will provide a controlled boardwalk across the over the sensitive dunes as well as significant public art and revegetation programmes. The project was made possible through \$4.3 million in funding from the State Government’s Open Spaces Grant Fund and a \$1 million contribution by Council.

Jetty Road Glenelg Masterplan

The implementation of our Jetty Road Glenelg Masterplan project aims to drive investment in infrastructure and improve the streetscape in one of our city’s most important precincts.

Following endorsement of the Masterplan in February 2018, Council allocated funding in the 2018-19 budget for detailed design of the first three stages of the Masterplan - the Chapel Street Plaza (1) and Moseley Square Integration (2 & 3). Further funding has been committed for the first two stages of construction, contingent on matched funding from the State Government’s Places for People Grant Fund.

In 2018-19, we will complete detailed designs and documentation, enabling the first three Masterplan stages to be construction ready. Jensen PLUS have been appointed to lead the project for Council and the project has commenced with surveys, traffic movement study and engineering investigations well underway.

Following the local government elections, we will consult with key stakeholders and those in the community directly affected by the changes proposed. Construction of the Chapel Street

Plaza is also anticipated to commence in 2018-19 subject to matched funding from the State Government as indicated above.

Asset Management

We managed, maintained and developed our community's assets and infrastructure in an environmentally and financially sustainable way. This includes buildings, roads, coastal assets, stormwater assets, open space assets and general plant and equipment.

We are operating and maintaining our North Brighton and St Jude's cemeteries under contract to the Adelaide Cemeteries Authority. Council maintained 160km of roads and 360km of footpaths and kerbing.

In addition, we:

- Reviewed and updated our asset register, improved internal process and systems
- Improved the condition assessment processes and systems
- Undertaken condition Audits of over 3,000 Assets, including external Open Space Audit

Development Services

Our development assessment, development advice and building compliance services work to recognise opportunities while protecting the character and amenity of our suburbs. This year, we processed 1,012 development applications and approved 243 new dwellings with a construction value of \$98 million.

Strategic Planning

In 2017–18, we progressed the development of several planning projects to support and promote projects that are sensitive to our city's character and heritage, and enable better, more attractive city design. These include:

- continuing to research and develop our Housing Strategy to set directions for housing and growth across the city, with community consultation to take place in late 2017
- responding to major State Government initiatives as part of the Government's progressive rollout of significant reforms to the State's planning system. This included submitting feedback on the draft 30-Year Plan for Great Adelaide update and the draft state-wide design guidelines
- progressing the mediation process with Minda to resolve land issues at the Somerton Surf Life Saving Club in North Brighton, and allow the progression of the Coast Park project through Minda's foreshore land
- conducting a car-parking audit of the Jetty Road Glenelg precinct. This comprehensive analysis of on-and-off-street parking highlighted areas of underutilised space and helped to inform the Jetty Road Masterplan process. This information will also be used to develop strategies to better direct visitors to available car-parking spaces during 2017–18 and beyond.

Shopfront character and heritage grants

During 2017-18 we provided a grant scheme to support the conservation of our city's heritage premises and the character of our retail precincts. Aimed at encouraging people who own heritage-listed or retail-precinct properties to invest in maintaining, restoring and preserving these properties, the grants will gradually (over a three-year period) replace our previous rates rebate for heritage-listed properties.

Draft

CULTURE

In 2017–18, we progressed a number of projects to improve our service delivery and efficiency.

Achievements for 2017-18 include:

- Progressing our multi-year Business Transformation program to provide more intuitive, innovative and efficient operations. This will make it easier for our community to access information, interact with Council and lodge documents. In 2017–18 we completed the implementation of new payment software, development application software and budgeting software, for improved efficiency and convenience
- continuing the responsible management our operational and capital expenditure, allowing us to reduce our debts
- resolving over 48,000 incoming calls via our customer service team
- commencing a school based trainee program, which gives the opportunity to local students to get support in gaining a qualification as well as workplace experience
- being selected as a finalists for a Local Government Excellence award for our work on our internal cultures and WHS branding.

Business Services

We deliver services in an accountable, transparent way that meets legislative requirements and provides the best value for money. The broad business areas delivering corporate services to support our administration include:

- Business planning and improvement
- Commercial and strategic services
- Corporate communications and media management
- Elected member and CEO support
- Finance
- Governance and policy
- Information and technology services
- People and culture
- Procurement
- Property management and leases
- Rates
- Records management
- Risk management
- Work health and safety

STRATEGIC MANAGEMENT

HOW WE MEASURE OUR PERFORMANCE

We assess our financial performance against measures established in our *Long-Term Financial Plan*. As required under the *Local Government Act 1999*, we prepare a range of reports each financial year, including monthly financial statements, budget updates, four comprehensive annual budget reviews and audited financial statements.




Our Place: 2030 Strategic Plan (Our Place) was adopted in April 2017 after an extensive community engagement campaign, 'Say September'. Our Place establishes our vision for the city, defining five key outcome areas, provide objectives and strategic measures to track performance.

Our strategic measures (below) measure our progress towards achieving community objectives and is used to improve our internal services. Information for these reports comes from a range of sources, including a comprehensive community Quality of Life Survey (2017) and Business Confidants Survey (2017).




People who participated in the surveys were asked to rate various Council services or performance out of 10 (0–5 being 'very poor to poor'; 5–7 'average to good'; 7+ 'good to very good').



(See attached StratMeasures.docx for table)




COMMUNITY				
INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL	INDICATOR
<p>Increase resident wellbeing</p> <p>Using PERMA model (Positive emotion, Engagement, Relationships, Meaning, Accomplishment/Achievement)</p>	<p>5per cent increase (life of plan)</p>	<p>Not Yet Available</p>	<p>The City of Holdfast Bay has been working in partnership with SAHMRI and the cities of Onkaparinga, Marion and Mitcham to deliver workshops to the community residing in the southern suburbs of Adelaide, and participated in workshops during 2017-18, with approximately 50 participants.</p> <p>The SAHMRI Wellbeing and Resilience Centre will aggregate the data for the pre and post workshop surveys (the official measure of wellbeing) once participant rates have reached 100 or more, therefore a measure is not yet available. More workshops will be undertaken during 2018-19 to secure enough participants for reporting.</p> <p>Measure not yet available - to be reported at a later date</p>	<p>●</p>




<p>Deliver wellbeing and resilience workshops</p> <p>Number of workshops undertaken annually</p>	<p>≥2 workshops (p/a)</p>	<p>NA</p>	<p>3 workshops undertaken in 2017-18</p> <p>Achieved for 2017-18</p>	
<p>Achieve a high level of community satisfaction with playgrounds and open space</p> <p>Quality of Life Survey Results</p>	<p>≥7 (each measure)</p>	<p>NA</p>	<p>8.4 out of 10</p> <p>Achieved for 2017-18</p>	
<p>Complete new sporting and community hubs</p> <p>Completion of sporting and community hub Projects</p>	<p>2 (life of plan)</p>	<p>NA</p>	<p>The Brighton Oval was progressed with the Business case and prudential report both completed and endorsed by Council. Funding secured through SANFL and State Government (\$2 million) to contribute to Council's \$6 million investment to the project.</p> <p>Regarding the Glenelg Oval, preliminary concept plans were completed for Stage 1 of the project. Applications were submitted, but were unsuccessful, for State Government funding, with further applications reapplied for funding from both the State and Australian Government.</p> <p>Progressing - trend on track</p>	




Attract new community initiatives through our Community Donations Program Number of new community initiatives	3 (p/a)	NA	7 applications from groups/individuals who had not previously been funded through the program Achieved for 2017-18	●
Achieve a high level of community satisfaction with the range and quality of services and programs Quality of Life Survey Results	≥7 (each measure)	NA	8.1 out of 10 Achieved for 2017-18	●
Increase community engagement with culture and heritage and Aboriginal cultural programs through participation in events and activities Number of participants	200 (p/a)	NA	approx. 800 participants across a number of events and activities, including: Kurna cultural workshops, school holiday activities and the cultural walking tours held by Kurna Elders during National Reconciliation Week. Achieved for 2017-18	●






<p>Increase the number of people accessing our community centres and libraries</p> <p>Number of people accessing facilities</p>	<p>5per cent increase (p/a)</p>	<p>368,100</p>	<p>The Glenelg and Brighton libraries attracted 195,512 visitors in total. This is a 7 per cent decrease from the previous financial year. We are currently working with community centres to establish measuring tools to support ongoing patronage monitoring/measuring.</p> <p>Baseline only</p>	
<p>Achieve a high level of community satisfaction with community facilities including libraries, services and programs</p> <p>Quality of Life Survey Results</p>	<p>≥7 (each measure)</p>	<p>NA</p>	<p>8.2 out of 10</p> <p>Achieved for 2017-18</p>	
<p>Increase the number of volunteering opportunities</p> <p>Number of volunteers</p>	<p>5per cent increase (p/a)</p>	<p>506</p>	<p>481 volunteers were involved in 537 volunteering opportunities with some volunteers filling more than one role. This represents a 6.1 per cent increase in volunteering opportunities from the previous year.</p> <p>Achieved for 2017-18</p>	





<p>Increase our “YourView” (online engagement site) subscription</p> <p>Number of people subscribed</p>	<p>10per cent sample of population (life of plan)</p>	<p>1788 (4.9 per cent sample of population)</p>	<p>The increase in YourView subscriptions was 4918. This was an increase of 275% from the previous financial year. This was due to the new inclusion of 4,709 businesses added to the system in early 2018. For community members, there was an increase of 209 subscribers, which is an increase of 11.7 per cent. This has increased the sample size to 5.4 per cent of the population of Holdfast Bay.</p> <p>Progressing - trend on track</p>	
<p>Increase awareness of volunteering opportunities within our city</p>	<p>develop successful partnerships with a range of groups/ industries (life of plan)</p>		<p>We undertake works with a range of groups to increase awareness of volunteering opportunities. In 2017-18 we worked with 6 local schools, community centres in Holdfast Bay, Flinders University and volunteering organisations to progress this.</p> <p>Progressing - trend on track</p>	




<p>Increase native flora (species and population) in natural areas</p> <p>Types of species (flora) and density score using 'Bush Rat' assessment tool</p>	<p>10per cent increase (life of plan)</p>	<p>12.8</p>	<p>We established a baseline for this measure of 12.8 (overall biodiversity Score). This score can be broken down into the following areas:</p> <p>Coastal Biodiversity – Average 15.63</p> <p>Nature Reserve Biodiversity – Good 23.39</p> <p>Parks and Ovals Biodiversity – Poor 9.77</p> <p>Baseline only</p>	
<p>Increase native fauna habitats in natural areas</p> <p>Type of species (flora) and density score using 'Bush Rat' assessment tool</p>	<p>10per cent increase (life of plan)</p>	<p>12.8</p>	<p>An indicator of native fauna habitats is the measurement of native flora. The baseline of the native flora measure can also be used for this measure - baseline of 12.8.</p> <p>Baseline only</p>	
<p>Increase tree canopy within our city</p> <p>Per cent of tree canopy cover increase</p>	<p>10per cent increase (life of plan)</p>	<p>11.6 per cent</p>	<p>Canopy coverage was measured to be 13.5 per cent (baseline 11.6 per cent). This is a 1.9 per cent increase.</p> <p>Progressing - trend on track</p>	





<p>Maintain our dune systems and increase recreational beach widths</p> <p>Recreational beach width (based on land survey and aerial photography)</p>	<p>10per cent increase (life of plan)</p>	<p>Not Yet Available</p>	<p>Works are being undertaken to increase recreational beach width, including conservation works and sand replenishment program. A baseline has yet to be established for this measure. Efforts are being made in conjunction with the Coastal Protection Board to establish this.</p> <p>Measure not yet available - to be reported at a later date</p>	
<p>Reduce heat island areas within our city</p> <p>Surface temperature (thermal imaging or equivalent) across the city</p>	<p>10per cent increase (life of plan)</p>	<p>Not Yet Available</p>	<p>Works are being undertaken to reduce heat island areas, including strategically located tree planting. A baseline has yet to be established.</p> <p>Measure not yet available - to be reported at a later date</p>	
<p>Reduce flash flooding within our city during rain events less than 20mm</p> <p>Registered events of flash floods</p>	<p>0 flash floods less than 20mm (life of plan)</p>	<p>59 events</p>	<p>Flash flooding events were recorded at 17 locations. This is a reduction of 42 events (from baseline of 59 events). In 2017-18 we undertook a range of works to establish water sensitive urban developments and rain gardens in several locations, and reduce the flash floods at 12 locations within the City.</p> <p>Progressing - trend on track</p>	



<p>Decrease Council's greenhouse emissions</p> <p>Carbon footprint assessment (only fuel and electricity usage at this time)</p>	<p>12per cent reduction (life of plan)</p>	<p>Fuel – 146,678L</p> <p>Electricity – 1,526,084kWh</p>	<p>0.23 per cent increase in Council's carbon emissions (fleet fuel and electricity usage measured only at this time)</p> <p>Progressing - trend off track</p>	
<p>Increase waste diverted from landfill</p> <p>Tonnage diverted from landfill</p>	<p>10per cent increase (life of plan)</p>	<p>8274.6 tonnes</p>	<p>8001.73 tonnes were sent to landfill (baseline 8274.6). This is a 3.3per cent increase in waste diverted from landfill.</p> <p>Progressing - trend on track</p>	
<p>Reduce stormwater discharge</p> <p>Stormwater discharge to sea (M/L)</p>	<p>30per cent reduction (life of plan)</p>	<p>2108 ML (p/a)</p>	<p>A baseline has been captured of 2108 ML of stormwater discharge per annum. A reduction of 632.4 ML is required to meet the target. It is anticipated this will be achieved through the implementation of our Stormwater Management Plan and other related strategies (i.e. Water Sensitive Urban Design strategy)</p> <p>Baseline only</p>	





Increase number of environmental volunteering opportunities Number of volunteers	50per cent increase (life of plan)	16	Environmental volunteering opportunities were available. This is a 100% increase compared to environmental volunteer opportunities in 2016-17. Progressing - trend on track	
Increase business satisfaction in Council's support for business Business Confidence Survey Results	≥7 (each measure)	NA	5.24 out of 10 Not achieved for 2017-18	
Increase business satisfaction in doing business with Council Business Confidence Survey Results	≥7 (each measure)	NA	7.34 out of 10 Achieved for 2017-18	
Develop and commence implementation of a Digital Economy Strategy Endorsement of Strategy	Endorsement (by 1 July 2017)	NA	A Digital Economy Strategy has been incorporated into the Economic Activation Plan 2018-2023, and was endorsed in July 2018. Completed (delayed)	
Increase percentage of properties able to connect to high-speed internet	100per cent of properties (life of plan)	0	Approx. 7% of properties were able to be connected to high-speed internet as of 30 June 2018. Progressing - trend on track	

<p>Increase the number of visitors to Holdfast Bay</p> <p>Number of visitors</p>	<p>15per cent increase (by 2022)</p>	<p>1,295,000 visitors</p>	<p>1,335,000 visitors came to Holdfast Bay (base line 1,295,000). This is a 3.1per cent increase in visitors.</p> <p>Progressing - trend on track</p>	
<p>Achieve a high level of community satisfaction with the quality and feel of our major main street precincts</p> <p>Quality of Life Survey Results</p>	<p>≥7 (each measure)</p>	<p>NA</p>	<p>8 out of 10</p> <p>Achieved for 2017-18</p>	
<p>Achieve a high level of community satisfaction with walkability and access to local shops, services, public transport and open space</p> <p>Quality of Life Survey Results</p>	<p>≥7 (each measure)</p>	<p>NA</p>	<p>8.5 out of 10</p> <p>Achieved for 2017-18</p>	
<p>Increase the number of people travelling to local destinations via active travel options</p>	<p>20per cent increase (life of plan)</p>		<p>Data not available at time of report. A baseline for this measure is yet to be established. Council is currently undertaking an Integrated Transport Strategy. During this project, options for measuring active travel data will be researched and considered for action during 2018/19.</p> <p>Measure not yet available</p>	

<p>Achieve a high level of community satisfaction with the design of new buildings and their contribution to local character</p> <p>Quality of Life Survey Results</p>	<p>≥7 (each measure)</p>	<p>NA</p>	<p>7.1 out of 10</p> <p>Achieved for 2017-18</p>	
<p>Increase the proportion of non-detached dwelling types (the 'missing middle') in our city</p>	<p>10per cent increase (life of plan)</p>	<p>43.3per cent</p>	<p>Result, based on trend data, shows a negligible (0.07 per cent) increase to be steady at 43.3 per cent (2016 baseline). Based on this trend data, we are on track to record a 1per cent increase to the proportion of our missing middle housing to 2030. The anticipated-potential recommendations as part of the a Hhousing Sstrategy (2018-19) will be vital in exploring this data further and recommending development policy changes to accelerate the trend.</p> <p>Progressing - trend at risk</p>	
<p>Achieve a high level of community satisfaction with Council's services</p> <p>Quality of Life Survey Results</p>	<p>≥7 (each measure)</p>	<p>NA</p>	<p>7.2 out of 10</p> <p>Achieved for 2017-18</p>	

Increase number of customer services available through a digital platform in additional to other service channels	100per cent of customer services (life of plan)	NA	Program commenced with electronic lodgement for development applications in 2017-18. Progressing - trend on track	
Achieve delivery on Annual Business Plan Completion of projects and programs outlined in the Annual Business Plan	100per cent delivery (p/a)	NA	87per cent project/programs completed during the 2017-18 financial year Not achieved for 2017-18	
Achieve a high level of satisfaction with our Culture Brand Organisational Culture Survey Results	90per cent (each measure)	NA	89.5per cent satisfaction rating Nearly achieved for 2017-18	
Achieve a high score in our annual leadership survey Organisational Leadership Survey Results	≥8 (each measure)	NA	6.8 out of 10 Not achieved for 2017-18	

<p>Achieve annual financial targets</p> <p>Performance of annual financial targets</p>	<p>100per cent achievement (p/a)</p>	<p>NA</p>	<p>80per cent (4 of 5) of financial targets achieved</p> <ul style="list-style-type: none"> - Operating Result Target: >0 - Actual: \$2.5m surplus - Operating Ratio - Target >0per cent - Actual: 5per cent - Net Financial Liabilities Ratio: Target ≤ 75per cent - Actual: 35per cent - Interest Cover Ratio: Target ≤ 5per cent - Actual: 1.3per cent - Asset Sustainability Ratio: Target 90per cent -110per cent - Actual: 57per cent <p>Nearly achieved for 2017-18</p>	
<p>Achieve high level of community satisfaction with Council's provision of good financial management and value for the rate dollar</p> <p>Quality of Life Survey Results</p>	<p>≥7 (each measure)</p>	<p>NA</p>	<p>7.4 out of 10</p> <p>Achieved for 2017-18</p>	

<p>Reduce reliance on rate revenue</p> <p>Percentage of total revenue</p>	<p><70 per cent (life of plan)</p>	<p>2016/17 – 71 per cent (excluding separate rates)</p>	<p>The percentage of total operating revenue coming from rates was 70.3 per cent (excluding separate rates). This is a decrease of 0.7 per cent from the previous financial year</p> <p>Progressing - trend on track</p>	
<p>Achieve recognition in operating efficiency: target – benchmarked as top 5 metropolitan councils</p>	<p>benchmark as top 5 (life of plan)</p>	<p>Not Yet Available</p>	<p>As of the 2017-18 financial year, we are participating in a Local Government industry benchmarking program measuring and comparing across a wide variety of areas. At the time of printing these results are not available.</p> <p>Measure not yet available - to be reported at a later date</p>	
<p>Achieve high level of community satisfaction on Council's performance</p> <p>Quality of Life Survey Results</p>	<p>≥7 (each measure)</p>	<p>NA</p>	<p>7.1 out of 10</p> <p>Achieved for 2017-18</p>	
<p>Achieve recognition for work undertaken across our organisation</p> <p>Number of awards received</p>	<p>3 awards of excellence (p/a)</p>	<p>NA</p>	<p>1 award won (WHS best practice award)</p> <p>1 award finalist (culture, leadership and WHS brand)</p> <p>Not achieved for 2017-18</p>	

STRATEGIC MANAGEMENT CONTINUED

ANNUAL PERFORMANCE: COMPLETED PROGRAMS

Each year we prepare an Annual Business Plan that determines the programs, projects and outcomes that support our city's strategic vision of maintaining a socially, environmentally and financially sustainable future for our community.

We completed approximately 87 per cent of programs and projects identified in the *2017-18 Annual Business Plan*, including:

- Completing the Tarlton Street stormwater project
- Holding the Queens Baton Relay event
- Converting the damaged HY Sparks Grandstand at the Glenelg Oval to a grassed mound
- Completing the Kingston Park section of Coast Park
- Installing five rain gauges for data collection
- Launching the business start-up support scheme
- Progressing our Business Transformation program, installing financial management, and corporate planning and reporting software

The remaining 13 per cent of projects identified in the *2017-18 Annual Business Plan* are either underway, staged over several years, not pursued or delayed because of circumstances beyond our control. These include:

- **Glenelg Oval Masterplan – Stage 1**
Delays to this project have come as a result of unsuccessful funding applications to the State Government funding. Additional funding applications have since been submitted to both the State Government and the Commonwealth Government.
- **Alf Smedley Reserve and Mel Baker Reserve Play Equipment**
Delays were faced during this project as a result of time overruns in the supply and delivery of equipment.
- **Kingston Park Coastal Reserve Masterplan Detailed Design**
This project was delayed as we were unable to gain State Government funding, on two occasions, to progress detailed designs for the Master Plan. Following the completion of the Seacliff to Kingston Park Coast Park project in May 2018, the detailed designs were placed on hold.

PROJECTIONS AND PLANS

Our projections and plans for the next financial year are outlined in our 2018-19 Annual Business Plan. Some of the strategic activities to be undertaken as part of the 2018-19 Annual Business Plan include:

- Commencing the construction of the Minda Dunes section of Coast Park. The Minda Dunes section runs across the secondary dunes of the Minda site at North Brighton and extends from the Somerton Surf Life Saving club to the Gladstone Road car park. This section is the final section of our City's Coast Park walkway.

- Commencing the construction of the Brighton Oval Sports Complex masterplan. In 2018–19 we will undertake stage 1 of the masterplan which includes three new buildings for the tenant clubs to use, including additional unisex change rooms, additional public amenities (accessible public toilets) and enhanced spectator facilities, meeting the needs of the clubs into the future.
- Undertaking the construction of stage 1 of the Glenelg Oval Sporting masterplan. Stage 1 focuses on the Holdfast Tennis Club, located on Williams Avenue, Glenelg East, which includes the demolition and development of the clubroom on site, installation of new lighting and fencing around eight tennis courts. The scope of the project is subject to successfully securing external funding.
- Continuing to improve our stormwater systems across the city as part of our Stormwater Management Plan, to reduce the risk of flooding in our city. As part of our capital program we will undertake renewal works in Glenelg East and pits at a number of sites across the City. In addition, we will undertake important stormwater works at key sites in Somerton Park, Brighton and North Brighton. This work is subject to obtaining external match funding from the Government of South Australia's Department of Environment, Water and Natural Resources' Stormwater Management Authority.
- Beginning important repair work on the Glenelg Town Hall. In 2017–18 we engaged specialised heritage architects to undertake an assessment of the Glenelg Town Hall. The results of this assessment has identified a range of restoration works required to be undertaken to this important, historic State Heritage listed building over a multi-year program.
- Progressing the implementation of the Jetty Road Glenelg and Environs masterplan. In 2018–19 we will undertake detailed designs and commence construction on aspects of the masterplan. Detailed designs will be developed for the Chapel Street section, which will transform this area into a new civic plaza and Coast stages 1 & 2, which includes the public open space along Colley Terrace from Hope Street to Jetty Road, as well as the entrances of both Durham Road and Moseley Street. Further to detailed design, we will commence the construction of the Chapel Street section and Coast stage 1 (corner of Colley Terrace and Jetty Road). The construction will be a two year project and is subject to successfully receiving external funding.

COUNCIL OF THE CITY OF HOLDFAST BAY

COMPOSITION OF COUNCIL

Our Council consists of the principal member (Mayor) and 12 councillors. Our city is made up of four wards, each electing three councillors, with the Mayor elected by the whole city. Elections are held every four years, with the next election scheduled for November 2018. During 2017–18 the Council met 20 times and one special meeting was held on 30 January 2018.

On 21 March 2018, Mayor Patterson resigned from Council, creating a casual vacancy for the office of Mayor, however given there is a periodic election scheduled for November 2018, the provisions of section 54(8) of the *Local Government Act 1999* apply, and allow for a member chosen by the council to act in the office of mayor until the conclusion of the coming election.

On 27 March 2018, Council resolved to appoint Deputy Mayor, Councillor Wilson to the position of Acting Mayor for the period 28 March 2018 until the end of the current Council term.

ELECTED MEMBERS

Mayor

Stephen Patterson, Mayor of the City of Holdfast Bay
To 21 March 2018



Acting Mayor

Amanda Wilson, Acting Mayor of the City of Holdfast Bay
From 28 March 2018 (previously Somerton Ward Councillor)



ELECTED MEMBERS – SEACLIFF WARD

Susan Lonie



Annette Bradshaw



Lynda Yates



ELECTED MEMBERS – BRIGHTON WARD
Rosemary Clancy



Karen Donaldson



Robert Snewin



ELECTED MEMBERS – SOMERTON WARD

Mikki Bouchee



John Smedley



ELECTED MEMBERS – GLENELG WARD

Samuel Charlick



Rosie Aust



Bob Patton



Draft

ELECTED MEMBER ATTENDANCE AT COUNCIL MEETINGS

		Number of Council Meetings attended from 1 July 2017 to 30 June 2018
Number of Meetings held		General Council 21 ¹
		Special Council 1
Total		22
Elected Members		
Mayor		
Stephen Patterson	To 21 March 2018	10
Acting Mayor		
Amanda Wilson ²	Acting Mayor from 28 March 2018	7
Brighton Ward		
Rosemary Clancy		22
Karen Donaldson		16
Bob Snewin		20
Glenelg Ward		
Bob Patton		21
Rosie Aust		20
Sam Charlick		17
Seacliff Ward		
Lynda Yates		19
Susan Lonie	Deputy Mayor from 1 July 2017	20
Annette Bradshaw	Deputy Mayor from 28 March 2018	22
Somerton Ward		
Mikki Bouchee		20
John Smedley		21
Amanda Wilson	Deputy Mayor from 23 January 2018	14

¹ 1 General Council meeting was held in January 2018, 1 Special Council Meeting was held in January 2018 and there were no meetings held in December 2017.

² Amanda Wilson has total meeting attendance of 21 meetings. This is a combination of her role as Ward Councillor and Acting Mayor.

Draft

COUNCIL OF THE CITY OF HOLDFAST BAY (CONTINUED)

ALLOWANCES

In 2017–18, in accordance with the Remuneration Tribunal Decision 7 of 2014, our elected members received the following allowances:

- Mayor/Acting Mayor \$58,566 *
- Deputy Mayor \$24,486
- Councillors \$19,330
- Presiding Member of the Audit Committee \$24,136.

* Note: No Mayoral allowance was paid for the period January to 28 March 2018 due to Mayoral vacancy.

Each elected member receives an IT allowance of \$1,042 and the Acting Mayor received a fuel allowance of \$398.

Each independent member of the Audit Committee received \$400 per meeting (July – October) and \$417 per meeting (November – June).

The Presiding Member of the Development Assessment Panel (known as Council Assessment Panel as of September 2017) received \$500 per meeting (July – October) and \$522 per meeting (November – June) and other panel members received \$400 per meeting (July-October) and \$417 per meeting (November – June).

The Chairman of the Alwyndor Aged Care Management Committee received an honorarium of \$350 per meeting (July – September) and \$500 per meeting (October – June). Independent members received \$250 per meeting (July – September) and \$400 per meeting (October – June). As an employee of Council, Ms Aukett was not remunerated as a member of the committee during the 2017-18 Financial Year.

TRAINING AND DEVELOPMENT

To assist elected members in undertaking their functions and duties, we provide an annual budget allocation to fund training and development activities, such as information sessions, briefings, workshops, skills development and external training opportunities.

Training and development expenditure for 2017–18

All Council Members	
Elected Member Code of Conduct Training	\$2500.00
Caretaker Training	\$1500.00
Acting Mayor Wilson	
Legal Training - Training for Acting Mayor	\$1980.00
Councillor Lonie	
LGA SA Conference and AGM	\$200.00
Councillor Yates	
2017 Murray Darling Association Conference	\$587.43
Councillor Bouchee	
LGA Council Next practice Showcase and LGAOGM	\$190.00
Councillor Aust	
LGA Council Next practice Showcase and LGAOGM	\$350.00

DECISION-MAKING STRUCTURE

PROVISIONS FOR MEETING PROCEDURES

All Council and committee meetings are conducted in accordance with the *Local Government Act (Procedures at Meetings) Regulations 2013*. The *Local Government Act 1999* is the primary legislation for the operation of Local Government in South Australia and its provisions are supported by *Local Government (General) Regulations 2013*. Meetings for the Development Assessment Panel are convened under the *Development Act 1993*.

COMMITTEES

Throughout 2017–18 our Council met twice a month (on the second and fourth Tuesdays of the month). One General Council meeting was held in January 2018, 1 Special Council Meeting was held in January 2018 and there were no meetings held in December 2017.

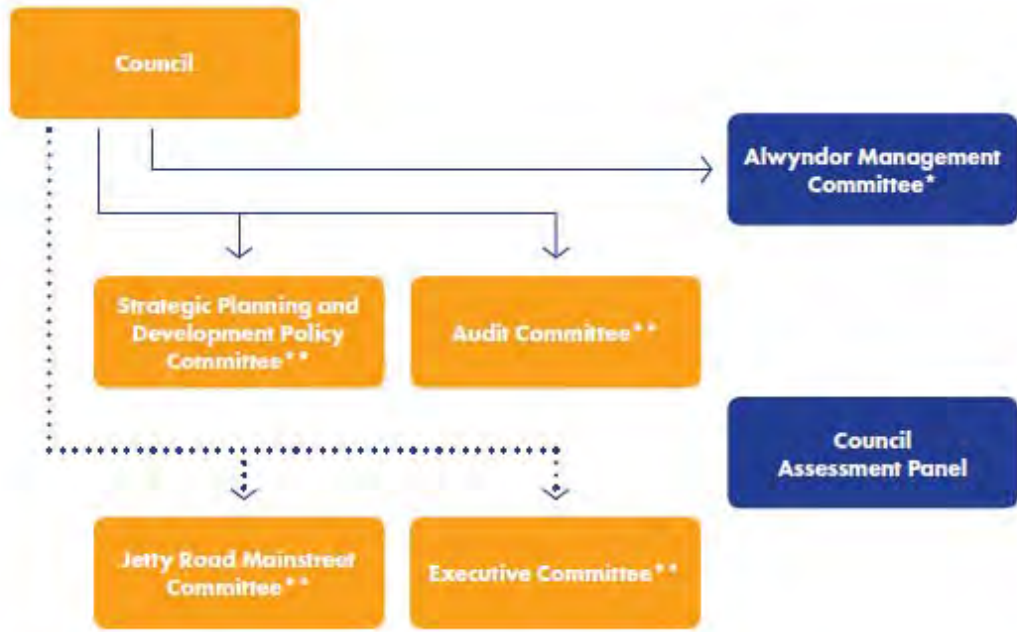
Council was supported by a number of committees. These are:

- 1. One management committee:**
 - Alwyndor Management Committee
- 2. Two statutory committees:**
 - Audit Committee
 - Strategic Planning and Development Policy Committee
- 3. Two advisory committees:**
 - Jetty Road Mainstreet Committee
 - Executive Committee.

The Development Assessment Panel met on the fourth Wednesday of the month as required.

All meetings were open to the public, with notices of meetings, agendas, reports and minutes available at holdfast.sa.gov.au.

Council's current committee structure is shown below:



* delegated authority from Council to make decisions within budget and terms of reference.

** advisory only, with no delegations.

DELEGATIONS

In accordance with Sections 44 and 101 of the *Local Government Act 1999*, our Council delegates relevant powers and duties to the Chief Executive Officer, who may sub-delegate to individual officers or committees. Council also delegates powers to the Alwyndor Management Committee to make decisions within the Committee's terms of reference. Delegations and individual sub-delegations are reflected in the Delegations Schedule and are reviewed every financial year.

STRATEGIC PLANNING AND DEVELOPMENT POLICY COMMITTEE

The Strategic Planning and Development Policy Committee is formed under Section 41 of the *Local Government Act 1999* and is a requirement of the *Development Act 1993*. The committee provides advice to Council on strategic planning and development policy issues. The committee comprises all members of Council and convenes as required.

AUDIT COMMITTEE

The Audit Committee operates under Section 126 of the *Local Government Act 1999* and oversees our risk management and internal control frameworks. The Committee reports to the Council on a regular basis to confirm that these frameworks are in place and operating effectively, and to review our annual financial statements, Annual Business Plan and Long-Term Financial Plan.

In 2017–18, the Committee comprised three independent members who each received an allowance of \$400 per meeting (July – October) and \$417 per meeting (November - June), plus two elected members, as follows:

- Councillor John Smedley, Chair
- Councillor Sam Charlick
- Mr John Wood
- Mr Sam Spadavecchia
- Mr Sean Tu.

DECISION-MAKING STRUCTURE (CONTINUED)

ALWYNDOR MANAGEMENT COMMITTEE

The Alwyndor Management Committee oversees the management of the Alwyndor Aged Care Facility, which provides a range of care and accommodation options for elderly people. The 2017–18 committee consisted of two elected members and eight independent members, as follows:

- Mr Darryl Royans, Chair
- Mr Ian Pratt
- Councillor Susan Lonie
- Dr Ollie Peters
- Ms Leah Wills
- Councillor Rosie Aust
- Mr Todd Bamford
- Ms Julie Bonnici
- Ms Julia Cudsi
- Ms Trish Aukett (from September 2017).

The Chairman of the Alwyndor Aged Care Management Committee received an honorarium of \$350 per meeting (July – September) and \$500 per meeting (October – June). Independent members received \$250 each, per meeting (July – September) and \$400 per meeting (October – June). As an employee of Council, Ms Aukett being an employee of Council was not remunerated as a member of the committee during the 2017-18 Financial Year.

JETTY ROAD MAINSTREET COMMITTEE

The Jetty Road Mainstreet Committee is funded through the collection of a separate rate to assist Council to enhance and promote Glenelg's Jetty Road as a vibrant shopping, leisure and recreational precinct. The 2017–18 committee comprised two elected members and eight independent members who represent traders in the precinct, with no allowances paid. The Committee comprised:

- Chairman – Mr Mark Faulkner
- Ms Eve Leenearts
- Mr Tony Beatrice
- Mr Andoni Fotopolous
- Mr Con Maios
- Mr Rocco Caruso
- Mr A Haywood, (to September 2017)
- Mr Simon Robinson
- Mr Angus Warren
- Ms Elise Fassina (from December 2017)
- Councillor Susan Lonie (to December 2017)
- Councillor Amanda Wilson (to April 2018)
- Councillor Sam Charlick (from August 2017)
- Councillor Annette Bradshaw (from April 2018)

DEVELOPMENT ASSESSMENT PANNEL / COUNCIL ASSESSMENT PANEL

The Development Assessment Panel (DAP) is an autonomous authority that considers development applications and makes development decisions. It was established in accordance with the *Development Act 1993* and has delegated powers that are administered in accordance with the Act's statutory requirements. It consists of three elected members who are appointed by the Council and four independent members. In September 2017, through changes in legislation, DAP was changed to the Council Assessment Panel (CAP). CAP has the same delegated powers as DAP, and consists of one elected member who is appointed by the Council and four independent members. The Presiding Member received an allowance of \$520 per meeting, and other members received \$417 per meeting. In 2017-18 the panel comprised of:

- Ms Jenny Newman, Presiding Member
- Ms Alison Vine
- Mr Graham Goss
- Mr David Bailey
- Councillor Rosemary Clancy
- Councillor Bob Patton (to September 2017)
- Councillor Lynda Yates (to September 2017)

ORGANISATIONAL STRUCTURE

As at 30 June 2018 our organisation structure was:

<<IMAGE: Organisational structure image as per last year's annual report – but with these changes:

Row 1:

Rick Kluge GENERAL MANAGER ALWYNDOR
Brett Capes CHIEF PEOPLE & CULTURE OFFICER
Nadia Andjelkovic CHIEF FINANCIAL OFFICER
Travis Hill CHIEF OPERATING OFFICER
Susan Wirth RESIDENTIAL SERVICES MANAGER
Simon Drew HEALTHY LIVING SERVICES MANAGER
Narelle Jeffery HOME SUPPORT SERVICES MANAGER

Row 2:

Steve Hodge GENERAL MANAGER CITY ASSETS AND SERVICES*
Rajiv Mouveri MANAGER ASSETS & FACILITIES
Ken O'Neill MANAGER REGULATORY SERVICES
Ross Whitfield MANAGER FIELD SERVICES (ACTING)
Anthony Marroncelli MANAGER DEVELOPMENT SERVICES

Row 3:

Trish Aukett GENERAL MANAGER COMMUNITY SERVICES
Marnie Lock MANAGER CITY ACTIVATION
Matthew Rechner-MANAGER ACTIVE COMMUNITIES
Monica DuPlessis MANAGER COMMUNITY WELLBEING
David Lambert MANAGER LIBRARY SERVICES
Jo Miller-Robinson MANAGER CUSTOMER EXPERIENCE

Row 4:

Roberto Bria GENERAL MANAGER BUSINESS SERVICES
John Newton MANAGER FINANCE
Sharon Somerville MANAGER PEOPLE & CULTURE
Pamela Jackson MANAGER COMMERCIAL & STRATEGIC SERVICES

**Howard Lacy commenced in April 2018 as General Manager City Assets and Services (Elect) to replace Steve Hodge as General Manager City Assets in July 2018*

CORPORATION OF THE CITY OF HOLDFAST BAY (CONTINUED)

OUR VALUES

Our ARISE values are the way we achieve our vision.

Achievement

We will meet the needs of our community today and in the future.

Respect

We appreciate the ideas and values of others.

Innovation

We constantly seek new and better ways.

Simplicity

We are honest, open and direct.

Engagement

We communicate and collaborate with all stakeholders.

SENIOR LEADERSHIP TEAM

Council is supported in its decision making by the Senior Leadership Team, which comprises:

- Chief Executive Officer, Mr Justin Lynch
- General Manager Alwyndor Aged Care, Mr Rick Kluge
- General Manager City Assets and Services, Mr Steve Hodge
- General Manager City Assets and Services (Elect), Howard Lacy (from April 2018)
- General Manager Community Services, Ms Trish Aukett
- General Manager Business Services, Mr Roberto Bria.

Senior executive salary packages include the following benefits:

- competitive salary
- fully maintained vehicle or novated vehicle lease
- employer-sponsored superannuation contributions.

REMUNERATION PROFILE

As at 30 June 2018 we employed 311 females and 125 males, including part-time and casual staff.

Total remuneration (excluding superannuation)	Male	Female
< \$25,000	7	50
\$25,000 - \$35,000	2	48
\$35,001 - \$45,000	8	45
\$45,001 - \$55,000	8	55

\$55,001 - \$65,000	7	26
\$65,001 - \$75,000	41	32
\$75,001 - \$85,000	11	20
\$85,001 - \$95,000	18	22
\$95,001- \$105,000	6	6
\$105,001 - \$115,000	6	3
\$115,001 - \$125,000	4	0
\$125,001 - \$150,000	3	3
>\$150,000	4	1
	125	311

nb, this table includes totals for Alwyndor

WORK HEALTH AND SAFETY

Incident reports received	111
Hazard reports received	12
Injuries reported	66

nb, this table includes totals for Alwyndor.

The Local Government Association Workers Compensation Scheme (LGAWCS) provides the City of Holdfast Bay with a fully integrated Claims, Return to Work and Work Health Safety Service. Claims are determined and coordinated by LGAWCS as our Insurer.

FLEXIBLE WORKING ARRANGEMENTS

Flexible working arrangements have been accommodated where possible to enable the retention of employees. These have included flexible hours of work and working part-time for employees who:

- are returning from parental leave
- are transitioning to retirement
- have caring responsibilities
- have disabilities
- are undertaking study.

Voluntary employee turnover was 10.3 per cent for Council's municipal operations and 24.2 per cent for the Alwyndor Aged Care Facility.

TRAINING AND DEVELOPMENT

Approximately \$150,075 was spent on developing workforce skills to meet current and future needs, and this included mandatory training to meet legislative requirements such as work health and safety as well as governance obligations. Work continues to be undertaken to build leadership capabilities across Council, included targeted programs for emerging leaders to assist with succession planning. Regular measurements are undertaken to ensure progress in this area.

TRANSPARENCY

COMMUNITY ENGAGEMENT

We regularly source community views about local issues, plans, events and activities through our online hub (yourviewholdfast.com), customer service points and our regular Quality of Life Survey. This input helps to form Council's decisions and ensures that services are tailored to best meet local requirements. The International Association of Public Participation (IAP2) spectrum provides the framework for our community engagement.

COMMUNICATIONS AND MEDIA ACTIVITIES

In the interest of providing our services in a transparent manner, we aim to address all media enquiries promptly and honestly. This year, in addition to proactive media advice supplied to journalists and editors, hundreds of written media responses were provided by email, most of which included between two and five separate questions. This does not include media enquiries handled directly by the Mayor, elected members and the CEO.

COMMUNITY LAND MANAGEMENT PLANS

Community land management plans identify the purpose and objectives of land held for community use and operate in accordance with Section 196 of the *Local Government Act 1999*.

In the 2017–18 financial year we sold a property classed as 'Closed Road' located at Tapleys Hill Road (corner Tapleys Hill Road and Carnarvon Avenue), Glenelg North.

REGISTERS AND CODES

The following documents are available to the public:

Registers

- Register of Interests (Elected Members)
- Register of Allowances and Benefits
- Register of Remuneration, Salaries and Benefits
- Register of Interests (Staff)
- Register of Community Land
- Register of Public Roads
- Register of By-Laws
- Register of Conflict of Interest
- Register of Fees and Charges

Codes

- Code of Conduct (Member of Council)
- Code of Practice for Access to Meetings/Documents
- Code of Conduct (Staff)
- Code of Practice - Meeting Practice.

TRANSPARENCY CONTINUED

INTERNAL REVIEW OF COUNCIL ACTIONS – SECTION 270 OF THE *LOCAL GOVERNMENT ACT 1999*

We recognise the importance of transparency in decision making and the need to provide a fair procedure for the review of Council decisions, including matters relating to the impact of rates and service charges on ratepayers.

We received five request in 2017–18 to review Council decisions in accordance with the provisions of Section 270 of the *Local Government Act 1999 – Internal Review of Council Actions*.

Year	Number of reviews
2017–18	5
2016–17	1
2015–16	3
2014–15	3
2013–14	0

INDEPENDENT AUDITORS

The *Local Government Act 1999* provides that auditors will be appointed on the recommendation of the Audit Committee for a term no longer than five years. As of 1 July 2016, BDO were reappointed as Council’s external auditors for a period of three years, with the option to extend for a further two years. In 2017–18, BDO were paid \$30,470 (excluding GST) for external auditing services.

FREEDOM OF INFORMATION APPLICATIONS

In 2017–18, eleven requests were made to release information under the *Freedom of Information Act 1982*. All requests were resolved: nine were granted in full; one was transferred; and one was due to third-party consultation.

LOCAL NUISANCE AND LITTER COMPLAINTS

In 2017-18, in accordance to the *Local Nuisance and Litter Control Act 2017*, 328 complaints were registered, 4 abatement notices were provided and 2 expiation notices were issued.

	Dust	Noise	Odour	Animals	Litter	Insanitary Conditions
Complaints	7	28	17	3	264	9
Abatement Notices		1	1		2	
Expiations					3	

NATIONAL COMPETITION POLICY

Competitive neutrality is one of the key principles of the National Competition Policy. The principle is based on the concept of a level playing field for people competing for business and relates to any situation where there is, or there is the potential for, competition between the private and public sectors.

Councils are required to identify their business activities and disclose those in Category One (annual gross operating income greater than \$2 million per year) and Category 2 (annual gross operating income less than \$2 million per year.)

In 2017–18 we continued to maintain the following significant business activities:

- Alwyndor Aged Care Facility
- Brighton Caravan Park
- Partridge House.

COMPETITIVE TENDERING

Tenders are called for contracts in excess of \$50,000, provided Council is of the reasonable opinion that a competitive process is practicable and will deliver greater benefit than through other methods. All tendering is managed within the following procurement principles:

- it offers value for money
- it is transparent, accountable, fair and ethical
- it is environmentally sustainable
- it supports local economic development
- it conforms with our work health and safety policies.

REPRESENTATION QUOTA

The number of electors represented by each City of Holdfast Bay elected member, and comparative data for similar councils, is shown below:

Council	Number of members (including the Mayor)	Number of electors	Elector/representation ratio
Burnside	13	31,816	1:2447
Campbelltown	11	35,153	1:3195
Holdfast Bay	13	27,935	1:2148
Mitcham	14	48,453	1:3460
Norwood, Payneham and St Peters	14	25,443	1:1817
Unley	13	27,688	1:2129
West Torrens	15	40,971	1:2731
Average	13	33,923	1:2561

TRANSPARENCY CONTINUED

NUMBER OF ITEMS DISCUSSED IN CONFIDENCE

Of the 34 confidential orders made in 2017–18, 0 were fully or partially revoked as the conditions requiring confidentiality no longer applied.

<<Designers, please stretch this title 'Orders made – S91(7) LG ACT 1999' across the following columns, as per previous year's table: Orders expired to Ceased to Partially released.>>

	Orders made - S90(2) LG Act 1999	Orders Expired	Ceased to Apply	Revoked	Remained Operative	Partially Released
a Personal affairs	11				11	
b Commercial advantage	8				8	
c Trade secret						
d Commercial information not a trade secret	11				11	
e Security/safety						
f Maintenance of law						
g Breach of law	1				1	
h Legal advice	1				1	
i Litigation	1				1	
j Minister of the Crown						
k Tenders for the supply of goods	1	1				
m Amendment to the Development plan						
n Freedom of Information Act 1982						

ITEMS RELEASED FROM PREVIOUS YEARS

	2017
a Personal affairs	
b Commercial advantage	2
c Trade secret c	
d Commercial information not a trade secret	2
e Security/safety	
f Maintenance of law	
g Breach of law	

CHB Annual Report 2017-18 Draft 1

h Legal advice	
i Litigation	
j Minister of the Crown	
k Tenders for the supply of goods	
m Amendment to the Development plan	
n <i>Freedom of Information Act 1982</i>	

ITEMS RETAINED IN CONFIDENCE

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of Items	2	0	0	4	6	1	0	1	2	1	0	1	6	22	18

[PAGE 34 onwards]

AUDITED FINANCIAL STATEMENTS

- Audited Financial Statements
- Southern Region Waste Resource Authority Annual

Draft



SRWRA

2017/18 Annual Report



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

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

At a practical level, our core business activity is the management of our wholly-owned SRWRA Landfill and Recycling Operation employing innovative resource recovery approaches in managing all products and materials as valuable and finite resources. This is one of the State's major landfill operations currently receiving over 100,000 tonnes of waste annually.

Since 1996 the Authority has been extracting landfill gas (methane) through its gas management plant. On average, the Authority generates over 18,000MWh per annum from the SRWRA Landfill facility, equivalent to powering more than 2,500 local homes. As a result, more than 6.8m cubic metres of methane from the SRWRA's Landfill Gas site is consumed, CO2 abatement equivalent to taking 26,000 cars off the road.

The SRWRA's joint venture operation with Integrated Waste Services (IWS) has developed through 2017/18 with significant improvements in the recycling programme through the jointly operated Southern Recycling Centre (SRC) realising significant improvements in the reduction of waste to landfill.

Joint Venture Partner



Constituent Councils



Chairperson's Message



Waste management impacts many aspects of society and the economy. This has never been more evident than in the past 12 months when the Chinese government stopped taking recyclable materials from Australia, an action which focused our collective consciousness on the need to ensure we have sustainable markets for recycled materials in Australia.

As a country we have a strong commitment to recycling and South Australia has long been at the forefront of this. For many people, recycling means putting waste in the yellow-top bin with the expectation that this is then sorted and turned back into its base materials such as paper, glass, plastics etc. Unfortunately, all too much of this product is not suitable for recycling and ends up in a landfill. This must change. In Australia we need to proactively stimulate markets for the use of recycled materials so that industry will continue to invest and innovate to produce products which rely less on virgin materials. The circular economy needs commitment from government at the policy level, all levels of government from a procurement perspective and from the consumer. We must strive to keep resources in use for as long as possible, extract the maximum value from them while they

are in use, then recover and regenerate products and materials at the end of each service lifecycle. We need our businesses and governments to actively prioritise the use of recycled goods or to introduce recycled material quotas.

As the Southern Region Waste Resource Authority, we continue to ensure that we are investing in the technology and systems to increase resource recovery from our operations. The Southern Recycling Centre is now operating effectively and has diverted over 10,000 tonnes from landfill over the past 12 months, and we expect this volume to increase over time.

Our landfill operation is one of the South Australia's largest, and it continues to be a very important component in ensuring SRWRA continues to fulfil its responsibility to provide and operate waste management services on behalf of its Constituent Councils.

We have again delivered an excellent financial performance distributing \$2.550 million to the Constituent Councils while keeping waste disposal costs very competitive in the market.

The Board, the Audit Committee and our staff, capably led by Chief Executive Mark Hindmarsh, are to be commended for their dedication and commitment to ensure the Authority continues to meet the objectives and responsibilities outlined in its Charter in a fiscally and environmentally sustainable manner.

On behalf of the Board of the Southern Region Waste Resource Authority, I am pleased to submit the Annual Report for the 2018 financial year.

Board of Management as at June 30th 2018

Chairperson



Mark Booth

Members



Kirk Richardson
City of Onkaparinga



Vincent Mifsud
City of Marion



Lynda Yates
City of Holdfast Bay



Alison Hancock
City of Onkaparinga



Ian Crossland
City of Marion



Roberto Bria
City of Holdfast Bay

Deputy Members



Heidi Greaves
City of Onkaparinga



Nick Kerry
City of Marion



John Smedley
City of Holdfast Bay

Chief Executive Officer's Message



The past year has seen an increased focus on the Waste Management Sector especially around the recovery of reusable and recyclable waste products.

The Authority is committed to sustainability and sets a high environmental standard for its incorporation and use of recycled products which promotes the regeneration of recyclable products and supports the key delivery outcomes by reducing reliance on disposal to landfill.

Recovery and reuse form a staple part of the landfill and recycling operations with over 40,000 tonnes of waste being recovered for reuse on site this year. An integral part of the recovery and diversion from landfill process comes from the Southern Recycling Centre diverting over 10,000 tonnes of organic waste from landfill this year for positive reuse.

The Authority continues to develop its operations incorporating new advancements in lining technology, pioneering an Australian first with a new lining design and application.

The culmination of investigation and exploration of several developments and efficiencies in the use of recovered products has seen the Authority deliver a milestone financial performance distributing \$2.55 million to its Constituent Councils whilst assuring low cost competitive disposal costs for its members.

With several successful projects coming to fruition the year has been an educational year of working with new technologies to enhance the operation of the waste management and resource recovery systems at the Authority.

SRWRA has a dedicated team and strong supportive Board who are integral to the momentum of efficiencies and continuous improvements across the administration and operations of the SRWRA landfill and recycling operations.

I would like to take this opportunity to extend my thanks and appreciation to the SRWRA staff, Board members and Audit Committee members for their hard work and dedicated contribution over the past twelve months, strengthening the Authorities commitment and responsibilities to waste management on behalf of its Constituent Councils.

In the continued development of the SRWRA's community educational initiatives each year the Authority writes to all the local primary schools in the Constituent Council areas promoting the Les Perry Memorial Grant Programme. Schools in the Constituent Council areas are encouraged to apply to the Authority for a grant of approximately \$500 each to focus on recycling and educating children on the importance of recycling and re-use of common household waste materials. A total of 14 schools were successfully awarded the grant this year.

I am pleased to report that the 2017/18 financial period for the Authority showed an operating surplus of \$1.75M for the year ended 30th June 2018. This is an excellent result, built around the improvements and ongoing efficiencies of the operations over the past twelve months. The Authority strives to operate a reasonable commercial return to the Constituent Councils whilst ensuring there are adequate financial reserves to meet future developments and post closure requirements of its operations.

A complete copy of the Audited Financial Statements for 2017/18 form part of this report.

As the demands on the Waste Industry continues to evolve and develop, I look forward to leading the Authority through the challenges and exciting opportunities in the year ahead.



FINANCIAL REPORT

For the Financial Year Ended 30 June 2018

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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SOUTHERN REGION WASTE RESOURCE AUTHORITY

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2018

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards*.

- the financial statements present a true and fair view of the Authority's financial position at 30 June 2018 and the results of its operations and cashflows for the financial year.

- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable throughout the financial year.

- the financial statements accurately reflect the Authority's accounting and other records.



.....
Mark Booth
Chairman



.....
Mark Hindmarsh
Executive Officer

Dated the 12th day of Sept 2018

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME for the financial year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
INCOME			
User charges	2	11,713	11,617
Investment income	2	620	552
Other Income	2	1,201	244
Net gain - equity accounted Joint Venture	15	176	265
Total Income		13,710	12,678
EXPENSES			
Employee costs	3	1,189	1,194
Materials, contracts & other expenses	3	9,777	9,240
Depreciation, amortisation & impairment	3	908	949
Other Expenses	3	80	78
Net loss - equity accounted Joint Venture	15	-	-
Total Expenses		11,954	11,461
OPERATING SURPLUS / (DEFICIT)		1,756	1,217
Net gain (loss) on disposal or revaluation of assets	4	21	18
Amounts received specifically for new or upgraded assets		-	140
NET SURPLUS / (DEFICIT)		1,777	1,375
transfer to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		1,777	1,375

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF FINANCIAL POSITION as at 30 June 2018

	Notes	2018 \$'000	2017 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	16,343	19,940
Trade & other receivables	5	1,839	2,025
Inventories	5	-	-
		<u>18,182</u>	<u>21,965</u>
Total Current Assets		<u>18,182</u>	<u>21,965</u>
Non-current Assets			
Equity Accounted Joint Venture	15	885	709
Property, Plant & Equipment	6	15,580	15,081
		<u>16,465</u>	<u>15,790</u>
Total Non-current Assets		<u>16,465</u>	<u>15,790</u>
Total Assets		<u>34,647</u>	<u>37,755</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	2,436	2,529
Provisions	7	101	149
		<u>2,537</u>	<u>2,678</u>
Total Current Liabilities		<u>2,537</u>	<u>2,678</u>
Non-current Liabilities			
Provisions	7	12,980	15,174
		<u>12,980</u>	<u>15,174</u>
Total Non-current Liabilities		<u>12,980</u>	<u>15,174</u>
Total Liabilities		<u>15,517</u>	<u>17,852</u>
NET ASSETS		<u>19,130</u>	<u>19,903</u>
EQUITY			
Accumulated Surplus		19,130	19,903
TOTAL EQUITY		<u>19,130</u>	<u>19,903</u>

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF CHANGES IN EQUITY for the financial year ended 30 June 2018

2018	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Balance at end of previous reporting period		19,903	-	-	19,903
Adjustments due to compliance with revised Accounting Standards		-	-	-	-
Adjustments to give effect to changed accounting policies		-	-	-	-
Restated Opening Balance		19,903	-	-	19,903
Net Surplus/ (Deficit) for Year		1,777	-	-	1,777
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-	-
Transfers between reserves		-	-	-	-
Distributions to Member Councils		(2,550)	-	-	(2,550)
Balance at end of period		19,130	-	-	19,130

2017	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Balance at end of previous reporting period		18,528	-	-	18,528
Adjustments due to compliance with revised Accounting Standards		-	-	-	-
Adjustments to give effect to changed accounting policies		-	-	-	-
Restated Opening Balance		18,528	-	-	18,528
Net Surplus/ (Deficit) for Year		1,375	-	-	1,375
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-	-
Transfers between reserves		-	-	-	-
Distributions to Member Councils		-	-	-	-
Balance at end of period		19,903	-	-	19,903

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF CASH FLOWS

for the year ended 30 June 2018

		2018	2017
	Notes	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		13,439	11,927
Investment receipts		623	552
<u>Payments</u>			
Operating payments to suppliers & employees		(12,322)	(10,279)
Net Cash provided by (or used in) Operating Activities	8 (b)	<u>1,740</u>	<u>2,200</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		-	-
Sale of surplus assets		33	163
Distributions received from equity accounted Joint Venture	15	-	125
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(341)	(754)
Expenditure on new/upgraded assets		(2,479)	(863)
Capital contributed to equity accounted Joint Venture	15	-	-
Net Cash provided by (or used in) Investing Activities		<u>(2,787)</u>	<u>(1,329)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Payments</u>			
Distribution to Member Councils		(2,550)	-
Net Cash provided by (or used in) Financing Activities		<u>(2,550)</u>	<u>-</u>
Net Increase (Decrease) in cash held		<u>(3,597)</u>	<u>871</u>
Cash & cash equivalents at beginning of period		<u>19,940</u>	<u>19,069</u>
Cash & cash equivalents at end of period	8 (a)	<u><u>16,343</u></u>	<u><u>19,940</u></u>

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

1.4 Rounding

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

2 The Local Government Reporting Entity

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

3 Income recognition

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

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2018**

Note 1 - Significant Accounting Policies (cont)

5 Infrastructure, Property, Plant & Equipment

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

5.1 Initial Recognition

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

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

5.2 Materiality

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

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

5.3 Depreciation of Non-Current Assets

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

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

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

6 Payables

6.1 Goods & Services

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 1 - Significant Accounting Policies (cont)

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

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

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

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

7.2 Superannuation

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

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation 9.5% in 2017/18 (9.5% in 2016/17; 9.5% in 2015/16). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

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

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

8 Rehabilitation

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

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

9 Inventory

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 1 - Significant Accounting Policies (cont)

10 GST Implications

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

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

11 Comparative Information

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

12 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2018 reporting period and have not been used in preparing these reports.

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

13 Valuation of Land and Building Assets

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

14 Capping Liability Review

During the 2017/18 financial year, the Authority undertook a review of all the key assumptions and estimates in relation to the measurement of the Future Restoration liability recorded in Note 7 of the Financial Statements. The Authority engaged Golder Associates Pty Ltd to complete the independent assessment of the liability. As a result of work completed, Golder Associates estimated the liability to be \$1.471 million as at 30 June 2018. The Authority has applied an additional 10% contingency estimate on the Post Closure liability estimate for risk mitigating purposes which resulted in a total reduction in the liability of \$2.555 million reducing the balance of the provision for future restoration costs to \$1.605 million (2017: \$4.159 million).

As a result of the reduction in the liability, a non-cash income amount totalling \$0.886 million was recognised in the Statement of Comprehensive Income.

During the 2018/19 financial year, all other landfill capping liability estimates and assumptions will be reviewed and updated accordingly. Any changes to key assumptions or estimates will be applied in the 2018/19 financial year once the review has been completed.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 2 - INCOME

	Notes	2018 \$'000	2017 \$'000
USER CHARGES			
Landfill Operations		11,713	11,617
		<u>11,713</u>	<u>11,617</u>
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		444	488
Banks & other		24	22
Investment property rental income		152	42
		<u>620</u>	<u>552</u>
OTHER INCOME			
Movement in Landfill Liabilities	1.14	886	-
Other Income		48	88
Southern Recycling Centre		267	156
		<u>1,201</u>	<u>244</u>

Note 3 - EXPENSES

EMPLOYEE COSTS			
Salaries and Wages		1,092	1,042
Employee leave expense		(42)	26
Superannuation		87	90
Workers' Compensation Insurance		52	50
Less: Capitalised and distributed costs		-	(14)
Total Operating Employee Costs		<u>1,189</u>	<u>1,194</u>
Total Number of Employees		11	11
		<i>(Full time equivalent at end of reporting period)</i>	
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		18	16
Board Expenses		38	37
Operating Lease Rentals - cancellable leases		-	-
Subtotal - Prescribed Expenses		<u>56</u>	<u>53</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors		143	238
Fuel		113	135
Equipment Hire		68	19
Maintenance		299	299
Legal Expenses		21	14
Levies paid- EPA Levy		8,547	8,018
Professional services		28	20
Southern Recycling Centre		187	60
Sundry		315	384
Subtotal - Other Materials, Contracts & Expenses		<u>9,721</u>	<u>9,187</u>
		<u>9,777</u>	<u>9,240</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 3 - EXPENSES (cont)

	Notes	2018 \$'000	2017 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Landfill Construction		394	488
Buildings & Waste Facility		140	99
Plant & Equipment		374	362
Impairment	6	-	-
		<u>908</u>	<u>949</u>
OTHER EXPENSES			
Transfer to Provision of Cell 3-1 & 3-2 Capping		80	78
		<u>80</u>	<u>78</u>

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

PROPERTY, PLANT & EQUIPMENT

Proceeds from disposal		33	163
Less: Carrying amount of assets sold		(12)	(145)
Gain (Loss) on disposal		<u>21</u>	<u>18</u>
NET GAIN (LOSS) ON DISPOSAL OF ASSETS		<u>21</u>	<u>18</u>

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank		2,013	3,787
Short Term Deposits & Bills, etc		14,330	16,153
		<u>16,343</u>	<u>19,940</u>

TRADE & OTHER RECEIVABLES

Accrued Revenues		22	19
Debtors - general		1,813	1,994
Prepayments		4	12
		<u>1,839</u>	<u>2,025</u>

INVENTORIES

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 6 - PROPERTY, PLANT & EQUIPMENT

	2017				2018			
	\$'000				\$'000			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	1,427	400	-	1,827	1,427	2,556	-	3,983
Buildings	560	3,825	(351)	4,034	560	4,042	(491)	4,111
Plant & Equipment	-	4,150	(2,358)	1,792	-	4,393	(2,651)	1,742
Office Equipment	-	132	(102)	30	-	148	(113)	35
Landfill Construction:								
Landfill Cell 3-1 & 3-2	-	-	-	-	-	-	-	-
Landfill Cell's 3-1 & 3-2 Capping	-	-	-	-	-	-	-	-
Cell 3-3 & 3-4 (Lower)	-	-	-	-	-	-	-	-
Cell 3-3 & 3-4 (Lower) Capping	-	-	-	-	-	-	-	-
Cell 4	-	-	-	-	-	-	-	-
Cell 4 (Capping)	-	-	-	-	-	-	-	-
Super Cell	-	7,436	(4,867)	2,569	-	7,511	(5,042)	2,469
Super Cell Capping	-	4,737	(1,777)	2,960	-	4,887	(1,982)	2,905
Post Closure Rehabilitation	-	5,851	(5,740)	111	-	5,974	(5,756)	218
Future Restoration Costs	-	4,159	(2,495)	1,664	-	4,159	(4,159)	-
Work in Progress	-	94	-	94	-	117	-	117
TOTAL PROPERTY, PLANT & EQUIPMENT	1,987	30,784	(17,690)	15,081	1,987	33,787	(20,194)	15,580
<i>Comparatives</i>	1,987	36,085	(23,611)	14,461	1,987	30,784	(17,690)	15,081

This Note continues on the following pages.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2018

Note 6 - PROPERTY, PLANT & EQUIPMENT

	2017 \$'000	CARRYING AMOUNT MOVEMENTS DURING YEAR							2018 \$'000
		\$'000							
		Additions		Disposals	Depreciation	Impairment	Adjustments	Transfer	
Capital	Renewals								
Land	1,827	2,156	-	-	-	-	-	-	3,983
Buildings	4,034	217	-	-	(140)	-	-	-	4,111
Plant, Equipment & Motor Vehicles	1,792	-	326	(12)	(364)	-	-	-	1,742
Office Equipment	30	-	15	-	(10)	-	-	-	35
Landfill Construction:									
Landfill Cell 3-1 & 3-2	-	-	-	-	-	-	-	-	-
Landfill Cell's 3-1 & 3-2 Capping	-	-	-	-	-	-	-	-	-
Cell 3-3 & 3-4 (Lower)	-	-	-	-	-	-	-	-	-
Cell 3-3 & 3-4 (Lower) Capping	-	-	-	-	-	-	-	-	-
Cell 4	-	-	-	-	-	-	-	-	-
Cell 4 (Capping)	-	-	-	-	-	-	-	-	-
Super Cell	2,569	74	-	-	(174)	-	-	-	2,469
Super Cell Capping	2,960	150	-	-	(205)	-	-	-	2,905
Post Closure Rehabilitation	111	122	-	-	(15)	-	-	-	218
Future Restoration Costs	1,664	-	-	-	-	-	(1,664)	-	-
Work in Progress	94	23	-	-	-	-	-	-	117
TOTAL PROPERTY, PLANT & EQUIPMENT	15,081	2,742	341	(12)	(908)	-	(1,664)	-	15,580
<i>Comparatives</i>	14,461	1,343	755	(145)	(949)	-	-	(384)	15,081

This Note continues on the following pages.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2018

Note 7 - LIABILITIES

	Notes	2018 \$'000		2017 \$'000	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		2,371	-	2,469	-
Accrued expenses - other		65	-	60	-
		2,436	-	2,529	-
PROVISIONS					
Annual Leave		63	-	78	-
Long Service Leave		38	39	71	32
Post Closure Rehabilitation		-	3,895	-	3,772
Cell Capping - 3-1 & 3-2		-	2,554	-	2,474
Cell Capping - 3-3 & 3-4 (Lower)		-	2,937	-	2,845
Cell 4 Capping		-	1,950	-	1,892
Future Restoration Costs		-	1,605	-	4,159
		101	12,980	149	15,174

<i>Movements in Provisions - 2018 year only (current & non-current)</i>	<i>Opening Balance</i>	<i>Additional Amounts Recognised/ (Derecognised)</i>	<i>Payments</i>	<i>Closing Balance</i>
Post Closure Rehabilitation	3,772	123	-	3,895
Cell Capping -3-1 & 3-2	2,474	80	-	2,554
Cell Capping - 3-3 & 3-4 (Lower)	2,845	92	-	2,937
Cell 4 Capping	1,892	58	-	1,950
Future Restoration Costs	4,159	(2,554)	-	1,605
Total	15,142	(2,201)	-	12,941

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 8 - RECONCILIATION OF CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2018 \$'000	2017 \$'000
Total cash & equivalent assets	5	16,343	19,940
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>16,343</u>	<u>19,940</u>

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

Net Surplus (Deficit)		1,777	1,375
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		908	949
Net (Gain) loss in Equity Movement Joint Venture		(176)	(265)
Movement in Landfill Provisions		(886)	-
Net (Gain) Loss on Disposals		(21)	(45)
		<u>1,602</u>	<u>2,014</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		186	(1,018)
Net (increase) decrease in inventories		-	48
Net (increase) decrease in other current assets		-	-
Net increase (decrease) in trade & other payables		(93)	1,166
Net increase (decrease) in other provisions		45	(10)
Net Cash provided by (or used in) operations		<u>1,740</u>	<u>2,200</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge		-	-
- Non-cash grants & contributions		-	-
<i>Amounts recognised in Income Statement</i>		-	-
- Finance Leases		-	-
		<u>-</u>	<u>-</u>

(d) Financing Arrangements

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

Corporate Credit Cards	18	18
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The Authority has no bank overdraft facility.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term	Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.
Deposits	<p>Terms & conditions: Deposits are returning fixed interest rates of 1.25 - 2.5% (2017: 1.25 - 2.5%). Short term deposits have an average maturity of 90 days (2017: 90 days).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Gate Fees & Associated Charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Net Fair Value

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

Risk Exposures

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

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

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 9 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2018	Floating Interest Rate \$'000	Fixed interest maturing in			Non- interest bearing \$'000	Total \$'000
		≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000		
Financial Assets						
Fair Value through P&L						
Cash Assets	2,013	14,330	-	-	-	16,343
Loans & Receivables						
Receivables	-	-	-	-	1,839	1,839
Total	2,013	14,330	-	-	1,839	18,182
<i>Weighted Average Interest Rate</i>	1.25%	2.50%				
Financial Liabilities						
Payables	-	-	-	-	2,436	2,436
Total	-	-	-	-	2,436	2,436
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	2,013	14,330	-	-	(597)	15,746
<hr/>						
2017	Floating Interest Rate \$'000	Fixed interest maturing in			Non- interest bearing \$'000	Total \$'000
		≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000		
Financial Assets						
Fair Value through P&L						
Cash Assets	3,787	16,153	-	-	-	19,940
Loans & Receivables						
Receivables	-	-	-	-	2,025	2,025
Total	3,787	16,153	-	-	2,025	21,965
<i>Weighted Average Interest Rate</i>	1.50%	2.80%				
Financial Liabilities						
Payables	-	-	-	-	2,529	2,529
Total	-	-	-	-	2,529	2,529
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	3,787	16,153	-	-	(504)	19,436

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2018

Note 10 - COMMITMENTS FOR EXPENDITURE

	2018	2017
<u>Notes</u>	<u>\$'000</u>	<u>\$'000</u>
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Committed Projects	-	-
	<u>-</u>	<u>-</u>

As at 30 June 2018, the Authority has entered into no capital commitments that are not already recorded on the Statement of Financial Position.

Other Expenditure Commitments

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

Audit Services	37	55
	<u>37</u>	<u>55</u>
These expenditures are payable:		
Not later than one year	18	18
Later than one year and not later than 5 years	19	37
Later than 5 years	-	-
	<u>37</u>	<u>55</u>

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

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

1. Potential Insurance Losses

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

2. Legal Expenses

All known costs have been recognised.

Note 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2018 that need to be disclosed in the financial statements.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 13 - UNIFORM PRESENTATION OF FINANCES

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

	2018 \$'000	2017 \$'000
Income	13,710	12,678
<i>less</i> Expenses	<u>(11,954)</u>	<u>(11,461)</u>
Operating Surplus / (Deficit)	<u>1,756</u>	<u>1,217</u>
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	341	754
Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	(988)	(1,027)
Proceeds from Sale of Replaced Assets	-	-
	<u>(647)</u>	<u>(273)</u>
<i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	2,479	863
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	(33)	(163)
	<u>2,446</u>	<u>700</u>
Net Lending / (Borrowing) for Financial Year	<u><u>(43)</u></u>	<u><u>790</u></u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 14 - 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*. The following payments were made to Key Management Personnel during the year:

	2018 \$'000
Salaries, allowances & other short term benefits	380
Post-employment benefits	-
Long term benefits	26
Termination Benefits	7
TOTAL	413

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Onkaparinga	4,509	382	Provision of waste disposal services
City of Holdfast Bay	825	84	Provision of waste disposal services
City of Marion	2,026	248	Provision of waste disposal services
Southern Recycling Centre	4,523	508	Provision of waste disposal services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 5.

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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2018

Note 15 - EQUITY ACCOUNTED JOINT VENTURE

Southern Recycling Centre (SRC)

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

	2018	2017
	\$'000	\$'000
The Authority's respective interests are:		
- interest in operating result:	49.99%	49.99%
- ownership of equity	49.99%	49.99%
the proportion of voting power	50.00%	50.00%
 <u>Movement in Investment in Joint Operation:</u>		
Opening Balance	709	164
New Capital Contributions	-	405
Share in Operating Result	176	71
Equity Adjustment	-	194
Distributions Received	-	(125)
Share in Equity of Joint Operation	<u>885</u>	<u>709</u>

Expenditure Commitments

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

Contingent Liabilities

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 16 - FAIR VALUE MEASUREMENTS

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

- Land assets.

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

(a) **Fair value hierarchy**

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

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

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

Valuation techniques

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

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2018

Note 16 - FAIR VALUE MEASUREMENTS (Cont.)

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

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2018					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
- Land	6	-	1,427	-	1,427
- Buildings	6	-	560	-	560
Total financial assets recognised at fair value		-	1,987	-	1,987

2017					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
- Land	6	-	1,427	-	1,427
- Buildings	6	-	560	-	560
Total financial assets recognised at fair value		-	1,987	-	1,987

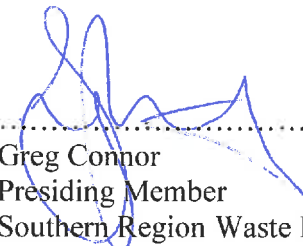
(b) **Disclosed fair value measurements**

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

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

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

I, Greg Connor the person occupying the position of Presiding Member of the Southern Region Waste Resource Authority's Audit Committee, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the Southern Region Waste Resource Authority, Galpins, has not been engaged by the Southern Region Waste Resource Authority to provide services to the Southern Region Waste Resource Authority outside of the scope of the audit functions under the Local Government Act 1999.


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

28 / 8 / 18
Dated

Galpins

Accountants, Auditors
& Business Consultants

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renaë Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CA, CPA
Daniel Moon CA



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SOUTHERN REGION WASTE RESOURCE AUTHORITY

GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2018

Statement by Auditor

I confirm that, for the audit of the financial statements of the Southern Region Waste Resource Authority for the year ended 30 June 2018, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

A handwritten signature in blue ink, appearing to read 'Simon Smith'.

Simon Smith FCPA, Registered Company Auditor

Partner

13/09/2018

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renaë Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CA, CPA
Daniel Moon CA



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

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

We have audited the compliance of the Southern Region Waste Resource Authority ("the Authority") with the requirements of *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2017 to 30 June 2018 have been conducted properly and in accordance with law.

The Authority's Responsibility for Internal controls

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

Auditor's responsibility

Our responsibility is to express an opinion on the Authority's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with the law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with Section 125 of the Local Government Act 1999 in relation only to the internal controls specified above for the period 1 July 2017 to 30 June 2018. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

Limitation of Use

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

Inherent Limitation.

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

Independence

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

Opinion

In our opinion, the Authority has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal controls established by the Authority relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the authority have been conducted properly and in accordance with law for the year ended 30 June 2018.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Simon Smith FCPA, Registered Company Auditor

Partner

13/09/2018

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
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INDEPENDENT AUDITOR'S REPORT

To the members of the Southern Region Waste Resource Authority

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of the Southern Region Waste Resource Authority ("the Authority"), which comprises the balance sheet as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Executive Officer and the Chairman.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

Basis for Opinion

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

Responsibility for the Financial Report

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



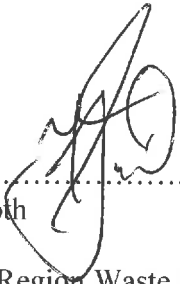
Simon Smith FCPA, Registered Company Auditor

Partner

13/09/2018

**Southern Region Waste Resource Authority
Board Chair – Auditor Independence**

I, Mark Booth, the person occupying the position of Chair of the Southern Region Waste Resource Authority's Board, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the Southern Region Waste Resource Authority, Galpins, has not been engaged by the Southern Region Waste Resource Authority to provide services to the Southern Region Waste Resource Authority outside of the scope of the audit functions under the Local Government Act 1999.



.....
Mark Booth
Chair
Southern Region Waste Resource Authority Board

28 / 8 / 2018
.....
Dated



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

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

Mark Dowd
Chief Executive Officer
City of Onkaparinga
23 August 2018



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Morphett Vale
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Facsimile (08) 8382 8744

17 August 2018



Henny Redden
Southern Region Waste Resource Authority
PO Box 2414
McLaren Vale SA 5171

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

Dear Henny,

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

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


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

15.8.18
.....
Dated

The City of Marion acknowledges it is part of Kaurna land and recognises the Kaurna people as the traditional and continuing custodians of the land.



holdfast.sa.gov.au

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Glenelg Customer Service Centre and Library

2 Colley Terrace, Glenelg SA 5045

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

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


Justin Lynch
Chief Executive Officer
City of Holdfast Bay

17.2.18
Dated

Attendance at Board Meetings

July 2017 – June 2018

BOARD MEETINGS	A	B
BOARD MEMBERS		
Chairman Mark Booth	7	7
Trish Aukett (resigned April 2018)	5	3
Roberto Bria (appointed May 2018)	2	2
Kirk Richardson	7	7
Vincent Mifsud	7	6
Alison Hancock (appointed October 2017)	5	5
Lynda Yates	7	6
Ian Crossland	7	5
DEPUTY BOARD MEMBERS		
Please Note: Deputy Board Members are only required to attend a Board Meeting when the Board Member is an apology.		
Nick Kerry		
John Smedley		2
Heidi Greaves		

A = Number of meetings held 1 July 2017 to 30 June 2018 at which time the Board Member or the Deputy Board Member was a member of the Board.

B = Number of meetings attended by the Board Member or Deputy Board Member from 1 July 2017 to 30 June 2018.

Attendance at Audit Committee Meetings

AUDIT COMMITTEE MEETINGS	A	B
Chairman Greg Connor	4	4
Vicki Brown	4	4
David Powell	4	3
Mark Booth	4	3
Lynda Yates (Deputy SRWRA Representative)	3	3

A = Number of meetings held 1 July 2017 to 30 June 2018 at which time the Audit Committee Member was a member of the Committee.

B = Number of meetings attended by the Audit Committee Board Member from 1 July 2017 to 30 June 2018

Performance Against Business Plan

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

Aims and objectives	
Operating Surplus is maintained	Achieved
Meet all legislative requirements (WHS, EPA, Zero Waste)	Achieved
Asset Management plans are in place	Achieved
Grow the revenue (to offset a reduction in the forecast SRWRA revenue)	Achieved
Capital works program is planned and funded i.e. cell construction (link to LTFP).	Achieved
Development of a Bio-Pad, Bailing field and Hard-Stand/Capped operational area	In Progress





SRWRA Constituent Councils



Item No: **14.5**

Subject: **BUDGET UPDATE – AS AT 30 SEPTEMBER 2018**

Date: 23 October 2018

Written By: Management Accountant

General Manager: Business Services, Mr R Bria

SUMMARY

This report covers the first update of Council's 2018/19 budget conducted as at 30 September 2018.

A comprehensive review of Municipal budgets has increased the forecast operating surplus by \$96,925 to \$137,296. Capital expenditure has increased by \$837,798, including additional projects already approved by Council, i.e. mainly due to the LED Lighting project.

Alwyndor show a reduction in their operating result of \$521,034 resulting in a forecast operating deficit of \$334,726 due to increased depreciation charges and lower than expected revenue. Forecast capital expenditure remains unchanged.

Attached are financial reports as at 30 September 2018. They comprise a Funds Statement and a Capital Expenditure Report for Council's municipal activities and Alwyndor Aged Care, and a month by month variance report for Council's municipal activities. Commercial activity financial reports are also provided.

RECOMMENDATION

- 1. That Council notes the first 2018/19 budget update for Council's municipal operations including:**
 - (a) an increase in the forecast operating surplus for 2018/19 of \$96,925 from \$40,371 to \$137,296;**
 - (b) an increase in forecast capital expenditure of \$837,798 from \$24.326 million to \$25.164 million;**
 - (c) a reduction in forecast capital revenue of \$86,410 from \$10.950 million to \$10.864 million ;**
 - (d) an increase in forecast net financial liabilities of \$827,284 at 30 June 2019 from \$20.937 million to \$21.765.**

2. That Council notes the first 2018/19 budget update for Alwyndor operations including:
- (a) a decrease in the forecast operating result for 2018/19 of \$521,034 from an operating surplus of \$186,308 to an operating deficit of \$334,726;
 - (b) forecast capital expenditure for 2018/19 \$889,190 (unchanged from the original budget);
 - (c) a decrease in the forecast funding surplus for 2018/19 of \$258,984 from \$331,007 to \$72,023.
-

COMMUNITY PLAN

Culture: Being financially accountable

COUNCIL POLICY

Not applicable.

STATUTORY PROVISIONS

Local Government (Financial Management) Regulations 2011, Regulation 9.

BACKGROUND

The Local Government (Financial Management) Regulations 2011 require three specific budget performance reports to be prepared and considered by Councils including:

1. Budget Update (at least twice per year);
2. Mid-year Budget Review (once per year); and
3. Report on Financial Results (after completion and audit of annual financial statement of previous financial year).

The three reports collectively are intended to provide a comprehensive reporting process that allows Council to track performance against the financial targets it established in its annual budget.

REPORT

The current forecast projections comprise the original budget adopted by Council at its meeting on 12 June 2018 and items carried forward from 2017/18 adopted by Council on 14 August 2018. Following a comprehensive review of these budgets a number of proposed variations have been identified.

Positive operational variances have been forecast with additional hoarding fee income expected as a result of major construction works currently underway in Glenelg and anticipated savings on electricity charges due to the upcoming installation of LED street lighting.

Discussions are currently being held with our waste provider over recycling costs, due to the “China Sword”. As the outcome of these discussions are not yet known no budget adjustment is recommended at this time. When discussions are completed a report, along with any financial implications, will be presented to Council.

The major capital variance is the bringing forward of the completion date for the LED street lighting conversion project from 2020/21 to this financial year as approved by Council on 24 July 2018 .

For Alwyndor operations there is an increase in the depreciation charge for buildings following a revaluation. The value of the buildings to be depreciated has increased significantly due to two significant factors; higher market values and that residual values are no longer accounted for in line with Australian Accounting Standards. Forecast revenue has also been reduced for a number of factors including lower Government subsidies and lower than expected growth in income generated from services provided to residents.

Further details of the amounts and notes along with funding statements for both Council Municipal and Alwyndor operations have been prepared and are attached to this report.

Refer Attachment 1

The statements comprise six columns:

- The 2018/19 original full year budget.
- The current year to date revised forecast.
- Actual to 30 September 2018.
- Year to date variance to 30 September 2018.
- The current approved full year revised forecast comprising the original budget and items carried forward from 2017/18.
- Proposed budget forecasts variances arising from this budget update.

Major year-to-date variances have been accounted for as part of this budget update. The remaining year-to-date variances are the result of budget timings.

Financial Indicators

Financial indicators have been prepared including an operating surplus ratio, net financial liabilities ratio and asset sustainability ratio.

The operating surplus ratio is determined by calculating the operating surplus/(deficit) before capital amounts as a percentage of total operating revenue.

The net financial liabilities ratio is determined by calculating total liabilities less financial assets as percentage of total operating revenue.

Another relevant measure of ability to service debt is the interest cover ratio. The interest cover ratio is measured by calculating net financial interest as a percentage of the total operating revenue. A ratio of 5 per cent indicates that for every \$100 of revenue \$5 is spent in net interest

payments. The current interest cover ratio indicates that Council is in a strong financial position to manage debt.

The asset sustainability ratio is determined by calculating capital expenditure on the renewal or replacement of existing assets, excluding new capital expenditure as a percentage of depreciation. This ratio measures the extent to which existing infrastructure and assets are being replaced.

The following tables provide updated forecasts for these and other major ratios for Council, Alwyndor and the consolidated result for both entities at 30 September 2018.

Municipal Funds	Target – from 2018/19 Annual Budget/LTFP	Original Budget Forecast	Revised Budget Forecast
Operating Result*	≥ 0	\$272,076	(\$137,296)
Operating Ratio**	≥ 0%	0.6%	(0.3%)
Net Financial Liabilities ratio***	≤ 75%	49%	46%
Interest Cover Ratio****	≤ 5%	1.5%	1.5%
Asset Sustainability Ratio *****	90% -110%	57%	71%

***Operating Result** is the result from total operating income less total operating expenses before asset disposals, amounts received for assets and changes in the valuations of assets.

****Operating Ratio** expresses the operating result as a percentage of total operating income.

*****Net Financial Liabilities Ratio** expresses total liabilities less total financial assets as a percentage of total operating income.

******Interest Cover Ratio** expresses finance costs including interest on borrowings less interest on investments as a percentage of total operating revenue excluding interest on investments.

*******Asset Sustainability Ratio** is defined as net capital expenditure on the renewal and replacement of existing assets expressed as a percentage of depreciation.

Ratio – Alwyndor Funds	Target – from 2018/19 Annual Budget/LTFP	Original Budget Forecast	Revised Budget Forecast
Operating Result	≥0	\$186,308 Surplus	\$334,726 Deficit
Net Financial Liabilities ratio	NA	73%	79%
Asset Sustainability Ratio	90% -110%	98%	76%

Ratio – Consolidated Funds *	Target – from 2018/19 Annual Budget/LTFP	Original Budget Forecast	Revised Budget Forecast
Operating Result	≥ 0	\$458,384 Surplus	(\$197,430) Deficit
Operating Ratio	≥ 0%	0.7%	(0.3)%
Net Financial Liabilities ratio	≤ 75%	56%	56%
Interest Cover Ratio	≤ 5%	0.6%	0.6%
Asset Sustainability Ratio	90% -110%	60%	71%

*Amounts and ratios include Alwyndor operations.

Additional financial indicators have been identified for Alwyndor operations which give a better measure of financial performance. These measures and indicators have been included in the table below as at 30 September 2018.

Additional Alwyndor Performance Indicators	Target	Actual to 30 September 2018	Notes
Bed occupancy rate – year-to-date average	98.5%	98.1%	
Cash Liquidity Level – ability to refund bonds/refundable accommodation deposits (RAD's)	Minimum of \$2m	\$2.7m @ call	
Accommodation Bond/RAD Level – to ensure it is increasing to provide financial reserves for future capital expenditure	\$32m	\$32.2m (0.6% increase)	
Cash to total revenue	6.27%	2.06%	1
Percentage of full pension funded beds – this determines eligibility for Federal Government refurbishment supplement funding	55 beds – 41%	56 beds – 42%	
Resident Financial Position – surplus/(deficit) position per resident	(\$8.45) deficit per resident per day	(\$26.02) deficit per resident per day	2

Notes

1. Due to operating deficit.
2. Deficit result is due to higher depreciation on buildings; Aged Care Funding Instrument (ACFI) income targets not being achieved; the delay in rolling out the budgeted care work hours and agency usage greater than budget.

BUDGET

The content and recommendation of this report indicates the effect on the budget.

LIFE CYCLE COSTS

The nature and content of this report is such that life cycle costs are not applicable.



City of Holdfast Bay Municipal Funds Statement as at September 2018

2018 - 2019 Original Budget \$'000	Year to Date				2018 - 2019 Adopted Forecast \$'000	Proposed Forecast Adjustment \$'000	2018-19 Proposed Forecast \$'000	Note
	Adopted Forecast \$'000	Actual \$'000	Variance \$'000					
(1,055)	(282)	(271)		(11) Administrative Services	(1,055)	17	(1,038)	1
1,637	314	314		- FAG/R2R Grants	1,637	-	1,637	
(1,087)	(375)	(373)		(2) Financial Services	(1,087)	24	(1,063)	2
(9,033)	(2,258)	(2,261)		2 Financial Services-Depreciation	(9,033)	-	(9,033)	
(247)	-	-		- Financial Services-Employee Leave Provisions	(247)	-	(247)	
(753)	64	71		(6) Financial Services-Interest on Borrowings	(753)	-	(753)	
230	-	-		- Financial Services-SRWRA	230	-	230	
34,292	35,094	35,099		(5) General Rates	34,292	(46)	34,246	3
(647)	(107)	(76)		(31) Human Resources	(647)	-	(647)	
(3,730)	(1,331)	(1,356)		26 Strategic and Commercial Services	(3,730)	-	(3,753)	
(708)	(175)	(125)		(50) Strategy and Policy	(708)	-	(708)	
(675)	(136)	(97)		(39) Business Development	(679)	-	(679)	
(968)	(203)	(232)		29 Community Development	(972)	-	(972)	
(347)	(71)	(85)		14 Community Engagement Admin	(347)	-	(347)	
(886)	(133)	(122)		(11) Community Events	(886)	-	(886)	
(289)	(67)	(83)		17 Community Services Administration	(289)	-	(289)	
(206)	(40)	(31)		(8) Community Transport	(187)	-	(187)	
(8)	11	24		(13) Community Wellbeing	(11)	-	(11)	
(545)	(136)	(129)		(6) Customer Service	(545)	-	(545)	
-	365	365		(1) Jetty Road Mainstreet	(77)	-	(77)	
(1,435)	(386)	(348)		(38) Library Services	(1,435)	-	(1,435)	
17	(45)	12		(57) SA HACC	(76)	-	(76)	
(325)	(79)	(54)		(25) Tourism & Marketing Admin	(325)	-	(325)	
(1,471)	(336)	(306)		(30) Asset Management	(1,471)	-	(1,471)	
(1,494)	(348)	(358)		9 Assets and City Services	(1,494)	(73)	(1,567)	4
36	60	22		38 Cemeteries	36	-	36	
590	79	81		(3) City Regulation	590	135	724	5
935	40	73		(33) Commercial - Brighton Caravan Park	935	-	935	
7	(42)	(17)		(25) Commercial - Partridge House	7	-	7	
392	115	99		16 Commercial - Recreational Clubs Leases	392	-	392	
(903)	(172)	(135)		(37) Development Services	(903)	-	(903)	
(574)	(39)	(63)		24 Environmental Services	(621)	-	(621)	
(407)	(82)	(66)		(16) Infrastructure Maintenance	(407)	-	(407)	
(64)	(2)	(2)		(1) Property Maintenance	(64)	-	(64)	
(7,305)	(1,698)	(1,657)		(41) Public Spaces	(7,305)	40	(7,265)	6
(3,515)	(581)	(572)		(9) Waste Management	(3,515)	-	(3,515)	
-	-	(4)		4 Net Gain/Loss on Disposal of Assets - non cash item	-	-	-	
816	-	-		- Less full cost attribution - % admin costs capitalised	816	-	816	
272	27,019	27,338	(318)	=Operating Surplus/(Deficit)	40	97	137	
-	-	4		(4) Net Gain/loss on disposal of assets	-	-	-	
9,033	2,258	2,261		(2) Depreciation	9,033	-	9,033	
17	-	-		- Other Non Cash Items	17	-	17	
9,050	2,258	2,264	(6)	Plus Non Cash Items in Operating Surplus/(Deficit)	9,050	-	9,050	
9,322	29,278	29,602	(324)	=Funds Generated from Operating Activities	9,091	97	9,188	
9,585	6,242	6,292		(50) Amounts Received for New/Upgraded Assets	9,634	(104)	9,530	7
1,202	-	28		(28) Proceeds from Disposal of Assets	1,316	17	1,333	8
10,787	6,242	6,319	(78)	Plus Funds Sourced from Capital Activities	10,950	(86)	10,864	
(5,499)	(758)	(561)		(196) Capital Expenditure on Renewal and Replacement	(6,062)	(63)	(6,126)	
(17,059)	(615)	(278)		(337) Capital Expenditure on New and Upgraded Assets	(18,263)	(774)	(19,038)	
(22,558)	(1,373)	(840)	(533)	Less Total Capital Expenditure	(24,326)	(838)	(25,164)	9
208	7	3		3 Plus:Repayments of loan principal by sporting groups	208	-	208	
208	7	3	3	Plus/(less) funds provided (used) by Investing Activities	208	-	208	
(2,240)	34,153	35,085	(932)	= FUNDING SURPLUS/(REQUIREMENT)	(4,077)	(827)	(4,904)	
-	2,978	2,978		Funded by	(300)	-		
-	31,128	32,060		- Increase/(Decrease) in Cash & Cash Equivalents	-	-		
(3,381)	-	-		(932) Non Cash Changes in Net Current Assets	(4,918)	(827)	(5,745)	
1,141	47	47		- Less: Proceeds from new borrowings	1,141	-	1,141	
(2,240)	34,153	35,085	(932)	=Funding Application/(Source)	(4,077)	(827)	(4,904)	

Note 1 – Administrative Services - \$17,000 favourable

Reduction in the 2018/19 Emergency Services Levy providing a saving of \$22,000 offset by donation to the benefit of South Australian Farmers \$5,000 (Council resolution C140818/1255).

Note 2 – Financial Services - \$24,000 favourable

Positive cash flow and investment of \$4.8m from Dept. of Planning, Transport and Infrastructure for the Minda Coast Park project has resulted in additional forecast interest on investments.

Note 3 – General Rates - \$46,000 unfavourable

Council rates rebates for the year higher than estimated.

Note 4 – Assets and City Services - \$73,000 unfavourable

Reallocation of the Traffic and Transport service, and associated budgets, from City Regulation to Assets and City Services – see note 5.

Note 5 – City Regulation - \$135,000 favourable

Additional hoarding fee income expected due to increased construction works \$90,000 and the reallocation of the Traffic and Transport service from City Regulation to Assets and City Services \$73,000 – see note 4. Offset by additional professional services required \$28,000.

Note 6 – Public Spaces - \$40,000 favourable

Estimated saving in electricity costs due to the early installation of LED street lighting (Council resolution C240718/1236).

Note 7 – Amounts Received for New/Upgraded Assets - \$104,000 unfavourable

Reduction in the budgeted amount of grant funding for the Minda Coast Park project. Full amount of \$4.8m has been received, but \$103,825 was applied last financial year, 2017/18, against earlier than anticipated expenditure.

Note 8 – Proceeds from Disposal of Assets - \$17,000 favourable

Trade-in values on the sale of Council vehicles higher than originally budgeted for.

Note 9 – Capital Expenditure - \$838,000 unfavourable

- \$800,000 – LED street lighting conversion project. Originally a staged project the timing has been brought forward from the 2019/20 and 2020/21 financial years (Council resolution C240718/1236)

- \$70,000 – project to assist in funding infrastructure improvements necessary to construct Seacliff Surf Lifesaving Club observation tower, decking and ramp (Council resolution C280818/1259)
- \$104,000 – reduction to Minda Coast Park project budget to account for expenditure already incurred in the 2017/18 financial year. This saving offsets an equivalent reduction in available grant funding – see note 7
- \$54,000 – additional expenditure required for Civic Centre heritage restoration
- \$17,000 – Flocon truck required for road maintenance (\$97,000). Funded from savings on the replacement of vehicles \$80,000 and the increased sale amount received for trade-in vehicles \$17,000 – see note 8



City of Holdfast Bay Capital Expenditure Summary by Budget Item to September 2018

2018-19 Original Budget \$'000	Year to Date				2018-19 Adopted Forecast \$'000	Proposed Forecast Adjustment \$'000	Revised Forecast \$'000
	Adopted Forecast \$'000	Actual \$'000	Variance \$'000				
(816)	-	-		- Full Cost Attribution	(816)	-	(816)
(280)	(50)	(50)		- Information Technology	(280)	-	(280)
(94)	-	-		- Commercial and Economic Enterprises	(94)	-	(94)
(86)	(24)	(35)		11 Brighton Library	(86)	-	(86)
(8)	-	-		- Community Centres General Admin	(8)	-	(8)
-	(90)	(6)	(84)	Sport and Recreation	(90)	-	(90)
(12)	-	(1)		1 Depot and Stores	(12)	-	(12)
(401)	-	(30)	30	Machinery Operating	(853)	63	(790)
(642)	(201)	(26)	(175)	Road Construction and Re-seal Program	(692)	-	(692)
(60)	(16)	(16)		- Car Park Construction	(76)	-	(76)
(246)	(69)	(13)	(57)	Footpath Program	(257)	-	(257)
(2,750)	-	(1)		1 Stormwater Drainage Program	(2,903)	-	(2,903)
(70)	(70)	(46)	(24)	Traffic Control Construction Program	(70)	-	(70)
(661)	(169)	(174)		5 Kerb and Water Table Construction Program	(686)	-	(686)
(110)	(80)	(81)		1 Other Transport - Bus Shelters etc.	(30)	(80)	(110)
(5,439)	(266)	(179)	(87)	Reserve Improvements Program	(5,728)	-	(5,728)
(1,711)	(153)	(150)	(2)	Land, Buildings and Infrastructure Program	(1,764)	(124)	(1,888)
(3,726)	(65)	(12)	(53)	Streetscape Program	(3,726)	(800)	(4,526)
(50)	-	-		- Street Lighting	(50)	-	(50)
(5,396)	(17)	(20)		3 Foreshore Improvements Program	(6,002)	104	(5,898)
-	(102)	-	(102)	Caravan Park - General	(102)	-	(102)
(22,558)	(1,373)	(840)	(533)	Total	(24,326)	(838)	(25,164)



Alwyndor Aged Care Funds Statement as at 30 September 2018

2018-19 Original Budget \$'000	Year to Date				2018-19 Adopted Forecast \$'000	Proposed Forecast Adjustment \$'000	2017-18 Revised Forecast \$'000	Note
	Adopted Forecast \$'000	Actual YTD \$'000	Variance \$'000					
3,723	935	901	34	User Charges	3,723	(141)	3,582	1
10,224	2,536	2,489	47	Operating Grants and Subsidies	10,224	(97)	10,127	2
424	107	98	9	Investment Income	424	(9)	415	
3,145	736	743	(7)	Reimbursements	3,145	(149)	2,996	3
1,934	453	493	(40)	Other Income	1,934	209	2,143	4
19,450	4,766	4,724	42	Operating Revenue	19,450	(187)	19,263	
(14,039)	(3,441)	(3,563)	122	Employee Costs - Salaries & Wages	(14,039)	(82)	(14,121)	5
(4,248)	(1,057)	(1,024)	(34)	Materials, contracts and other expenses	(4,248)	34	(4,214)	6
(70)	(18)	(41)	23	Finance Charges	(70)	(23)	(93)	7
(907)	(221)	(309)	88	Depreciation	(907)	(262)	(1,169)	8
(19,264)	(4,736)	(4,936)	199	Less Operating Expenditure	(19,264)	(334)	(19,598)	
186	30	(211)	241	=Operating Surplus/(Deficit)	186	(521)	(335)	
907	221	309	(88)	Depreciation	907	262	1,169	
127	29	(7)	36	Provisions	127	-	127	
1,034	250	302	(52)	Plus Non Cash Items in Operating Surplus/(Deficit)	1,034	262	1,296	
1,220	280	90	189	=Funds Generated from Operating Activities	1,220	(259)	961	
(889)	(222)	(28)	(194)	Capital Expenditure on New and Upgraded Assets	(889)	-	(889)	
(889)	(222)	(28)	(194)	Less Total Capital Expenditure	(889)	-	(889)	
331	58	62	(5)	= Funding SURPLUS/(REQUIREMENT)	331	(259)	72	
				Funded by				
331	58	62	(5)	Increase/(Decrease) in Cash & Cash Equivalents	331	(259)	72	
331	58	62	(5)	=Funding Application/(Source)	331	(259)	72	

Alwyndor Aged Care – Notes

- 1 User Charges – Budgeted growth in the provision of Healthy Living Services (ie Therapy Services) to Home Support customers has not yet been achieved. The revised forecast has been adjusted back to current service levels, marketing strategies have been developed to assist with the growth and this has been reflected in the forecasts as any growth has been pushed forward to February.
- 2 Operating Grants and Subsidies – Government subsidies for Residential Home Care are down due to a mix of lower than budgeted occupancy rates and Aged Care Funding Instrument (ACFI) not reaching budgeted targets. The occupancy rate has been addressed and is back up to budgeted levels. The revised forecast has been adjusted down to take into account a slower paced increase in ACFI income.
- 3 Reimbursements – To be read in conjunction with Other Income
- 4 Other Income – Reimbursement Income and Other Income is generated from Consumer Directed Care packages. Adjustments to the revised forecast is a result of starting the year with a greater number of home care packages than originally budgeted.
- 5 Employee Costs – Variance is due to the implementation of budgeted work hours being delayed to the middle of July as well as a higher usage of agency than originally budgeted. Agency usage has been reducing over the past three months and is expected to return to budgeted levels.
- 6 Materials, contracts and other expenses – Budgeted expenses not yet committed
- 7 Finance Charges - Delay with Grants of Probate for Accommodation Bond refunds, resulting in higher interest payments.
- 8 Depreciation – The increase is due to the external revaluation done on Alwyndor buildings resulting in an increase value of \$3.9 million and the residual value of \$6.4 million also being removed from the calculation base in line with Australian Accounting Standards. This has had an impact on the depreciation rate which was not accounted for in the budget.



City of Holdfast Bay Municipal Funds Statement as at September 2018

	July		August		September		YTD Revised Budget \$,000	Actual YTD \$,000
	Budget \$,000	Actual \$,000	Budget \$,000	Actual \$,000	Budget \$,000	Actual \$,000		
Administrative Services	(113)	(79)	(130)	(136)	(40)	(57)	(282)	(271)
FAG/R2R Grants	-	-	314	314	-	-	314	314
Financial Services	(51)	(50)	(250)	(263)	(73)	(59)	(375)	(373)
Financial Services-Depreciation	-	-	-	-	(2,258)	(2,261)	(2,258)	(2,261)
Financial Services-Interest on Borrowings	(1)	73	65	(6)	1	4	64	71
General Rates	35,306	35,391	(323)	(311)	111	19	35,094	35,099
Human Resources	5	-	(89)	(73)	(24)	(4)	(107)	(76)
Net Gain/Loss on Disposal of Assets - non cash item	-	-	-	-	-	(4)	-	(4)
Strategic and Commercial Services	(546)	(342)	(536)	(742)	(248)	(272)	(1,331)	(1,356)
Strategy and Policy	(34)	(43)	(77)	(31)	(64)	(51)	(175)	(125)
Business Development	(147)	69	49	(152)	(38)	(14)	(136)	(97)
Community Development	(44)	(48)	(83)	(100)	(76)	(84)	(203)	(232)
Community Engagement Admin	(15)	(30)	(31)	(37)	(25)	(18)	(71)	(85)
Community Events	(50)	(34)	(53)	(47)	(30)	(41)	(133)	(122)
Community Services Administration	(15)	(14)	(31)	(32)	(21)	(38)	(67)	(83)
Community Transport	(10)	(6)	(18)	(17)	(11)	(9)	(40)	(31)
Community Wellbeing	164	188	(80)	(93)	(73)	(71)	11	24
Customer Service	(31)	(31)	(62)	(55)	(43)	(43)	(136)	(129)
Jetty Road Mainstreet	228	609	114	(177)	23	(66)	365	365
Library Services	(95)	(72)	(172)	(165)	(119)	(111)	(386)	(348)
SA HACC	69	63	(20)	(32)	(94)	(19)	(45)	12
Tourism & Marketing Admin	(19)	(11)	(36)	(20)	(25)	(23)	(79)	(54)
Asset Management	(98)	(38)	(114)	(174)	(118)	(95)	(336)	(306)
Assets and City Services	(83)	(116)	(158)	(152)	(107)	(90)	(348)	(358)
Cemeteries	25	15	18	10	17	(3)	60	22
City Regulation	75	98	(49)	(48)	53	31	79	81
Commercial - Brighton Caravan Park	14	23	(2)	(13)	27	62	40	73
Commercial - Partridge House	(8)	7	(11)	(15)	(22)	(9)	(42)	(17)
Commercial - Recreational Clubs Leases	42	33	44	37	29	29	115	99
Development Services	(27)	(3)	(70)	(72)	(75)	(61)	(172)	(135)
Environmental Services	(39)	(38)	(45)	(20)	45	(5)	(39)	(63)
Infrastructure Maintenance	(19)	(12)	(23)	(20)	(40)	(34)	(82)	(66)
Property Maintenance	(1)	(1)	-	(1)	(1)	-	(2)	(2)
Public Spaces	(500)	(397)	(550)	(669)	(648)	(592)	(1,698)	(1,657)
Waste Management	(48)	(25)	(261)	(280)	(273)	(268)	(581)	(572)
=Operating Surplus/(Deficit)	33,935	35,181	(2,669)	(3,591)	(4,240)	(4,255)	27,019	27,338
Net Gain/loss on disposal of assets	-	-	-	-	-	4	-	4
Depreciation	-	-	-	-	2,258	2,261	2,258	2,261
Plus Non Cash Items in Operating Surplus/(Deficit)	-	-	-	-	2,258	2,264	2,258	2,264
=Funds Generated from Operating Activities	33,935	35,181	(2,669)	(3,591)	(1,982)	(1,991)	29,278	29,602
Amounts Received for New/Upgraded Assets	-	50	6,242	6,242	-	-	6,242	6,292
Proceeds from Disposal of Assets	-	-	-	-	-	28	-	28
Plus Funds Sourced from Capital Activities	-	50	6,242	6,242	-	28	6,242	6,319
Capital Expenditure on Renewal and Replacement	(181)	(70)	(264)	(278)	(312)	(213)	(758)	(561)
Capital Expenditure on New and Upgraded Assets	(30)	(215)	(179)	(11)	(406)	(52)	(615)	(278)
Less Total Capital Expenditure	(211)	(285)	(444)	(289)	(718)	(265)	(1,373)	(840)
Plus:Repayments of loan principal by sporting groups	-	-	3	1	4	2	7	3
Plus/(less) funds provided (used) by Investing Activities	-	-	3	1	4	2	7	3
= FUNDING SURPLUS/(REQUIREMENT)	33,724	34,946	3,132	2,363	(2,696)	(2,226)	34,153	35,085
Funded by								
Increase/(Decrease) in Cash & Cash Equivalents	(720)	(720)	1,488	1,488	2,210	2,210	2,978	2,978
Non Cash Changes in Net Current Assets	34,432	35,654	1,612	843	(4,909)	(4,439)	31,128	32,060
Plus: Principal repayments of borrowings	12	12	32	32	3	3	47	47
=Funding Application/(Source)	33,724	34,946	3,132	2,363	(2,696)	(2,226)	34,153	35,085

BRIGHTON CARAVAN PARK	Actual \$ 01/07/17 to 30/09/17	Actual \$ 01/07/18 to 30/09/18
Revenue From Cabins and Sites		
Oceanview Spa Villas	23,937	16,550
Waterview Villas	53,585	52,907
Seaside Cabins	30,128	32,358
Budget Cabin - No Ensuite	7,995	3,621
Special Access Hillside Cabin	6,461	2,673
Hillside Cabins	8,114	11,455
Powered Grass Sites	26,075	28,934
Unpowered Sites	3,783	1,809
Premium Powered Sites	12,064	16,159
Powered Slab Sites	53,457	47,467
Beachfront Powered Grass Sites	19,913	17,888
Sea Breeze Cabins	87,311	96,341
Miscellaneous Income	-	2,529
	332,823	330,691
Operational Costs		
Management costs	(204,711)	(160,655)
Repairs and Maintenance	(17,716)	(52,940)
Marketing/Website	(6,693)	(5,152)
Site Operational Costs	(7,194)	(9,938)
Office Operational Costs	(10,081)	(9,319)
Water	(2,288)	(119)
Electricity	(9,972)	(10,153)
Gas	(4,024)	(4,234)
Insurance	-	(5,211)
	(262,680)	(257,721)
Earnings Before Interest, Tax and Depreciation (EBITD)	70,143	72,970
Depreciation	(160,920)	(160,920)
Earnings Before Interest and Tax (EBIT)	(90,777)	(87,950)
EBIT Margin	(27.3%)	(26.6%)

OCCUPANCY RATES	Actual % 01/07/17 to 30/09/17	Actual % 01/07/18 to 30/09/18
Accommodation Type		
Cabins	51.96%	46.60%
Sites	39.12%	31.49%
Average Total	47.38%	41.20%

PARTRIDGE HOUSE	Actual \$	
	01/07/17 to 30/09/17	01/07/18 to 30/09/18
Revenue From Functions and Room Hire		
Wedding Ceremony Only	3,432	4,739
Wedding Ceremony with Reception	4,227	1,818
Wedding Reception Only	-	-
Catering Contract	182	64
Catering - Internal	2,909	2,909
Funeral Service	5,886	5,355
Private Function	2,648	6,200
Corporate Meeting	1,305	491
Community Benefit Group	9,641	9,623
Equipment Hire	1,948	2,069
	32,178	33,266
Operational Costs		
Employment Costs	(26,351)	(26,907)
Repairs and Maintenance	(8,638)	(10,352)
Marketing/Website	(7,489)	(943)
Property Operational Costs	(3,629)	(3,397)
Office Operational Costs	(1,481)	(2,241)
Electricity	(1,675)	(2,343)
	(49,262)	(46,183)
Earnings Before Interest, Tax and Depreciation (EBITD)	(17,084)	(12,916)
Depreciation	(37,089)	(37,089)
Earnings Before Interest and Tax (EBIT)	(54,173)	(50,005)
EBIT Margin	(168.4%)	(150.3%)

NUMBER OF EVENTS BY TYPE	Actual No.	
	01/07/17 to 30/09/17	01/07/18 to 30/09/18
Event Type		
Wedding *	3	6
Funeral	19	15
Community Function	121	111
Private Function	10	8
Conference/Meeting	5	8
Total Number of Events	158	148

* Wedding income received on a prepayment basis

PARTRIDGE STREET CAR PARK	Actual \$ 01/07/17 to 30/09/17	Actual \$ 01/07/18 to 30/09/18
Car Parking Revenue	14,223	27,093
Operating Costs	(16,613)	(16,838)
Operating Costs - Property	(6,564)	(6,470)
Earnings Before Interest, Tax and Depreciation (EBITD)	(8,954)	3,785
Depreciation	(118,815)	(118,815)
Earnings Before Interest and Tax (EBIT)	(127,769)	(115,030)
EBIT Margin	(898.3%)	(424.6%)

CAR PARK USAGE	Actual No. 01/07/17 to 30/09/17	Actual No. 01/07/18 to 30/09/18
Car Park		
Eastern Car Park - No. of Transactions	35,578	39,290
Western Car Park - No. of Transactions	28,772	29,884
Total No. of Transactions	64,350	69,174

Item No: **14.6**

Subject: **APPLICATION FOR LANDOWNER'S CONSENT – BRIGHTON BOWLING CLUB (KEELARA CENTRE) CENTENARY**

Date: 23 October 2018

Written By: Team Leader, Leasing & Commercial Operations

General Manager: City Assets & Services, Mr H Lacy

SUMMARY

March 2019 marks the Centenary for the Brighton Bowling Club incorporated (*"Club / Keelara Centre"*). In order to mark this occasion, the club has approached Administration seeking to undertake some minor works to the site, which include but are not restricted to: the replacement of existing storage sheds on the northern property boundary, and the repainting of the Memorial Arch located on the Keelara Street entrance.

The Club now seeks Landowner's Consent in order to proceed to Development Assessment.

RECOMMENDATION

That Council grants Landowner's Consent for the Brighton Bowling Club Incorporated to undertake the requested works to mark the Club's centenary subject to the Club applying for and gaining Development Approval.

COMMUNITY PLAN

Placemaking: Creating lively and safe places

COUNCIL POLICY

Not Applicable

STATUTORY PROVISIONS

Development Act 1993

BACKGROUND

No previous relevant reports have been submitted to Council regarding this matter.

REPORT

March 2019 marks the Centenary of the Brighton Bowling Club Incorporated. In order to celebrate this milestone, the club seeks landlord approval to undertake minor works to the site subject to successfully obtaining Development Assessment. The proposed works are:

Shed and Car Park Works

Two existing sheds are currently located on the northern property boundary.

Refer Attachment 1

The sheds are old and approaching the end of their natural life, and due to the current condition of the existing iron sheeting, the Club seeks to:

- Remove the two iron sheds;
- Erect a 6m x 9m shed on the same foot print;
- Remove a small section of the adjacent concrete plinth and earth; and
- Realign the adjacent parking area to gain three additional parking spaces.

Memorial Arch Repainting

To mark the centenary, the Club seeks to make some minor alterations to the Memorial Arch located at the Keelara Street entrance.

Refer Attachment 2

Noting that the Arch is Local Heritage listed, and that its conditions is declining, the Club seeks to:

- Repaint the arch with the same heritage white and blue piping as the Civic Centre; and
- Repaint the arch writing with yellow to emulate the Club's new logo.

Development Assessment

Council's Development Services Unit (DSU) has indicated that although Development Approval will be required for the aforementioned works, however the proposed works are considered to be only minor work, thus DSU foresees no issues with approval being granted.

BUDGET

Council will incur no additional costs as a result of the proposed works as all costs (including the DA application) are to be borne by the Club.

LIFE CYCLE COSTS

As Council is be responsible for the structural maintenance of its assets, the long-term costs of maintaining the new shed structure will be incorporated into the asset management plans.

24 Keelara St
Hove, South Australia
Google, Inc.
Street View - Mar 2013



Google

Image capture: Mar 2013 © 2018 Google Australia Terms Report a problem

24 Keelara St
Hove, South Australia
Google, Inc.
Street View - Mar 2013

