

NOTICE OF MEETING

Notice is hereby given that a meeting of the Audit Committee will be held in the

**Kingston Room, Civic Centre
24 Jetty Road, Brighton**

Wednesday 19 October 2022 at 6.00pm



**Roberto Bria
CHIEF EXECUTIVE OFFICER**

Audit Committee Agenda

1. OPENING

The Presiding Member, Councillor Smedley will declare the meeting open at 6.00 pm.

2. APOLOGIES

2.1 Apologies received – Councillor Bob Snewin

2.2 Absent

3. DECLARATION OF INTEREST

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

4. CONFIRMATION OF MINUTES

Motion

That the minutes of the Audit Committee held on 17 August 2022 be taken as read and confirmed.

5. ACTION ITEMS

5.1 Action Item List – 19 October 2022

6. PRESENTATIONS

6.1 Nil

7. REPORTS BY OFFICERS

7.1 Standing Items (Report No: 420/22)

7.2 Internal Audit Program Report (Report No: 421/22)

7.3 Risk Report (Report No: 422/22)

7.4 2021/22 General Purpose Financial Statements (Report No: 423/22)

7.5 2021/22 Annual Report (Report No: 424/22)

7.6 Terms of Reference – Review (Report No: 425/22)

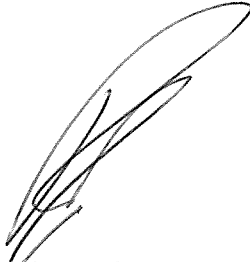
8. URGENT BUSINESS – Subject to the Leave of the Meeting

9. CONFIDENTIAL ITEMS – Nil

10. DATE AND TIME OF NEXT MEETING

The 2023 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.

11. CLOSURE

A handwritten signature in black ink, appearing to read 'Roberto Bria', is written over a large, light grey oval background.

**ROBERTO BRIA
CHIEF EXECUTIVE OFFICER**



AUDIT COMMITTEE - ACTION ITEMS
as at 19 October 2022

Meeting	Agenda Item	Action Required	Responsibility	Estimated Completion Date	Current Status
7 October 2020	7.2 Asset Management Plan (AMP) Review	Record risk within organisational risk process and report.	GM Strategy & Corporate	October 2022	Included in current risk reporting.
16 December 2020	9.1 CONFIDENTIAL – Internal Audit – Cyber Security Report	Progress from recommendations to be monitored at each meeting via the Standing Items Report.	GM Strategy & Corporate	October 2022	Included in current audit reporting.
16 December 2020	7.1 Standing Items	Develop framework for Governance relationship between Alywndor, Audit Committee and Council.	GMs Alywndor and Strategy & Corporate	June 2022	Delayed due to other priorities. Revised completion date February 2023.
17 August 2022	7.2 Internal Audit Program Report	Progress on outstanding actions to be reported at each meeting.	Manager Strategy & Governance		First report to be tabled 19 October 2022.

Item No: 7.1

Subject: **STANDING ITEMS – OCTOBER 2022**

Date: 19 October 2022

Written By: Acting Manager Financial Services

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

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

RECOMMENDATION

1. **That the Audit Committee advises Council it has received and considered a Standing Items Report addressing:**
 - **Monthly Financial Statements**
 - **Audit – External**
 - **Public Interest Disclosures**
 - **Economy and Efficiency Audits**
 - **Council Recommendations**
 - **Audit Committee Meeting Schedule**
-

STRATEGIC PLAN

Statutory Requirement

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Local Government Act 1999, Sections 41 and 126
Public Interest Disclosure Act 2018

BACKGROUND

The Audit Committee has previously resolved that a report be included in the agenda of each meeting of the Committee addressing the following standing items:

- Monthly financial statements
- Audit – External
- Public Interest Disclosures
- Economy and efficiency audits

Also included in this Standing Items report is an item to formally advise the Committee of the outcomes of its recommendations and advice to Council. This is aimed at 'closing the communication loop' between the Committee and Council.

REPORT

Monthly Financial Statements

Members of the Committee receive copies of the monthly financial reports as soon as practical after they are provided to Council. Copies of the 30 June 2022 preliminary financial reports received by Council on 23 August 2022 were emailed to members on 29 August 2022.

External Audit

Council's external auditor firm, Dean Newbery, has completed the 2021/22 financial statements audit of Council and Alwyndor activities. Their audit completion reports are contained within this agenda as part of the Annual Financial Statements report. Staff from Dean Newbery will be in attendance to speak to the respective audit completion reports.

Public Interest Disclosures

There have been no public interest disclosures made to Council since the previous standing items report on 17 August 2022.

Section 130A Economy and Efficiency Audits

Council has not initiated any review pursuant to Section 130A of the *Local Government Act* since the previous Standing Items Report on 17 August 2022.

Council Recommendations

At its meeting on 23 August 2022 Council received the minutes and endorsed the recommendations of the meeting of the Audit Committee held on 17 August 2022.

2022 Meeting Schedule

The Audit Committee's terms of reference require it to meet at least four times each year and at least once each quarter. During 2022 four meetings will have been held to align with the two important financial programs in which the Audit Committee plays important roles:

- development of the annual business plan and budget; and
- completion of the annual financial statements, external audit and annual report.

As the above reporting requirements have been addressed no further meetings are proposed for the remainder of 2022.

Meetings for 2023 are proposed for the following dates:

- Wednesday 15 March
- Wednesday 31 May
- Wednesday 16 August
- Wednesday 18 October

These dates are tentative and are to be confirmed by the new Council.

Item No: 7.2

Subject: **INTERNAL AUDIT PROGRAM REPORT**

Date: 19 October 2022

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

Of the four risk-based audits scheduled for the Internal Audit Program 2022-23, the first, Flood Mitigation has commenced and the second, Complaints Handling, is currently undergoing a final revision of the audit scope.

In addition, the 'Audit Recommendations Outstanding Actions Update' is attached, highlighting those actions that are not yet implemented, in progress and partially implemented, and completed.

RECOMMENDATION

That the Audit Committee notes this report.

STRATEGIC PLAN

Statutory compliance

COUNCIL POLICY

Risk Management Policy

STATUTORY PROVISIONS

Local Government Act 1999

BACKGROUND

Section 125 of the *Local Government Act 1999* requires Council to implement and maintain appropriate internal control policies and procedures. A risk-based Internal Audit Plan is produced annually to guide internal audit activities throughout the year.

The Internal Audit Plan for the 2022-23 financial year was drafted with Galpins and endorsed by the Audit Committee (Report No 343/22) in August 2022. A copy is provided as Attachment 1 for reference.

Refer Attachment 1

REPORT

Progress on the first two audits from the 2022-23 Internal Audit Plan is outlined below:

Flood Mitigation	Scope agreed, initial meeting undertaken, and audit now commenced.
Complaints Handling	Initial discussions underway, with audit scope still to be finalised.

Flood Mitigation Audit

The Flood Mitigation audit was scoped to assess the effectiveness of flooding mitigation strategies within the City of Holdfast Bay, including the effectiveness of preventative and corrective controls in place.

The audit also references the effectiveness of climate mitigation and adaption control initiatives in addressing whether flood mitigation controls:

- reduce exposure to flood damage;
- minimise the consequences of flood damage within the CHB; and
- consider the useful life and service capabilities of its assets.

Complaints Handling Audit

Preliminary discussions centred around the most beneficial timing and scope for this Complaints Handling audit, as it was planned as a 'post implementation review' to follow the rollout of the Customer Experience Strategy.

However, project timings have complicated this alignment, and therefore the final scope will now focus on Complaints Handling, with the audit outcome then informing the Customer Experience project, including reference to:

- industry best practice;
- streamlined processes;
- enhanced data capture;
- increased reporting functionality; and
- more accurate monitoring capability.

This audit scope will be finalised over coming weeks, with the audit scheduled to commence in February 2023.

Audit Recommendations – Outstanding Actions Update

Each of the actions resulting from the Internal Audit program are monitored and managed via a master spreadsheet. This captures all related information and tracks the progress through three stages: not yet implemented; in progress and partially implemented; and completed.

In order to provide a clear update, the data from this master spreadsheet is attached in three versions, split to show:

- all actions that have been completed *Refer Attachment 2a*
- all actions that are in progress and partially implemented *Refer Attachment 2b*
- all actions that are not yet implemented *Refer Attachment 2c*

All actions are reviewed regularly and revised due dates will be kept to a minimum going forward to ensure outcomes are achieved as efficiently and effectively as possible.

BUDGET

There are no budget implications associated with this report.

LIFE CYCLE COSTS

There are no life cycle costs associated with this report.

Attachment 1



Internal Audit Program Year 1: 2022 - 23

Attachment 1

#	Year Ref:	Timing	Audit Topic	Audit Project Detail	Audit Type	Status Update	Audit Type			Risk Coverage	Project Sponsor	Estimated cost (ex GST)
							System/ Process Audit	P.I.R*	Financial Controls Review			
1	Year 1	August/ September	<i>Floodwater/ Stormwater</i>	Coastal area/environmental impact/asset protection <i>Risk 1 – Poor or ineffective management of the impacts of climate change</i>	Strategic	- Scope drafted and agreed. - Timeframe: Sep/Nov. 2022 - Initial meeting undertaken. - Audit engagement commenced.	✓			1	GM Assets & Delivery	\$15,164
2	Year 1	January/ February	<i>Complaints Handling</i>	Link to Customer Experience Strategy once rolled out <i>Risk 14 - Poor or ineffective customer service delivery</i>	Blended	- Initial discussions underway. - Timeframe: Feb/Mar.2023 - Scope to be finalised.		✓		14	GM Community & Business	\$10,635
3	Year 1	March / April	<i>Fraud Detection</i>	Undertake fraud detection across CHB & Alwyndor <i>Risk 16 – Poor or ineffective budget development and management</i>	Standard	- Audit not yet commenced. - Successive audits can be reduced fee - Timeframe approx. Apr/May 2023.			✓	16	GM Strategy & Corporate	\$7,574
4	Year 1	October/ November	<i>Development Assessment</i>	Post implementation review. <i>Risk 7 - Poor or ineffective planning systems and processes</i>	Follow Up	- Audit not yet commenced. - Follow up on 2021/22 audit - Timeframe approx. June 2023.		✓		7	GM Strategy & Corporate	\$5,000

Item No: 7.3

Subject: **RISK REPORT**

Date: 19 October 2022

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

A review of the Strategic Risk Register and high operational risks was undertaken in line with ISO31000 (2018), to ensure an accurate reflection of the current risk management position across the business, scoping both business risks and opportunities.

The environmental scan, used to identify new and emerging areas relating to both risk and opportunity, has also been updated and is included in this Risk Report.

RECOMMENDATION

That the Audit Committee notes this report.

STRATEGIC PLAN

Statutory compliance

COUNCIL POLICY

Risk Management Policy

STATUTORY PROVISIONS

Not Applicable

BACKGROUND

As per the updated ISO31000 (2018) guidelines, both risks and related opportunities were captured and reviewed by the Senior Leadership Team whilst using *Our Holdfast 2050+* and supporting business plans for reference.

REPORT

Under the current Risk Management Procedure all strategic risks, and all extreme and high operational risks are required to be reported to the Audit Committee.

A review of risk data for the July to September 2022 quarter, resulted in no movement across the business from the previous quarter.

The Risk Profile Overview (Table 1) and Risk Profile Movement (Table 2) are listed below.

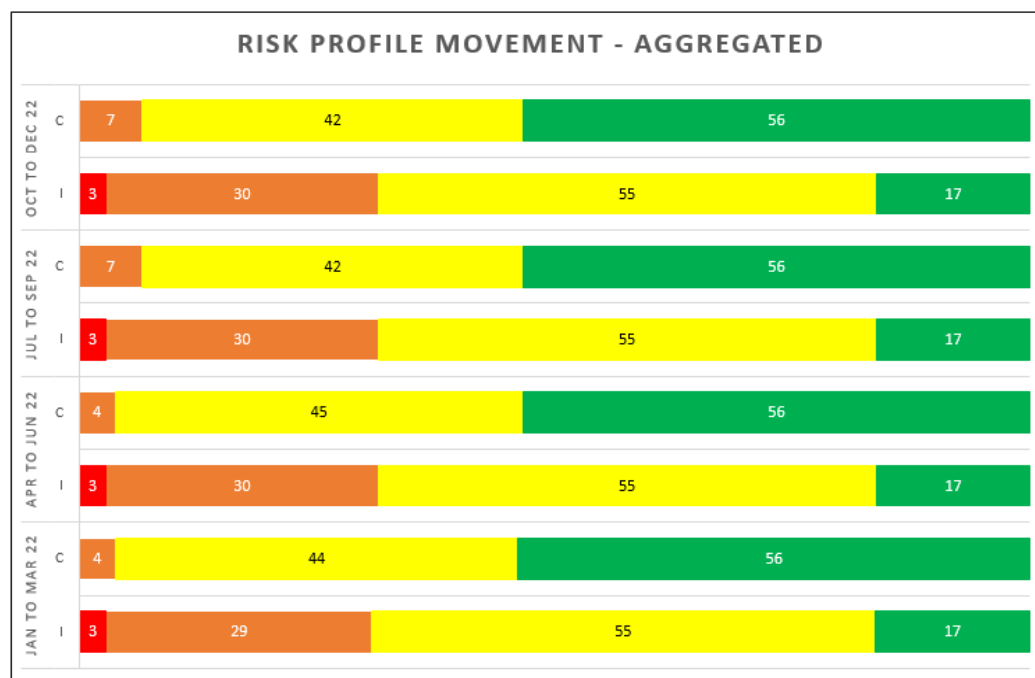
The full register detail for 'Strategic and High-Level Operational Risk' is presented for noting and is attached to this report.

Refer Attachment 1

Table 1: Risk Profile Overview - 12 Months to December 2022.

Period	Jan to Mar 22		Apr to Jun 22		Jul to Sep 22		Oct to Dec 22	
Risk	I	C	I	C	I	C	I	C
Extreme	3	0	3	0	3	0	3	0
High	29	4	30	4	30	7	30	7
Medium	55	44	55	45	55	42	55	42
Low	17	56	17	56	17	56	17	56
Total	104	104	105	105	105	105	105	105

Table 2: Risk Profile Movement - 12 Months to December 2022.



Strategic and 'Extreme/High' Rated Operational Risk Reviews

During September 2022, the Senior Leadership Team reviewed the Strategic and 'High' rated operational risk data for June to September 2022 quarter.

Whilst risk factors are noted to have changed over the last quarter, the updates were minimal and therefore the risk ratings remain as reported in the previous quarter. Updated details are summarised in Table 3 below.

Table 3 – Risks with Current Rating of HIGH – June to September 2022

	I	C	R
Strategic Risk SC01 (06) Inability to respond and recover effectively from disruptive events <i>→ COVID impacts lessened, however increased national cyber incidents and Councils being perceived as 'soft targets'</i>	E	H	M
Strategic Risk SC07 (13) Inability to effectively implement strategic projects <i>→ continued impact from scarcity factor/escalating prices - contractors and raw materials</i>	E	H	M
Strategic Risk SC09 (17) Ineffective management of legislative and regulatory obligations and ongoing changes <i>→ will review after Elections/raised uncertainties of new Elected Member body</i>	E	H	M
Strategic Risk AD01 (01) Poor or ineffective management of the impacts of climate change <i>→ addressed actively at local and metropolitan level - a long-term high risk issue</i>	E	H	M
Operational Risk: 81 Asset Management Plans with high-risk actions to be completed within 1 year <i>→ addressed by Asset Management audit May 2022 – actions within 1 year</i>	H	H	M
Operational Risk: 82 Asset Management Plans with high-risk actions to be completed within 2 years <i>→ addressed by Asset Management audit May 2022 – actions within 2 years</i>	H	H	M
Operational Risk: 83 Asset Management Plans with high-risk actions to be completed within 3 years <i>→ addressed by Asset Management audit May 2022 – actions within 3 years</i>	H	H	M

New/Emerging Risks

During September 2022, the Senior Leadership Team (SLT) also reviewed the new and/or emerging issues raised last quarter, in addition to extending the discussion to provide further updates from the current quarter.

Given the recent financial forecasts and potential far-reaching impacts on all areas of business and the community, the cost of living and related issues of hardship were highlighted with new

and emerging risks being linked to:

- Financial Hardship;
- Business Sustainability;
- Service Delivery Levels; and
- Impacts throughout the Community.

As per the ISO31000 (2018) guidelines, consideration is also to be given to new/emerging opportunities, noting that many entrepreneurial and innovative initiatives have resulted from challenging times and overcoming adversity.

All SLT members were keen to identify such areas within their service portfolios, and as a result, one-to-one meetings will now be scheduled in advance of each quarterly risk review to enable more focussed and dynamic discussion.

This new/emerging risk data will be updated to a new holding register on the RelianSys® Risk management portal where it will be monitored and retained as a reference source for ongoing discussion, review and inclusion in a relevant risk register as and when appropriate.

Risk Management Portal

The risk management review has now progressed to a migration of risk data into the RelianSys Risk module. Other RelianSys modules are used for delegations and policy management.

Once complete the migration will deliver:

- more readily accessible, real time risk data;
- clearer ownership with a dynamic business focus;
- informative dashboard, with tailored risk owners view and diarised prompts;
- exports of risk data for reporting and review purposes; and
- email flow of treatment/action updates and notification of overdue deadlines.

The migration of risk data will be finalised during October, with a training program to follow, initially referencing Senior Leadership Team and then cascading down to Leadership Team level including key risk staff members and then to all staff.

This will provide risk and action owners with a more timely, effective and relevant means of referencing key risk data to support both daily operations and key corporate decision making.

BUDGET

The costs of the new RelianSys module have been covered by the LGAMLS Risk Incentive Program for 2022/23 until 2024/25.

LIFE CYCLE COSTS

There are no life cycle costs associated with this report.

Attachment 1



City of Holdfast & Alwyndor Risk Register - Strategic & High Risk Level Operational Risks													SEPTEMBER 2022					
Reviewed Due	Risk ID	SLT Responsible	Strategic or Operational	Risk Category	Risk Description	Consequences	Causes	Inherent Risk			Controls Description	Current Risk			Additional controls Further treatments/actions	Residual Risk		
								Consequence	Likelihood	Risk Rating		Consequence	Likelihood	Risk Rating		Consequence	Likelihood	Risk Rating
30-Sep-22	CE01	Chief Executive Officer	Strategic	Effective Governance	Inability to implement appropriate controls to manage changes to Local Government reform	Legal/ Regulatory/ Policy, People, Financial/ Infrastructure, Reputation	1. Significant LG changes are ongoing 2. General rate/revenue pressures from State Govt. 3. Dissatisfaction with Boundary Reform process	Major	Possible	High	1.Membership of Local Government Association 2.Qualified /Specialised support staff for CEO office 3.LGRS suite of LG insurances (PSSI) 4.Localised partnerships across various levels with neighbouring councils 5.Relevant suite of policies and procedures	Major	Unlikely	Medium	1.Implement caretaker process during pre-election period 2. Schedule mandatory training for Elected Members post election 3. Review skills/provide training for newly appointed Elected Members.	Major	Unlikely	Medium
30-Sep-22	CB01	General Manager Community and Business	Strategic	Community Service	Poor or ineffective Community Service delivery	Service Delivery Financial/ Infrastructure Environmental/Cultural	1. Significant range of services and increasing demand 2. Decreasing State and Federal services/funding 3. COVID pandemic impacts	Major	Possible	High	1. Policy, procedure & processes 2. Qualified/specialist staff 3. Community Engagement strategies 4.Play Space action plan 5.Website events/activities calendar	Major	Unlikely	Medium	1.Measure engagement participants per year 2.Monitor no. of new/existing mixed use developments 3.Scope current/potential CHB building usage stats	Major	Unlikely	Medium
30-Sep-22	CB02	General Manager Community and Business	Strategic	Growth and Prosperity	Failure to appropriately engage the broader community and stakeholders	Service Delivery Environmental/Cultural Reputation	1.Lack of appropriate engagement /informing community 2.Disproportionate vocal minority 3.Inconsistent approach to stakeholder management	Moderate	Possible	Medium	1.Communications Strategy 2030 2.Qualified/specialised staff 3.Policy & procedures for Communications & Engagement 4.Website training programs 5.Regular 1:1 support for project managers	Moderate	Unlikely	Low	1.Implement actions from Stakeholder Management audit 2.Review project management communications/external engagement 3.Review engagement documentation - with Strategy & Governance	Moderate	Rare	Low
30-Sep-22	CB03	General Manager Community and Business	Strategic	Customer Service	Poor or ineffective customer service delivery	Service Delivery, Reputation, Environmental/Cultural	1.Lack of customer-centric design 2.Lack of customer focus, especially post COVID 3.Inadequate IT support systems/processes for efficient/effective customer service	Moderate	Likely	High	1.Experienced /qualified customer service staff 2.Cross Council service standards for customer experience 3.Benchmarking and service information from LG network groups 4.Customer experience strategy 5.Service level performance key measures	Moderate	Unlikely	Medium	1.Develop a Customer Service Charter/Service Statement. 2.Undertake Customer Experience surveys to reconnect post COVID 3.Review and implement findings as illustrated by survey results	Minor	Unlikely	Low
30-Sep-22	CB04	General Manager Community and Business	Strategic	Service Delivery	Inability to deliver a sustainable events calendar	Service Delivery, Environmental/Cultural, Financial/ Infrastructure, Reputation,	1. High volume of events - raised community expectation 2.Demand/Pressures of open space management 3.Increased no. of events impacts community safety	Major	Possible	High	1.Qualified/specialised staff 2.Established events program 3.Event management policy/procedure & process 4.Partnership with local groups - Jetty Road Mainstreet etc 5.Stakeholder communication process	Moderate	Possible	Medium	1.Undertake event organiser survey to gauge post COVID needs 2.Benchmark event organisers to identify key review areas post COVID 3.Review target markets - domestic/overseas/package/independents	Moderate	Possible	Medium
30-Sep-22	CB05	General Manager Community and Business	Strategic	Service Delivery	Poor or inadequate Economic Development and Tourism Management	Financial/ Infrastructure, Service Delivery, Environmental/Cultural, Reputation	1.Outdated Tourism Policy/Plan 2.Lack of Social Inclusion/Access and Inclusion Plan 3.Lack of effective traffic mgt. strategies /transport issues	Major	Possible	High	1.Membership of Regional Tourism Boards 2.Networking with tourism organisations 3.Qualified/experienced staff 4.Tourism Destination Action Plan 5.Regional Destination Action Plan	Major	Unlikely	Medium	1.Ensure LTFP is updated with economic dev.funding detail 2.Facilitate from tourism group activity levels for coming Summer 3.Draft tourism events calendar with COVID 'Plan B' capabilities	Major	Unlikely	Medium
30-Sep-22	AL01	General Manager Alwyndor	Strategic	Community Health and Wellbeing	Inability to sustainably provide aged care services to the community consistent with the requirements of the ACQS.	Legal/ Regulatory/ Policy Service Delivery Financial/ Infrastructure Reputation	1.Significant operation with \$20m turnover/250 staff 2.Operates with multiple other Allied Health services 3.Lack of defined/inadequate policies and procedures	Major	Possible	High	1.Onsite management and support from Alwyndor Mgt Board 2.Specialised/trained staff 3.Additional staffing available via contracted services 4.Policies, procedures and processes 5.Aged Care Service standards	Major	Unlikely	Medium	1.Support services staff review 2.Staff skills audit 3.Benchmark services against lead aged care industry providers	Major	Unlikely	Medium
30-Sep-22	SC01	General Manager Strategy and Governance	Strategic	Disruptive events	Inability to respond and recover effectively from disruptive events	Reputation Legal/ Regulatory/ Policy Service Delivery	1.Cyber Security/hacking 2.Disruptive events 3.Climate change/Environmental factors	Major	Almost Certain	Extreme	1.Crisis and Incident Management Plan 2.Business Continuity Plan 3.Incident Management training 4.Southern Region IM Partnership (CoMa/CoMi/CoCo)	Major	Possible	High	1.Consider feedback/input as part of consultation of new DPT1 system 2.Identify member to attend Resilient South Emergency Mgt meetings 3.Review website to ensure Community infopages are updated	Major	Unlikely	Medium
30-Sep-22	SC02	General Manager Strategy and Governance	Strategic	Growth and Prosperity	Poor or ineffective planning systems and processes	Legal/ Regulatory/ Policy Service Delivery Reputation	1. Planning reform impacts reducing Council's influence 2. Priorities/targets to increase tree coverage impacting on Council planning 3. Loss of knowledge	Major	Likely	Extreme	1.Planning legislation and guidelines 2.Qualified/Specialist staff 3.Effective Planning and Development application process 4.Regulated policies and procedures 5.Assessments sampled/reviewed by supervisor	Moderate	Possible	Medium	1. Implementation of 2021/22 audit recommendations 2. Internal Audit to review Planning reform implementation 3. Review training requirements of team members	Moderate	Unlikely	Medium
30-Sep-22	SC03	General Manager Strategy and Governance	Strategic	People & Culture (incl. WHS)	Staff, contractor or volunteer death or serious injury OR subject to physical, sexual, emotional or psychological abuse	People Reputation Legal/ Regulatory/ Policy	1.Physical, sexual, emotional or psychological abuse 2.Unqualified staff 3.Lack of appropriate training	Catastrophic	Possible	High	1.WHS Strategic Plan and Programs 2.Qualified/Specialised staff 3.Regular appraisal systems 4.Skills audits/Training Needs Analysis (TNA) 5.Published training program	Catastrophic	Rare	Medium	1.Support finalisation of 2021/22 EA renewal process 2.Update policy documentation as required 3.Rollout new Fair Treatment procedures at Depot	Catastrophic	Rare	Medium
30-Sep-22	SC04	General Manager Strategy and Governance	Strategic	Innovation and Business Support	Inadequate utilisation of information technology to support service delivery	Service Delivery, Environmental/Cultural, Project, Legal/ Regulatory/ Policy, People	1.Inadequate approach to data governance/security 2.Failure of significant/SMART city concepts/opportunities 3.Council's needs fail to align with vendor functionality	Major	Likely	Extreme	1.Information Management Governance Committee 2.Secure working practices in line with ISO 27001 Info Security Mgt Systems 3.Networking partnerships with neighbouring/metro Council areas 4. Qualified / Specialised staff 5.Vendor agreements/ preferred contractors for third party services	Moderate	Possible	Medium	1. Implement 2021/22 Cyber Security audit actions 2. Implement identified user security inc MFA at Council & Alwyndor 3. Review feasibility of resources/deliverables & advise IT Mgt Grp.	Moderate	Possible	Medium
30-Sep-22	SC05	General Manager Strategy and Governance	Strategic	Effective Governance	Lack of strategic alignment	Service Delivery, Financial/ Infrastructure, Reputation, Environmental/Cultural	1.Increased service demands/delivery; need to be agile 2.Related policies, procedures and processes 3.Hard to measure performance outcomes vs outputs	Major	Possible	High	1.Experienced/qualified staff overseeing strategy/governance process 2.Membership on LG related Strategic and Governance networks 3.Related policies, procedures and processes 4.Strategic Plan review working group 5.Benchmarking groups - access to key governance data	Moderate	Unlikely	Medium	1. Present strategic overview ('Our Holdfast 2050+ etc...') to new EMs 2. Draft and finalise CHB Corporate Plan 3. Review Business Plans to ensure alignment to Corporate Plan	Moderate	Unlikely	Medium
30-Sep-22	SC06	General Manager Strategy and Governance	Strategic	Workforce Planning	Poor or ineffective workforce planning, including recruitment and retention.	People Legal/ Regulatory/ Policy Reputation Financial/ Infrastructure	1.Inadequate workforce planning inc post COVID pressures 2.Lack of effective position management 3.Poor and ineffective recruitment decisions	Catastrophic	Possible	High	1.Organisational Development Policy 2.Recruitment and Selection Procedures 3.Background Screening & Reporting Procedures, 4. People & Culture Service Standards, 5. Quality Working Culture Policy.	Major	Rare	Medium	1.Support finalisation of 2021/22 EA renewal process 2.Update policy documentation as required 3. Undertake gap analysis across current skills audit data	Major	Rare	Medium
30-Sep-22	SC07	General Manager Strategy and Governance	Strategic	Project delivery	Inability to effectively implement strategic projects	Financial/ Infrastructure, Service Delivery, Reputation Environmental/Cultural	1.Increased volume and complexity of projects 2. Isguided stakeholder interest in major project outcomes 3.Decentralised approach to project management	Major	Possible	High	1.Project Management Board meetings and oversight 2.Project Management Framework and templates 3. Qualified /specialised staff managing project progress 4.Annual budget management process 5.Grant funding reporting and verification process	Major	Possible	High	1.Enhance project management reporting templates 2.Scope/design group training or online training module 3.Devise training module and/or online module to deliver required detail	Moderate	Unlikely	Medium
30-Sep-22	SC08	General Manager Strategy and Governance	Strategic	Effective Governance	Poor or ineffective budget development and management	Financial/ Infrastructure, Service Delivery, Legal/Regulatory/Policy, Reputation	1.Lack of zero based budgeting aligned with strategy 2.Insufficient budget for development of new assets 3. Difficult to understand full cost of individual services	Major	Possible	High	1. Qualified/experienced/ specialised staff 2. Financial regulations/ Accounting standards 3. Internal policies, procedures, processes 4. Regular external and internal system audits 5. Budget Setting, Management & Reporting	Major	Unlikely	Medium	1. Scope & implement zero based budgetting as required 2. Ensure capital accounting adequately allocated for new assets 3.Ensure inclusion of strategic option/variations in LTFP process	Major	Unlikely	Medium
30-Sep-22	SC09	General Manager Strategy and Governance	Strategic	Effective Governance	Poor or ineffective management of legislative and regulatory obligations and ongoing changes	Legal/ Regulatory/ Policy, Service Delivery, Financial/Infrastructure, Reputation	1.Poor comms. re. legislative/regulatory change 2.Poor comms. re. Aged Care legislative/regulatory change 3.Lack of compliance framework/understanding for risks	Major	Almost Certain	Extreme	1.Reference to LGA 1999 Act & regulations 2.LGA Governance networking group 3. Qualified / experienced staff 4.Compliance Register - Council 5.Governance policy, procedure and processes	Major	Possible	High	1. Review and update Compliance Register 2. Draft a Compliance Policy & Framework 3. Provide Compliance training for staff as relevant	Major	Rare	Medium
30-Sep-22	SC10	General Manager Strategy and Governance	Strategic	People & Culture (incl. WHS)	Inability of current staff profile to transform the organisation	People, Service Delivery, Legal/ Regulatory/ Policy, Reputation	1.Lack of innovative/dynamic organisational direction 2.Poor capability/capacity for organisational transformation 3.Lack of skills/training to support staff to build change/agile skills	Major	Possible	High	1.HR policy and procedures 2.Training Needs Analysis (TNA) & corporate training program 3.Organisational structures and skills audits 4.Vacancy Management 5.Succession Planning	Major	Unlikely	Medium	1.Align strategic plans to organisation structure to ensure capacity 2.Benchmark similar Councils re their strategic planning process 3. Ensure 'key worker' risk/succession planning is updated & mapped.	Major	Unlikely	Medium
30-Sep-22	SC11	General Manager Strategy and Governance	Strategic	People & Culture (incl. WHS)	Prevention of risk or harm to children, young and vulnerable people	People, Service Delivery, Reputation, Environmental/Cultural	1.Poor recruitment 2.Failure to adequately undertake staff checks/ screening. 3. Inadequate level of training	Catastrophic	Likely	Extreme	1.Background Screening & Reporting Procedures 2.Training Needs Analysis (TNA) details training per position. 3.Required training undertaken for existing related positions. 4.Appropriate screening checks undertaken as part of recruitment process.	Major	Rare	Medium	1.Undertake TNA reconciliation to skills source docs. 2.Identified staff to acknowledge 'Children & Vulnerable People' req'ts. 3.Ensure required screening checks are undertaken as relevant	Major	Rare	Medium
30-Sep-22	AD01	General Manager Assets and Delivery	Strategic	Environment	Poor or ineffective management of the impacts of climate change	Environmental/Cultural Reputation Financial/ Infrastructure	1. Lack of focus for environmental/climate change 2.Lack of budget capacity for environmental issues 3. Poor Community engagement on environmental issues	Catastrophic	Likely	Extreme	1.Resilient South Regional Climate Partnership 2.Environment Strategy & Implementation Plan 3.Waste Management Policy inc diversion to recycling & organics 4.Tree Management Policy and Street tree audit 5.Specialist trained staff/externally funded Urban Greening Officer	Catastrophic	Possible	High	1.Implement Resilient South Local Action Plan 2.Develop Regional Climate Action Plan 3.Develop a carbon neutral plan/strategy to achieve 2030 target	Major	Unlikely	Medium
30-Sep-22	AD02	General Manager Assets and Delivery	Strategic	Growth and Prosperity	Insufficient or ineffective Asset Management Planning	Service Delivery Environmental/Cultural Financial/ Infrastructure Reputation	1.Insufficient resources/skills/accurate data & cost information, 2. Inadequate level of correct data analysis 3.Lack of commitment by SLT and EMs to drive asset management	Major	Likely	High	1.Place making Strategies guiding future asset investment/design 2. Asset management policy, AMPs and related procedures 3. Capital accounting & Project management programs 4. Specialist/trained staff 5. Regular training to align with legislation	Major	Unlikely	Medium	1.Asset Management Audit actions 2.Recruit staff to team vacancies 3.Update asset related policies and procedures for 2022/23	Major	Unlikely	Medium
30-Sep-22	81	General Manager Assets and Delivery	Operational	Asset Management	Asset Management Plans with high and very high risk actions with actions to be completed in within 1 year	Service Delivery, Financial/Infrastructure, Reputation, Environmental/Cultural	1.Inadequate priority planning currently in place 2. Insufficient resources/skills/accurate data & cost information, 3. Inadequate level of correct data analysis	Major	Likely	High	1.Trained teams/specialist staff 2.Adequate vehicles, tools & skills in place 3.Training Needs Analysis (TNA) data base 4.Established maintenance schedule data 5. SOPs/SSAPs/User Reference Documentation	Major	Possible	High	1. Develop an Internal AMS to inform AMPs. 2. Review survey to inform community LOS as required to inform next AMP. 3. Introduce review timetable via annual updates to the AMP development.	Major	Unlikely	Medium
30-Sep-22	82	General Manager Assets and Delivery	Operational	Asset Management	Asset Management Plans with high and very high risk actions with actions to be completed in within 2 years	Service Delivery, Financial/Infrastructure, Reputation, Environmental/Cultural	1.Inadequate priority planning currently in place 2. Insufficient resources/skills/accurate data & cost information, 3. Inadequate level of correct data analysis	Major	Likely	High	1.Trained teams/specialist staff 2.Adequate vehicles, tools & skills in place 3.Training Needs Analysis (TNA) data base 4.Established maintenance schedule data 5. SOPs/SSAPs/User Reference Documentation	Major	Possible	High	4. Update asset category rates via revaluation sysle, next AMP update/reconcile replacement costs. 5. Revise the valuation dateline to 01/07 - to commence 2022/23 with Open Space. 6. Develop costed improvement plan with AMS.	Major	Unlikely	Medium
30-Sep-22	83	General Manager Assets and Delivery	Operational	Asset Management	Asset Management Plans with high and very high risk actions with actions to be completed in within 4 years	Service Delivery, Financial/Infrastructure, Reputation, Environmental/Cultural	1.Inadequate priority planning currently in place 2. Insufficient resources/skills/accurate data & cost information, 3. Inadequate level of correct data analysis	Major	Likely	High	1.Trained teams/specialist staff 2.Adequate vehicles, tools & skills in place 3.Training Needs Analysis (TNA) data base 4.Established maintenance schedule data 5. SOPs/SSAPs/User Reference Documentation	Major	Possible	High	7. Undertake assessment with AMS and schedule every 4 years. 8. Investigate the use of thematic GIS mapping to support decision making. 9. Long term goal, asset data maturity to be in place to inform the strategic modelling. Aim to undertake some predictive /scenario modelling to inform the next Transport AMP.	Major	Unlikely	Medium

Item No: 7.4

Subject: **2021-22 GENERAL PURPOSE FINANCIAL STATEMENTS**

Date: 19 October 2022

Written By: Acting Manager Financial Services
Finance Manager - Alwyndor

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

The financial statements for the year ended 30 June 2022 have been completed and audited by Council's audit firm, Dean Newbery, 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.

RECOMMENDATION

That the Audit Committee informs Council it has reviewed the General Purpose Financial Reports for the year ending 30 June 2022, 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.

STRATEGIC PLAN

Statutory requirement

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

BACKGROUND

Pursuant to sub-section 126(4) of the *Local Government Act 1999*, the Audit Committee is required to review Council's annual financial statements to ensure that they present fairly the state of affairs of Council.

The financial statements for the year ended 30 June 2022 have been completed and audited. They will be presented to an ordinary meeting of Council on 25 October 2022 for the Chief Executive Officer and the Mayor to be authorised to sign the certification of the financial statements.

Preliminary 2021/22 funding statements were received by Council on 23 August 2022 (Report 350/22) and have been previously distributed to members of the Audit Committee under separate cover. The preliminary statements excluded impairment of assets and the final Southern Region Waste Resource Authority result as these were yet to be finalised.

The attached 2021/22 financial statements have been prepared in accordance with The Model Financial Statements, Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011* and Council policies. The statements including notes have not previously been considered by the Audit Committee.

REPORT

Independence of Council's Auditor

Regulation 22 of the *Local Government (Financial Management) Regulations 2011* details the legislative requirements for the independence of council auditor.

Regulation 22(1) states that a Council must not engage its auditor to provide services to the Council outside the scope of the auditors function under the Act.

Council's audit firm, Dean Newbery, has not been engaged to provide any services to Council other than within the scope as auditor under the *Local Government Act 1999*. The audit of Council includes the audit of the Alwyndor Aged Care Facility.

Regulation 22(3) requires that the Council Chief Executive Officer and Presiding Member of the Audit Committee execute certificates confirming that the Auditor has complied with the independence requirements. The Chief Executive Officer will sign the certificate prior to the Audit Committee meeting on 19 October 2022 under Regulation 22(3) confirming the Auditor's independence. A copy will be tabled at the Audit Committee meeting on 19 October 2022 for completion by the Presiding Member.

Regulation 22(5) requires the Auditor to provide a statement to the following effect: *"I confirm that, for the audit of the financial statements of the City of Holdfast Bay for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, 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"*.

A Council audit completion report including this declaration is provided at Attachment 1.

Refer Attachment 1

Regulations 22(4) and 22(6) require that copies of the above certificates must accompany the financial statements.

Financial Statements for the Year Ended 30 June 2022

Section 124 of the *Local Government Act 1999* requires Council to keep such accounting records as correctly and adequately record and explain the revenues, expenses, assets and liabilities of the Council. The accounting records must be kept in a manner to enable the preparation and provision of statements that present fairly financial and other information.

Section 127 additionally requires councils to prepare for each financial year:

- Financial statements and notes in accordance with standards prescribed by the regulations; and
- Other statements or documentation relating to the financial affairs of the council required by regulation.

Regulation 13 of the *Local Government (Financial Management) Regulations 2011* further requires the financial statements of a Council (other than notes and other explanatory documentation) to be in accordance with the requirements set out in the Model Financial Statements published by the Local Government Association.

Consolidated financial statements are provided at Attachment 2 and have been audited by Council's Audit firm, Dean Newbery, who have indicated that an unqualified audit opinion will be provided and that there are no material issues arising from the audit.

Refer Attachment 2

Audited financial statements for Alwyndor activities are provided at Attachment 3. Council's Audit firm Dean Newbery presented a separate draft Alwyndor Audit Completion Report to the Alwyndor Management Committee on 29 September 2022 which was unqualified with no material issues. The final completion report is attached.

Refer Attachment 3a & b

As part of the audit, the Chief Executive Officer and Council's Manager Financial Services will both sign 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

The following comments are offered with respect to Council's 2021/22 consolidated financial statements:

Consolidation

The consolidated financial statements include Alwyndor Aged Care Facility ('Alwyndor') and Council's equity interest 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 a Committee of Council established under Section 41 of the *Local Government Act*, comprising Elected Members and independent members with relevant expertise.

SRWRA is an established regional subsidiary under Section 43 of the *Local Government Act*. Council has a 15% equity interest in SRWRA.

Operating Result

The consolidated (rounded) operating result before capital revenues is \$1,597,000 (surplus) comprising \$2,893,000 surplus from Council's municipal operations and (\$1,310,000) deficit from Alwyndor operations. Contained in Council's municipal operations result is a \$441,000 surplus from Council's equity interest in SRWRA.

The operating results vary from the preliminary result reported to Council on 23 August 2022 (Report 350/22) as indicated in the table below.

Preliminary Report Council 350/22 operating result before net gain/loss on asset disposals/revaluations – (rounded)	Financial Statements Operating Result (rounded)	Difference (to Council Report 350/22)
<i>Municipal Operations</i>		
\$2,895,000 Surplus	\$2,893,000 Surplus	\$2,000 decrease in surplus
<i>Alwyndor Operations</i>		
(\$1,513,000) Deficit	(\$1,310,000) Deficit	\$203,000 decrease in deficit
<i>Consolidated</i>		
\$1,382,000 Surplus	\$1,597,000 Surplus	\$215,000 increase in surplus

There are only minor differences from Council's previously reported operating result and these were mainly due to final year-end adjustments: late accruals for invoice payments, depreciation calculations and Council's equity share in SRWRA. Alwyndor's deficit decreased by \$203,000 following their final year-end adjustments, primarily due to recognising additional COVID grant income.

Loan receivables were reviewed and considered by the Audit Committee on 17 August 2022 (Report 345/22). On 23 August 2022 Council noted the minutes of the Audit Committee (Resolution C230822/7240). The loan impairment provision has been maintained in accordance with the recommendations.

Additional comments comparing the results for 2021/22 to the previous year and referenced to the notes in the financial statements are provided at Attachment 5.

Refer Attachment 5

Ratio Analysis

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

The ratios have been compared to the 2021/22 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	Target – from Long Term Financial Plan	Original Budget	Revised Budget Forecast	Actual Results
Operating Result*	≥ 0	(\$185,730) Deficit	\$118,418 Surplus	\$1,597,000 Surplus
Operating Ratio**	$\geq 0\%$	(0.3%)	0.2%	2.1%
Net Financial Liabilities Ratio***	$\leq 75\%$	71%	68%	51%
Asset Sustainability Ratio****	90% -110%	88%	118%	95%

***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.

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

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	\$107,462 Surplus	\$1,244,531 Surplus	\$2,893,000 Surplus
Operating Ratio	$\geq 0\%$	0.2%	2.0%	5.7%
Net Financial Liabilities Ratio	$\leq 75\%$	75%	70%	43%
Interest Cover Ratio *	$\leq 5\%$	1.7%	1.4%	1.2%
Asset Sustainability Ratio	90% -110%	100%	124%	92%

***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.

Explanation of variances between budget and result – Municipal Funds

The contributing factors for the *operating result* budget forecast surplus increase from the original forecast have been reported to Council throughout the financial year. The most recent report on 23 August 2022 (Report 350/22) fully detailed the budget forecast variations for 2021/22. The report included comprehensive details of the business unit variances in the operating actual surplus result compared to the revised budget forecast. The report was provided to Audit Committee members under separate cover.

The following table summarises the major contributing variances between the revised budget forecast and final result:

Major Municipal Operational Budget Variances	Amount (rounded)
Lower materials, contract and other expenditure	\$842,000
Lower interest on borrowings expense	\$54,000
Higher reimbursements income	\$189,000
Higher depreciation expense	(\$120,000)
Higher caravan park income	\$63,000
Higher development services income	\$65,000
Higher cemetery fee income	\$75,000
Higher off-street parking ticket machine income	\$119,000
Higher on-street parking expiation fees	\$270,000
Operational result from Jetty Road Mainstreet	\$93,000
Total variance to forecast (favourable)	\$1.65m

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

- The 2021/22 original ratio assumed completion of the 2020/21 capital works program. However not all 2020/21 capital projects were completed and the net capital expenditure budget was increased by \$8.8m (net) during 2021/22.
- The 2021/22 capital expenditure program was not finalised by 30 June 2022 and \$10.15m (net) has been approved by Council (Report 350/22) to be carried forward into 2022/23 to be funded by new borrowings.
- The above factors combined with significant capital grant funds received in advance totaling \$3m contributed to a strong positive cash flow throughout 2021/22. This resulted in no requirement for new borrowings.

Ratios – Alwyndor Funds

Ratio – Alwyndor Funds	Target – from Long Term Financial Plan	Original Budget	Revised Budget Forecast	Actual Results Rounded
Operating Result	≥ 0	(\$293,192) Deficit	(\$1,126,113) Deficit	(\$1,310,000) Deficit

Additional Alwyndor Performance Indicators	Target	Actual to 30 June 2022
Cash to total revenue	4.4%	0.5%
Cash Liquidity Level – ability to refund bonds/refundable accommodation deposits (RAD's)	Minimum of \$2m	\$4.0m
Bed occupancy rate – year-to-date average	98.0%	96.9%
Average direct care funding per resident per day (Aged Care Funding Instrument)	\$180.00	\$187.70
No. of Home Support Packages	291	379
Home Support funding utilisation – the portion of revenue generated from Home Support Package funds.	78.0%	80.4%
Therapy and Wellness service hours	28,289	14,960

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

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

Major Alwyndor Operational Variances	Amount
Less spend on AlayaCare (\$331k Actual, \$400k Forecast)	\$68,000
Additional COVID income balance to be claimed in 2022/23	\$159,000
Home Care income reduction (GST impact)	(\$104,000)
Home Care income due to higher growth	\$97,000
Care costs – Residential (COVID costs)	(\$189,000)
Care costs – Residential (Provider Assist) – ACFI management	(\$30,000)
Care costs – HomeCare (offset partly by higher income)	(\$161,000)
Net other	(\$24,000)
Total variance to forecast	(\$184,000)

The actual operating result of \$1,310,000 deficit includes \$331,000 of one-off Alwyndor Project implementation costs. Excluding this amount, the operating result would be a \$979,000 deficit which is comparable to the 2021/22 operating deficit of \$759,000.

Southern Region Waste Resource Authority (SRWRA)

SRWRA is an established regional subsidiary under Section 43 of the *Local Government Act* to provide and operate services for the management of waste facilities under its control on behalf of its constituent councils. The councils include City of Holdfast Bay, City of Onkaparinga and City of Marion. Each council has equal voting rights, however the percentage of interest and ownership differs being City of Holdfast Bay 15%, City of Onkaparinga 55% and City of Marion 30%. The SRWRA overall financial result for 2021/22 was \$2,941,000 net surplus. The 2021/22 SRWRA financial statements are attached.

Refer Attachment 6

BUDGET

This report has no direct budget implications.

LIFE CYCLE COSTS

This report has no direct implication for life cycle costs.

Attachment 1





Audit Completion Report

City of Holdfast Bay

Financial Year Ended 30 June 2022

DeanNewbery

Executive Summary

13 October 2022

Cr John Smedley
Presiding Member – Audit Committee
City of Holdfast Bay
PO Box 19
Brighton SA 5048

Dear Cr Smedley

This report has been prepared for the Audit Committee of the City of Holdfast Bay (**Council**) in relation to the 30 June 2022 external audit.

The purpose of this report is to provide members of the Audit Committee and those charged with governance a summary of the significant matters that have arisen from our audit which we believe covers material matters dealt within our work completed.

We are pleased to advise that subject to finalisation of the outstanding matters outlined within this report, our audit opinions for financial year ended 30 June 2022 are expected to be issued as unmodified audit reports.

I would like to take this opportunity to thank the Administration for the assistance provided throughout the year.

Your sincerely
DEAN NEWBERY

A handwritten signature in black ink, appearing to read 'Samantha', with a stylized flourish at the end.

Samantha Creten
Partner

Executive Summary

Scope

The audit procedures have been designed and carried out by the audit team in accordance with Australian Auditing Standards and per the audit scope prescribed under the *Local Government Act 1999* and applicable Regulations for the financial year ended 30 June 2022.

Independence

In accordance with our professional ethical requirements, we confirm that, for the financial year ended 30 June 2022, all members of our audit team have maintained their independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Part 4A, published by the Accounting Professional and Ethical Standards Board and in accordance with *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Audit Status

All requested audit adjustments have been processed and disclosures have been made within the financial report based on audit testing completed.

All requested information has been provided by the Administration during the course of the audit.

Subject to the finalisation of the matters outlined in this report, our audit opinion for the financial year ended 30 June 2022 will be signed without reference to any qualification.

Outstanding Matters

All requested audit adjustments have been processed and disclosures within the financial report appropriately modified based on audit testing completed.

Subject to the following work being satisfactorily completed, we expect unmodified audit opinions to be issued for the financial year:

- Undertake a review of subsequent events since 30 June 2022
- Complete a review of the draft Financial Statements and obtain certified financial statements as required
- Receipt of the signed Management Representation Letter

Fraud & Litigation

As part of our audit we have discussed with the Administration:

- The safeguards in place in relation to the prevention and detection of fraud
- The existence of any fraud
- The existence of any litigation and claims

We have not become aware of any matter which should be brought to the Council or Audit Committee's attention

Summary of Misstatements

- There remain no misstatements that have not been adjusted by the Administration that have been identified during the course of our audit or that in our assessment, require to be reported to Council's Audit Committee.
- Any misstatements, either individually or in aggregate, that are considered to be immaterial, have not been reported and regarded as being minor in the context of the financial report as a whole.
- All requested audit adjustments have been processed and disclosures within the financial report have been appropriately modified based on audit testing completed.

Key Audit Matters Considered

As a result of the work we have recently completed, we have provided further detail below of the key audit matters and the outcomes from our testing completed.

Key Audit Matter Description	Audit Work Undertaken	Outcomes of Testing Completed
Infrastructure, Property, Plant & Equipment	<ul style="list-style-type: none">Reviewed Note 7 Infrastructure, Property, Plant & Equipment movements recorded against the General Ledger and relevant asset registers.	<ul style="list-style-type: none">Our audit procedures have not identified any material misstatements
Infrastructure, Property, Plant & Equipment – Revaluations	<ul style="list-style-type: none">A review of the methodology & movement in the asset values was conducted for Land, Buildings & Other Structures and Stormwater Drainage.	<ul style="list-style-type: none">Our audit procedures have not identified any material misstatements.
Work in Progress (WIP)	<ul style="list-style-type: none">Reviewed WIP reconciliation to identify any long-term projects recorded to ensure correct ongoing classification of costs as WIP.Tested transactions allocated to WIP to ensure appropriate allocation of expenses incurred in line with AASB 116.	<ul style="list-style-type: none">No material misstatements were identified.
Grants Revenue Received	<ul style="list-style-type: none">Reviewed Grant Agreements and Identified Performance Obligation to determine if Deferred Revenue Liability was required.Reviewed Accounting Treatment of funding received (e.g. Capital vs Operating) to ensure appropriate representation in the General Ledger.	<ul style="list-style-type: none">No material misstatements were identified.
Impairment of Community Loans	<ul style="list-style-type: none">Reviewed outstanding balances owed to Council.Discussions held with Management.	<ul style="list-style-type: none">No change made to provision for impairment of community loans in FY2022. Further review to be conducted in future years and adjustments made if/as required.

Matters to be Addressed in Future Financial Years

As a result of audit work completed, the following audit matters have been identified during the course of our audit which we have summarised below.

Audit Matter	Audit Recommendation
Asset Management Plans	<p>Given the valuation of Land, Buildings & Other Structures and Stormwater Drainage assets have now been completed, we recommend that Council updates its Asset Management Plans to incorporate updated replacement cost unit rates to reflect the most recent and up-to-date data held by Council.</p> <p>Once the Plan has been updated, recommend that Council's Long Term Financial Plan be updated accordingly with revised forecasted depreciation and capital works costs.</p>
Open Space & Costal – Asset Revaluation	<p>As disclosed in Note 7 of the financial statements Council will be undertaking a revaluation of this asset class in FY23. We recommend that the valuation be undertaken with an effective date of 1 July 2022 to ensure that recorded asset valuation and calculated depreciation expense for the financial year is based on the most reliable and up to date data.</p> <p>Council's Asset Management Plans and Long Term Financial Plan should be updated to include the latest data received as a result of the valuation and condition assessment undertaken.</p>

Draft Audit Report

INDEPENDENT AUDITOR'S REPORT

To the members of City of Holdfast Bay Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of the City of Holdfast Bay (the Council), which comprises the statement of financial position as at 30 June 2022, statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Certification of the Financial Statements.

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

Basis for Opinion

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

Council's Responsibility for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

Draft Audit Report

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

- Conclude on the appropriateness of the 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 Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

DEAN NEWBERY

Samantha Creten

Partner

Signed on the day of 2022,
at 214 Melbourne Street, North Adelaide

Draft Assurance Report on Internal Controls

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE CITY OF HOLDFAST BAY

Opinion

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

Basis for Opinion

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

We conducted our engagement in accordance with Standard on Assurance Engagements *ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and *ASAE 3150 Assurance Engagements on Controls* issued by the Auditing and Assurance Standards Board.

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

The Council's Responsibility for the Internal Controls

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

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applying Auditing Standard *ASQC 1 Quality Control for Firms that Perform Audits and Review of Financial Reports and Other Financial Information*, and Other Assurance Engagements in undertaking the assurance engagement.

Assurance Practitioner's Responsibilities

Our responsibility is to express an opinion on the Council's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures have been conducted properly and in accordance with law.

ASAE 3150 requires that we plan and performed our procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the control objectives and the controls operating effectively through the period. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

An assurance engagement to report on the designed and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of the controls to achieve the control objectives and the operating effectiveness of the controls throughout the period. The procedures selected depend on our judgement, including the assessment of the risks that the controls are not suitably designed or the controls did not operate effectively. Our procedures included testing the operating effectiveness to the controls that we consider necessary to achieve the control objectives identified. An Assurance engagement of this type also includes evaluating the suitability of the control objectives.

Draft Assurance Report on Internal Controls

Limitation on Use

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

Limitations of Controls

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

An assurance engagement on operating effectiveness of 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

DEAN NEWBERY

Samantha Creten

Partner

Signed on the day of 2022,
at 214 Melbourne Street, North Adelaide

Disclaimer:

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Dean Newbery

ABN 30 164 612 890

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DeanNewbery

Attachment 2



City of Holdfast Bay

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022



General Purpose Financial Statements

for the year ended 30 June 2022

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General Purpose Financial Statements

for the year ended 30 June 2022

Certification of Financial Statements

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

In our opinion:

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

R. Bria
Chief Executive Officer

/ /

A. Wilson
Mayor

/ /

Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Income			
Rates	2a	39,060	37,977
Statutory Charges	2b	2,801	2,263
User Charges	2c	8,882	7,754
Grants, Subsidies and Contributions	2g	14,743	15,515
Investment Income	2d	363	191
Reimbursements	2e	4,046	3,575
Other income	2f	5,387	4,398
Net Gain - Equity Accounted Council Businesses	19(a)	441	66
Total Income		75,723	71,739
Expenses			
Employee costs	3a	35,007	32,712
Materials, Contracts and Other Expenses	3b	26,258	25,240
Depreciation, Amortisation and Impairment	3c	11,104	10,684
Finance Costs	3d	1,758	1,814
Total Expenses		74,127	70,450
Operating Surplus / (Deficit)		1,596	1,289
Asset Disposal & Fair Value Adjustments	4	(2,340)	(1,379)
Amounts Received Specifically for New or Upgraded Assets	2g	1,544	5,631
Net Surplus / (Deficit)		800	5,541
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	157,837	5,567
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	173	21
Total Other Comprehensive Income		158,010	5,588
Total Comprehensive Income		158,810	11,129

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	5,079	19,200
Trade & Other Receivables	5b	6,276	4,000
<u>Subtotal</u>		<u>11,355</u>	<u>23,200</u>
Total current assets		<u>11,355</u>	<u>23,200</u>
Non-current assets			
Financial Assets	6a	12,403	1,133
Equity Accounted Investments in Council Businesses	6b	3,928	3,314
Other Non-Current Assets	6c	2,339	4,497
Infrastructure, Property, Plant & Equipment	7a(i)	894,636	732,135
Total non-current assets		<u>913,306</u>	<u>741,079</u>
TOTAL ASSETS		<u>924,661</u>	<u>764,279</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	42,372	39,818
Borrowings	8b	1,073	1,473
Provisions	8c	5,197	4,706
<u>Subtotal</u>		<u>48,642</u>	<u>45,997</u>
Total Current Liabilities		<u>48,642</u>	<u>45,997</u>
Non-Current Liabilities			
Borrowings	8b	13,365	14,439
Provisions	8c	491	490
Total Non-Current Liabilities		<u>13,856</u>	<u>14,929</u>
TOTAL LIABILITIES		<u>62,498</u>	<u>60,926</u>
<u>Net Assets</u>		<u>862,163</u>	<u>703,353</u>
EQUITY			
Accumulated surplus		185,662	185,045
Asset revaluation reserves	9a	670,086	511,893
Other reserves	9b	6,415	6,415
Total Council Equity		<u>862,163</u>	<u>703,353</u>
<u>Total Equity</u>		<u>862,163</u>	<u>703,353</u>

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

Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2022					
Balance at the end of previous reporting period		185,045	511,893	6,415	703,353
Net Surplus / (Deficit) for Year		800	—	—	800
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	157,837	—	157,837
Equity Accounted Council Business - asset revaluation adjustment		(183)	356	—	173
Other comprehensive income		(183)	158,193	—	158,010
Total comprehensive income		617	158,193	—	158,810
Balance at the end of period		185,662	670,086	6,415	862,163
2021					
Balance at the end of previous reporting period		179,483	506,326	6,415	692,224
Net Surplus / (Deficit) for Year		5,541	—	—	5,541
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	5,567	—	5,567
Equity Accounted Council Business - asset revaluation adjustment		21	—	—	21
Other comprehensive income		21	5,567	—	5,588
Total comprehensive income		5,562	5,567	—	11,129
Balance at the end of period		185,045	511,893	6,415	703,353

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Cash flows from operating activities			
<u>Receipts</u>			
Rates		38,989	38,696
Statutory Charges		2,821	2,263
Investment Receipts		364	191
Reimbursements		4,062	3,589
Other Receipts		7,442	2,907
User Charges		9,169	7,767
Grants, Subsidies and Contributions (operating purpose)		16,389	13,030
<u>Payments</u>			
Payments for Materials, Contracts & Other Expenses		(30,205)	(25,463)
Finance Payments		(723)	(657)
Payments to Employees		(34,478)	(32,673)
Net cash provided by (or used in) Operating Activities	11b	<u>13,830</u>	<u>9,650</u>
Cash flows from investing activities			
<u>Receipts</u>			
Sale of Surplus Assets		34	12
Repayments of Loans by Community Groups		239	32
Amounts Received Specifically for New/Upgraded Assets		1,544	5,632
Sale of Replaced Assets		43	261
<u>Payments</u>			
Net Purchase of Investment Securities		(12,407)	—
Expenditure on Renewal/Replacement of Assets		(9,504)	(8,758)
Expenditure on New/Upgraded Assets		(5,655)	(9,715)
Net cash provided (or used in) investing activities		<u>(25,706)</u>	<u>(12,536)</u>
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Aged Care Facility Deposits		7,573	6,146
Proceeds from Borrowings		—	5,000
Proceeds from Bonds & Deposits		7	—
<u>Payments</u>			
Repayment of Aged Care Facility Deposits		(8,351)	(7,717)
Repayments of Borrowings		(1,117)	(3,055)
Net Cash provided by (or used in) Financing Activities		<u>(1,888)</u>	<u>374</u>
Net Increase (Decrease) in Cash Held		<u>(13,764)</u>	<u>(2,512)</u>
plus: Cash & Cash Equivalents at beginning of period		18,843	21,355
Cash and cash equivalents held at end of period	11a	<u>5,079</u>	<u>18,843</u>

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

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

Contents of the Notes accompanying the General Purpose Financial Statements

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

Note 1. Summary of Significant Accounting Policies

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

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

(1) Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

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

1.2 Critical Accounting Estimates

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

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

1.3 Rounding

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

1.4 Aged Care Facility

The City of Holdfast Bay (the Council) is the Trustee of an Aged Care Facility called Alwyndor which was established pursuant to the Dorothy Cheater Trust. Alwyndor is a registered charitable trust.

These consolidated financial statements have been prepared to satisfy the reporting obligations of the Council and Alwyndor. A committee of Council established under Section 41 of the Local Government Act comprising Elected Members and independent members oversees the governance of Alwyndor.

Given Alwyndor is a charitable trust, no profits are distributed to beneficiaries and are retained in Equity on the Statement of Financial Position. Additional disclosure has been made in Note 24.

(2) The Local Government Reporting Entity

City of Holdfast Bay (Consolidated) is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at 24 Jetty Road, Brighton. These consolidated 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

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In recent years the payment of untied grants (financial assistance grants / local roads / supplementary grants) has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2019/20	\$1,234,622	\$1,173,216	+\$61,406
2020/21	\$1,126,691	\$1,180,780	-\$54,089
2021/22	\$1,909,790	\$1,409,816	+\$499,974

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

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

(4) Cash, Cash Equivalents and other Financial Instruments

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

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

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

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

(5) Infrastructure, Property, Plant & Equipment

5.1 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.

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 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	\$5,000

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

Note 1. Summary of Significant Accounting Policies (continued)

Roads	\$5,000
Other Infrastructure	\$5,000

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 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.

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	100 years
Paving & Footpaths	10 to 50 years
Drains / Culverts	15 to 150 years
Playground Equipment	10 to 20 years
Benches, seats, etc	7 to 25 years

Other Assets

Library Lending Materials	7 years
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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 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).

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

Note 1. Summary of Significant Accounting Policies (continued)

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 Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

(7) 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".

(8) Employee Benefits

8.1 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.

8.2 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. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

(9) Leases

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

Council and Alwyndor Aged Care have elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Resident loans are treated using the principles of lease accounting because Alwyndor Aged Care has assessed that residents enter a lease to occupy a room within residential aged care facilities. Refer to note 1 (9.1.ii.).

i) Aged Care Refundable Accommodation Deposits/ Contributions

Refundable Accommodation Deposits/Contributions are recognised upon receipt as per the amount received. Amounts received are repaid upon the resident vacating their accommodation and are settled in accordance with legislative requirements. The accounting treatment for resident loans is described in 1 (9.1.ii.). below. Un-refunded resident's loans (under the Aged Care Act) incur interest.

ii) Aged Care Resident Loans

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

Note 1. Summary of Significant Accounting Policies (continued)

Resident loans are recorded as aged care facility deposits. Resident loans comprise of Refundable Accommodation Deposits/Contributions and Accommodation Bonds, which are subject to the Aged Care Act 1997.

Resident loans - Aged Care Act 1997

Lump sum amounts received from residents in payment of their accommodation expense (prior to 01/07/2014: Accommodation Bonds, from 01/07/2014: Refundable Accommodation Deposits (RAD)).

From December 2005 repayment to the resident is guaranteed by the Australian Government.

RADs and Bonds fall within the scope of AASB 16: Leases, in that there is a contract conveying to the resident the right to use an asset for a period of time, in exchange for consideration.

Alwyndor Aged Care estimated the fair value of the consideration by reference to the Daily Accommodation Payment (DAP) that the resident would have paid if they had not chosen to provide a RAD. This results in the recognition of a rental income amount, and corresponding interest expense. The impact of the change in policy is described further in note 1 (12).

(10) 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.

(11) GST Implications

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

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

(12) New accounting standards and UIG interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 16 Covid-19 Related Rent Concessions

In 2020, the AASB issued AASB 2020-4, Amendments to AASs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, in 2021 the AASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. This amendment had no impact on the consolidated financial statements of the Group.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

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

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments

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

Note 1. Summary of Significant Accounting Policies (continued)

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2020-6)
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2021-6)

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

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

(13) Disclaimer

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income

\$ '000	2022	2021
(a) Rates		
General Rates		
General Rates	37,903	36,625
Less: Mandatory Rebates	(518)	(511)
Less: Discretionary Rebates, Remissions & Write Offs	(411)	(195)
Total General Rates	36,974	35,919
Other Rates (Including Service Charges)		
Landscape Levy	1,327	1,309
Separate & Special Rates	673	657
Total Other Rates (Including Service Charges)	2,000	1,966
Other Charges		
Penalties for Late Payment	74	64
Legal & Other Costs Recovered	12	28
Total Other Charges	86	92
Total Rates	39,060	37,977
(b) Statutory Charges		
Development Act Fees	498	421
Animal Registration Fees & Fines	191	191
Parking Fines / Expiation Fees	1,590	1,193
Other Licences, Fees & Fines	522	458
Total Statutory Charges	2,801	2,263
(c) User Charges		
Cemetery/Crematoria Fees	274	199
Parking Fees	1,054	977
Sundry	65	92
Commercial Leases/Caravan Park	1,994	1,917
Aged Care Residential Fees and Rentals	5,492	4,505
Major Community Event	–	61
Other	3	3
Total User Charges	8,882	7,754

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

Note 2. Income (continued)

\$ '000	2022	2021
(d) Investment Income		
Interest on Investments		
- Local Government Finance Authority	119	177
- Banks & Other	244	14
Total Investment Income	363	191
(e) Reimbursements		
Private Works	59	88
Aged Care Facility - Home Care	3,733	3,193
Other	254	294
Total Reimbursements	4,046	3,575
(f) Other income		
Rebates Received	416	449
Sundry	385	258
Aged Care Facility - Home Care Management Fees	2,185	1,524
Aged Care Facility - Accommodation and Care Fees	1,614	1,632
Aged Care Facility - Home Care	435	465
Other	352	70
Total Other income	5,387	4,398
(g) Grants, Subsidies, Contributions		
Amounts Received Specifically for New or Upgraded Assets	1,544	5,631
Total Amounts Received Specifically for New or Upgraded Assets	1,544	5,631
Other Grants, Subsidies and Contributions	480	634
Aged Care Facility - Grants, Subsidies and Contributions	11,980	12,184
Untied - Financial Assistance Grant	1,410	1,073
Roads to Recovery	373	374
Home and Community Care Grant	-	143
Local Roads and Community Infrastructure Program	-	1,053
Individually Significant Item - Additional Grants Commission Payment (refer below)	500	54
Total Other Grants, Subsidies and Contributions	14,743	15,515
Total Grants, Subsidies, Contributions	16,287	21,146
The functions to which these grants relate are shown in Note 12.		
(i) Sources of grants		
Commonwealth Government	11,735	16,340
State Government	4,203	4,173
Other	349	633
Total	16,287	21,146

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

Note 3. Expenses

\$ '000	Notes	2022	2021
(a) Employee costs			
Salaries and Wages		29,532	27,219
Employee Leave Expense		2,201	2,433
Superannuation - Defined Contribution Plan Contributions	18	2,727	2,540
Superannuation - Defined Benefit Plan Contributions	18	199	224
Workers' Compensation Insurance		1,282	1,205
Less: Capitalised and Distributed Costs		(934)	(909)
Total Operating Employee Costs		35,007	32,712
City of Holdfast Bay		175	175
Aged Care Facility		213	174
Total Number of Employees (full time equivalent at end of reporting period)		388	349
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		31	31
Elected Members' Expenses		367	361
Election Expenses		43	11
Lease Expense - Low Value Assets / Short Term Leases		16	17
Subtotal - Prescribed Expenses		457	420
(ii) Other Materials, Contracts and Expenses			
Contractors		7,107	6,968
Energy		372	434
Maintenance		2,312	2,386
Legal Expenses		168	151
Levies Paid to Government - NRM levy		1,302	1,287
Professional Services		2,884	2,823
Water		521	561
Materials		2,892	2,590
Insurances		596	551
Waste Management		4,087	4,068
Covid 19 Related Expenditure		31	169
Other		3,529	2,832
Subtotal - Other Material, Contracts & Expenses		25,801	24,820
Total Materials, Contracts and Other Expenses		26,258	25,240

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

Note 3. Expenses (continued)

\$ '000	2022	2021
(c) Depreciation, Amortisation and Impairment		
(i) Depreciation and Amortisation		
Buildings & Other Structures	3,015	2,933
Infrastructure		
- Stormwater Drainage	568	510
- Roads	1,485	1,470
- Footpaths	973	966
- Kerb & Guttering	683	676
- Other Transport	589	465
- Open Space & Coastal	2,105	2,000
Plant & Equipment	941	965
Furniture & Fittings, Office Equipment	595	549
Library Lending Materials	150	150
Subtotal	11,104	10,684
Total Depreciation, Amortisation and Impairment	11,104	10,684

(d) Finance Costs

Interest on Loans	641	587
Aged Care Facility - Interest on Deposits	1,117	1,227
Total Finance Costs	1,758	1,814

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	2022	2021
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	44	261
Less: Carrying Amount of Assets Sold	(1,549)	(1,626)
Gain (Loss) on Disposal	(1,505)	(1,365)
(ii) Assets Surplus to Requirements		
Proceeds from Disposal	31	12
Less: Carrying Amount of Assets Sold	(1)	(26)
Gain (Loss) on Disposal	30	(14)
Fair Value movements on Alwyndor Investment Portfolio		
Net gain/(loss) on fair value movements	(836)	—
Net gain/(loss) on disposal of investments	(29)	—
Gain (Loss) on Disposal	(865)	—
Net Gain (Loss) on Disposal or Revaluation of Assets	(2,340)	(1,379)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 5. Current Assets

\$ '000	2022	2021
(a) Cash & Cash Equivalent Assets		
Cash on Hand at Bank	306	610
Deposits at Call	4,553	4,090
Short Term Deposits & Bills, etc.	–	14,500
Other	220	–
Total Cash & Cash Equivalent Assets	5,079	19,200

(b) Trade & Other Receivables

Rates - General & Other	644	577
Council Rates Postponement Scheme	38	34
Accrued Revenues	1,186	519
Debtors - General	2,105	1,514
GST Recoupment	320	302
Prepayments	508	355
Loans to Community Organisations	252	219
Aged Care Facility Deposits	1,300	610
Investment Income and Imputation Credits	80	–
Subtotal	6,433	4,130
Less: Allowance for Doubtful Debts	(157)	(130)
Total Trade & Other Receivables	6,276	4,000

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

Note 6. Non-Current Assets

\$ '000	Notes	2022	2021
(a) Financial Assets			
Receivables			
Loans to Community Organisations		1,379	1,651
Provision for Impairment on Loans to Community Organisations		(518)	(518)
Subtotal		861	1,133
Total Receivables		861	1,133
Other Financial Assets (Investments)			
Interest Rate Securities - Alwyndor Investments		8,904	—
Equity Securities - Alwyndor Investments		2,638	—
Total Other Financial Assets (Investments)		11,542	—
Total Financial Assets		12,403	1,133
(b) Equity Accounted Investments in Council Businesses			
Southern Region Waste Resource Authority	19	3,928	3,314
Total Equity Accounted Investments in Council Businesses		3,928	3,314
(c) Other Non-Current Assets			
Other			
Capital Works-in-Progress		2,339	4,497
Total Other		2,339	4,497
Total Other Non-Current Assets		2,339	4,497

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

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property

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

\$ '000	Fair Value Level	as at 30/06/21				Asset movements during the reporting period							as at 30/06/22			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Land	2	28,062	–	–	28,062	–	–	–	–	33,463	–	59,446	120,971	–	–	120,971
Land	3	330,274	1,115	–	331,389	–	–	–	–	(33,463)	–	85,325	383,251	–	–	383,251
Buildings & Other Structures	2	44,032	288	(12,926)	31,394	–	73	–	(39)	(30,243)	(282)	–	44,651	–	(15,498)	29,153
Buildings & Other Structures	3	91,467	16,219	(40,664)	67,022	1,617	2,370	(637)	(2,976)	29,697	(989)	15,149	132,430	–	(49,425)	83,005
Infrastructure																
- Stormwater Drainage	3	54,779	4,996	(20,832)	38,943	124	1,637	(47)	(568)	2,208	(791)	–	68,267	–	(26,764)	41,503
- Roads	3	120,387	6,381	(44,601)	82,167	–	1,884	(463)	(1,485)	–	–	–	119,134	8,265	(45,296)	82,103
- Footpaths	3	44,504	894	(20,207)	25,191	–	402	(65)	(973)	–	–	–	44,367	1,296	(21,108)	24,555
- Kerb & Guttering	3	63,337	4,975	(20,113)	48,199	–	1,248	(11)	(683)	–	–	–	63,318	6,223	(20,788)	48,753
- Other Transport	3	35,277	–	(8,550)	26,727	–	37	–	(589)	–	–	–	35,277	37	(9,139)	26,175
- Open Space & Coastal	3	51,522	14,109	(21,914)	43,717	4,385	1,211	(314)	(2,105)	(1,744)	–	–	48,134	19,620	(22,604)	45,150
Plant & Equipment		–	10,723	(5,157)	5,566	383	557	(11)	(941)	82	–	–	–	11,525	(5,890)	5,635
Furniture & Fittings, Office Equipment		–	5,893	(2,968)	2,925	995	231	–	(595)	–	–	–	–	7,118	(3,563)	3,555
Library Lending Materials	3	1,366	–	(533)	833	–	165	–	(150)	–	(21)	–	1,347	–	(520)	827
Total Infrastructure, Property, Plant & Equipment		865,007	65,593	(198,465)	732,135	7,504	9,815	(1,548)	(11,104)	–	(2,083)	159,920	1,061,147	54,084	(220,595)	894,636
Comparatives		854,671	53,500	(187,794)	720,377	8,887	9,635	(1,651)	(10,684)	–	(13)	5,580	865,007	65,593	(198,465)	732,135

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

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

(b) Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

Fair value hierarchy level 2 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.

Fair value hierarchy level 3 valuations of land - 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.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - 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. Accordingly, formal sensitivity analysis does not provide useful information.

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.

Highest and best use - For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

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

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

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

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 and Land improvements, including bulk earthworks with an assessed unlimited useful life, were valued at 30 June 2022 by Public Private Property.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2022
- Valuer: Public Private Property

Buildings & Other Structures

Buildings and other structures were revalued as at 30 June 2022 by Public Private Property

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 30 June 2022
- Valuer: Public Private Property

Infrastructure

Infrastructure assets have been valued as follows:

Roads, Kerb and Gutter

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2019
- Valuer: Public Private Property

Footpaths

- Basis of valuation: Written down current replacement cost
- Date of valuation: 31 December 2019
- Valuer: Public Private Property

Stormwater Drainage

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2022
- Valuer: City of Holdfast Bay - reviewed by Public Private Property

Other Transport - Bridges, Car Parks, Traffic Control Devices

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2021
- Valuer: Asset Engineering

Open Space, Coastal

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

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

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

- An updated valuation will be undertaken in 2022/23

Plant & Equipment

These assets are recognised at cost.

Library Lending Materials

Library Lending Materials were valued as at 30 June 2022 by Council senior library officers.

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

Note 8. Liabilities

\$ '000	2022 Current	2022 Non Current	2021 Current	2021 Non Current
(a) Trade and Other Payables				
Goods & Services	4,762	—	4,734	—
Payments Received in Advance	4,382	—	1,582	—
Accrued Expenses - Employee Entitlements	349	—	236	—
Accrued Expenses - Other	450	—	340	—
Aged Care Facility Deposits	30,514	—	30,601	—
Deposits, Retentions & Bonds	8	—	1	—
Other	1,907	—	2,324	—
Total Trade and Other Payables	42,372	—	39,818	—

(b) Borrowings

Short Term Draw Down Facility	—	—	357	—
Loans	1,073	13,365	1,116	14,439
Total Borrowings	1,073	13,365	1,473	14,439

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

(c) Provisions

Employee Entitlements (including oncosts)	5,197	491	4,706	490
Total Provisions	5,197	491	4,706	490

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

Note 9. Reserves

	as at 30/06/21				as at 30/06/22
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset Revaluation Reserve					
Land - Other	310,456	144,771	—	—	455,227
Buildings & Other Structures Infrastructure	40,198	13,878	—	—	54,076
- Stormwater Drainage	22,004	(791)	—	—	21,213
- Roads	67,266	—	—	—	67,266
- Footpaths	13,389	—	—	—	13,389
- Kerb & Guttering	41,589	—	—	—	41,589
- Other Transport	8,307	—	—	—	8,307
- Open Space & Coastal	8,309	—	—	—	8,309
Library Books	375	(21)	—	—	354
Equity Accounted Council Business - asset revaluation reserve	—	356	—	—	356
Total Asset Revaluation Reserve	511,893	158,193	—	—	670,086
Comparatives	506,326	5,567	—	—	511,893

	as at 30/06/21				as at 30/06/22
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other Reserves					
Alwyndor General Reserve	6,414	—	—	—	6,414
Total Other Reserves	6,414	—	—	—	6,414
Comparatives	6,414	—	—	—	6,414

(c) Purpose of Reserves

Asset Revaluation Reserve

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).

Other Reserves

Alwyndor reserve is unspent funds which are carried forward to cover part of the unfunded accommodation deposit liability.

Note 10. Assets Subject to Restrictions

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

Cash and Financial Assets

Aged Care Facility Deposits	1,300	610
Total Assets Subject to Externally Imposed Restrictions	1,300	610

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

Note 11. Reconciliation to Statement of Cash Flows

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

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

Total Cash & Equivalent Assets	5	5,079	19,200
Less: Short-Term Borrowings	8	—	(357)
Balances per Statement of Cash Flows		5,079	18,843

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

Net Surplus/(Deficit)		800	5,541
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		11,102	10,684
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(441)	(66)
Grants for capital acquisitions treated as Investing Activity		(1,544)	(5,631)
Net (Gain) Loss on Disposals		2,340	1,379
		12,257	11,907
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(1,580)	479
Change in Allowances for Under-Recovery of Receivables		(27)	297
Net (Increase)/Decrease in Inventories		—	10
Net (Increase)/Decrease in Other Assets		54	(594)
Net Increase/(Decrease) in Trade & Other Payables		2,634	(2,558)
Net Increase/(Decrease) in Unpaid Employee Benefits		492	109
Net Cash provided by (or used in) operations		13,830	9,650

(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	19,728	19,371

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

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

Note 12(a). Functions

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

\$ '000	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Functions/Activities										
Business Undertakings	2,937	2,796	710	1,234	2,227	1,562	—	—	103,734	80,628
Community Services	26,103	24,226	32,477	29,367	(6,374)	(5,141)	12,023	12,604	125,570	95,152
Culture	333	321	4,383	3,693	(4,050)	(3,372)	224	270	27,455	18,086
Economic Development	843	756	2,382	2,366	(1,539)	(1,610)	20	20	1,285	1,285
Environment	906	457	7,679	8,171	(6,773)	(7,714)	160	123	45,116	43,626
Recreation	224	203	6,996	7,064	(6,772)	(6,861)	—	—	420,329	325,825
Regulatory Services	2,463	1,959	5,903	6,105	(3,440)	(4,146)	—	—	629	609
Transport & Communication	20	34	9,171	8,388	(9,151)	(8,354)	—	—	179,878	180,766
Unclassified Activities	—	—	—	—	—	—	—	—	3,233	3,233
Council Administration	41,894	41,008	4,426	4,062	37,468	36,946	2,316	2,498	17,432	15,069
Total Functions/Activities	75,723	71,760	74,127	70,450	1,596	1,310	14,743	15,515	924,661	764,279

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

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

Note 12(b). Components of Functions

The activities relating to Council functions are as follows:

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 2022

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms & Conditions:

Deposits are returning fixed interest rates between 0.3% and 1.05% (2021: 0.3% and 1.7%). Short term deposits have an average maturity of 65 days and an average interest rate of 0.3% (2021: 100 days and 1%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates & Associated Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.48% per month (2021: 0.43%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Fees & Other Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Other Levels of Government

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value.

Receivables - Aged Care Facility Contributions

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

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

Note 13. Financial Instruments (continued)

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.

Liabilities - Aged Care Facility 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:

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed rates between 3% and 5.63% (2021: 1.3% and 7.05%).

Carrying Amount:

Approximates fair value.

Liabilities - Leases

Accounting Policy:

Accounted for in accordance with AASB 16 as stated in Note 1.

Aged Care Facility Investments

Accounting Policy:

Financial assets are initially measured at fair value through profit or loss unless measured at amortised cost, Transactions costs are included as part of the initial measurement except where the instrument is classified at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is

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

Note 13. Financial Instruments (continued)

determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset.

Financial assets not measured at amortised cost such as equity securities and interest rate securities are classified as financial assets to fair value through profit or loss. Financial assets at fair value through profit or loss are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risks and reqrds of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment

The entity will recognise a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information which is available, without undue cost or effort to obtain.

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

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets and Liabilities					
2022					
Financial Assets					
Cash & Cash Equivalents	5,079	—	—	5,079	5,079
Receivables	6,175	690	824	7,689	6,936
Other Financial Assets	3,688	5,600	2,598	11,886	11,542
Total Financial Assets	14,942	6,290	3,422	24,654	23,557
Financial Liabilities					
Payables	41,777	—	—	41,777	41,922
Current Borrowings	1,656	—	—	1,656	1,073
Non-Current Borrowings	—	6,300	11,057	17,357	13,365
Total Financial Liabilities	43,433	6,300	11,057	60,790	56,360
2021					
Financial Assets					
Cash & Cash Equivalents	19,200	—	—	19,200	19,200
Receivables	3,992	820	979	5,791	4,927
Total Financial Assets	23,192	820	979	24,991	24,127
Financial Liabilities					
Payables	39,963	—	—	39,963	37,896
Current Borrowings	1,749	—	—	1,749	1,473
Non-Current Borrowings	—	6,408	12,605	19,013	14,439
Total Financial Liabilities	41,712	6,408	12,605	60,725	53,808

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

\$ '000	2022		2021	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	4.09%	14,438	4.06%	15,912
		14,438		15,912

Net Fair Value

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

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

Note 13. Financial Instruments (continued)

Risk Exposures

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

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

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

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

Expected Credit Losses (ECL)

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

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

\$ '000	2022	2021
As at 1 July	(130)	(130)
Provisions for Doubtful Debt	(27)	—
As at 30 June	(157)	(130)

Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	2022	2021
---------	------	------

Capital Commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Buildings	503	1,798
Infrastructure	2,261	3,062
Reserves	187	231
Plant & Equipment	897	591
	3,848	5,682

These expenditures are payable:

Not later than one year	3,848	5,682
	3,848	5,682

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

Note 15. Financial Indicators

	Indicator 2022	Indicators 2021	Indicators 2020
Financial Indicators overview			
<i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i>			
1. Operating Surplus Ratio			
Operating Surplus			
Total Operating Income	2.1%	1.8%	(1.7)%
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>			
2. Net Financial Liabilities Ratio			
Net Financial Liabilities			
Total Operating Income	51%	51%	51%
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i>			
Adjusted Operating Surplus Ratio			
Operating Surplus			
Total Operating Income	1.5%	1.8%	(1.7)%
Adjustments to Ratios			
<i>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.</i>			
Adjusted Net Financial Liabilities Ratio			
Net Financial Liabilities			
Total Operating Income	52%	51%	51%
3. Asset Renewal Funding Ratio			
Asset Renewals			
Infrastructure & Asset Management Plan required expenditure	95%	116%	134%
<i>Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.</i>			

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

Note 16. Uniform Presentation of Finances

\$ '000	2022	2021
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	75,723	71,739
less Expenses	(74,127)	(70,450)
Operating Surplus / (Deficit)	1,596	1,289
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(9,504)	(8,758)
add back Depreciation, Amortisation and Impairment	11,104	10,684
add back Proceeds from Sale of Replaced Assets	43	261
	1,643	2,187
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(5,655)	(9,715)
add back Amounts Received Specifically for New and Upgraded Assets	1,544	5,632
add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale)	31	12
	(4,080)	(4,071)
Net Lending / (Borrowing) for Financial Year	(841)	(595)

Note 17. Leases

Council as a lessor

Leases Providing Revenue to the Council

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

\$ '000	2022	2021
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	538	436
Later than one year and not later than 5 years	1,841	1,664
Later than 5 years	1,286	877
	3,665	2,977

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

Note 18. Superannuation

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.00% in 2021/22; 9.50% in 2020/21). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

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

In addition, Council makes a separate contribution of 3% 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 119.34(a), 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 Willis Towers Watson as at 30 June 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

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

Note 19. Interests in Other Entities

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

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2022	2021	2022	2021
Council's Share of Net Income				
Joint Ventures	441	66	3,928	3,314
Total Council's Share of Net Income	441	66	3,928	3,314

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

(a) Carrying Amounts

\$ '000	Principal Activity	2022	2021
Southern Region Waste Resource Authority	Management of waste and waste facilities	3,928	3,314
Total Carrying Amounts - Joint Ventures & Associates		3,928	3,314

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 \$13.7m in the accounts for landfill restoration which is considered reasonable.

(b) Relevant Interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2022	2021	2022	2021	2022	2021
Southern Region Waste Resource Authority	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%

(c) Movement in Investment in Joint Venture or Associate

\$ '000	Southern Region Waste Resource Authority	
	2022	2021
Opening Balance	3,314	3,227
Share in Operating Result	441	66
Share in Other Comprehensive Income	173	21
Council's Equity Share in the Joint Venture or Associate	3,928	3,314

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

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

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

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

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

1. Land under roads

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

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.

3. Legal expenses

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 13 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 2022.

Note 22. Events after the Balance Sheet Date

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

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

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 23. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, Alwyndor Management Committee CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 30 persons were paid the following total compensation:

\$ '000	2022	2021
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	1,136	1,270
Post Employment Benefits	18	16
Payments to Mayor and Elected Members	402	375
Development Assessment Panel Independent Members, Alwyndor Management Committee	53	46
Total	1,609	1,707

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

City of Holdfast Bay

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

Note 24. Comparative Financial Reporting

Alwyndor Aged Care – City of Holdfast Bay, is a registered charity (being a Public Benevolent Institution), governed by the Alwyndor Trust Deed.

Council is the Trustee of the Alwyndor Trust and, as such, delegates its day to day management of the Trust to the Alwyndor Management Committee, established under Section 41 of the Local Government Act. Australian Accounting Standard AASB 10 requires Council to prepare a consolidated annual financial report incorporating Alwyndor.

Under the Alwyndor Trust Deed and its status as a Public Benevolent Institution, Council is permitted to receive payments from Alwyndor for commercial services provided, but has no legal entitlement to otherwise financially benefit. Alwyndor operates as a self-sustaining business separate to Council.

Separate comparative financial statements of Council have been prepared to report the financial performance and position of Council excluding Alwyndor.

Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Consolidated		Excluding Alwyndor	
	2022	2021	2022	2021
Income				
Rates	39,060	37,977	39,060	37,977
Statutory Charges	2,801	2,263	2,801	2,263
User Charges	8,882	7,754	3,401	3,249
Grants, Subsidies and Contributions	14,743	15,515	3,138	3,490
Investment Income	363	191	21	31
Reimbursements	4,046	3,575	520	380
Other income	5,387	4,398	1,347	1,204
Net Gain - Equity Accounted Council Business	441	66	441	66
Total Income	75,723	71,739	50,729	48,660
Expenses				
Employee Costs	35,007	32,712	17,892	17,090
Materials, Contracts and Other Expenses	26,258	25,240	19,442	19,472
Depreciation, Amortisation and Impairment	11,104	10,684	9,861	9,449
Finance Costs	1,758	1,814	641	603
Total Expenses	74,127	70,450	47,836	46,614
Operating Surplus/(Deficit)	1,596	1,289	2,893	2,046
Asset Disposal and Fair Value Adjustments	(2,340)	(1,379)	(1,476)	(1,365)
Amounts Received Specifically for New or Upgraded Assets	1,544	5,631	1,466	5,631
Net Surplus/(Deficit)	800	5,541	2,883	6,312
Other Comprehensive Income				
Amounts which will not be classified subsequently to operating result				
Asset Disposal and Fair Value Adjustments	157,837	5,567	154,485	5,567
Share of Other Comprehensive Income - Equity Accounted Council Business	173	21	173	21
Total Other Comprehensive Income	158,010	5,588	154,658	5,588
Total Comprehensive Income	158,810	11,129	157,541	11,900

City of Holdfast Bay

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

Note 24. Comparative Financial Reporting (continued)

\$ '000	Consolidated		Excluding Alwyndor	
	2022	2021	2022	2021
Statement of Financial Position				
as at 30 June 2022				
ASSETS				
Current assets				
Cash and Cash Equivalents	5,079	19,200	842	443
Trade and Other Receivables	6,276	4,000	3,216	2,421
Total current assets	11,355	23,200	4,058	2,864
Non-current Assets				
Financial Assets	12,403	1,133	861	1,133
Equity accounted investments - Council Business	3,928	3,314	3,928	3,314
Other Non-Current Assets	2,339	4,497	2,339	4,497
Infrastructure, Property, Plant & Equipment	894,636	732,135	854,056	694,277
Total non-current assets	913,306	741,079	861,184	703,221
TOTAL ASSETS	924,661	764,279	865,242	706,085
LIABILITIES				
Current Liabilities				
Trade and Other Payables	42,372	39,818	8,795	6,099
Borrowings	1,073	1,473	1,073	1,473
Provisions	5,197	4,706	3,312	2,908
Total Current Liabilities	48,642	45,997	13,180	10,480
Non-current liabilities				
Borrowings	13,365	14,439	13,365	14,439
Provisions	491	490	282	292
Total non-current liabilities	13,856	14,929	13,647	14,731
TOTAL LIABILITIES	62,498	60,926	26,827	25,211
Net Assets	862,163	703,353	838,415	680,874
EQUITY				
Accumulated Surplus	185,662	185,045	183,360	180,304
Asset Revaluation Reserve	670,086	511,893	655,055	500,570
Other Reserves	6,415	6,415	-	-
TOTAL EQUITY	862,163	703,353	838,415	680,874

City of Holdfast Bay

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

Note 24. Comparative Financial Reporting (continued)

\$ '000	Consolidated		Excluding Alwyndor	
	2022	2021	2022	2021
Statement of Changes in Equity for the year ended 30 June 2022				
Accumulated Surplus				
Balance at beginning of period	185,045	179,483	180,304	173,971
Net Surplus/(Deficit) for Year	800	5,541	2,883	6,312
Equity Accounted Council Business - asset revaluation adjustment	(183)	21	(183)	21
Balance at end of period	185,662	185,045	183,004	180,304
Asset Revaluation Reserve				
Balance at beginning of period	511,893	506,326	500,570	495,003
Gain/(Loss) on revaluation of I,PP&E	157,837	5,567	154,485	5,567
Equity Accounted Council Business - asset revaluation adjustment	356	-	356	-
Balance at end of period	670,086	511,893	655,411	500,570
Other Reserves				
Balance at beginning of period - Alwyndor General	6,415	6,415	-	-
Transfer to/(from) Reserve	-	-	-	-
Balance at end of period	6,415	6,415	-	-
TOTAL EQUITY	862,163	703,353	838,415	680,874

	Consolidated		Excluding Alwyndor	
	2022	2021	2022	2021

Financial Indicators

for the year ended 30 June 2022

Operating Surplus Ratio	2.1%	1.8%	5.7%	4.2%
Net Financial Liabilities Ratio	51%	51%	43%	44%
Asset Renewal Funding Ratio	95%	116%	92%	135%

General Purpose Financial Statements
for the year ended 30 June 2022

Independent Auditor's Report - Financial Statements

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General Purpose Financial Statements
for the year ended 30 June 2022

Independent Auditor's Report - Internal Controls

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General Purpose Financial Statements

for the year ended 30 June 2022

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Holdfast Bay (Consolidated) for the year ended 30 June 2022, the Council's Auditor, Dean Newbery 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*.

R. Bria**Chief Executive Officer**

J. Smedley**Presiding Member, Audit Committee****Date:**

General Purpose Financial Statements

for the year ended 30 June 2022

Statement by Auditor

I confirm that, for the audit of the financial statements of City of Holdfast Bay (Consolidated) for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Auditor's Name

Audit Firm Name

Date: dd MMMM yyyy

Attachment 3



Alwyndor Aged Care

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022



General Purpose Financial Statements

for the year ended 30 June 2022

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General Purpose Financial Statements

for the year ended 30 June 2022

Certification of Financial Statements

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

In our opinion:

- the accompanying financial statements comply with the Trust Deed, Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards,
- the financial statements present a true and fair view of the Alwyndor's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year,
- internal controls implemented by Alwyndor provide a reasonable assurance that Alwyndor's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect Alwyndor's accounting and other records.

Roberto Bria
Chief Executive Officer

27 October 2022

Beth Davidson -Park
General Manager - Alwyndor

27 October 2022

Alwyndor Aged Care

General Purpose Financial Statements for the year ended 30 June 2022

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 2022 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.

Kim Cheater
CHAIR

Date: 27 October 2022

Statement of Comprehensive Income

for the year ended 30 June 2022

\$	Notes	2022	2021
Income			
User Charges	2a	5,497,676	4,515,138
Grants, Subsidies and Contributions	2e	11,980,043	12,183,734
Investment Income	2b	343,014	175,747
Reimbursements	2c	3,732,897	3,192,538
Other income	2d	4,521,329	3,635,539
Total Income		26,074,959	23,702,696
Expenses			
Employee costs	3a	17,127,311	15,612,220
Materials, Contracts and Other Expenses	3b	7,898,785	6,388,807
Depreciation, Amortisation and Impairment	3c	1,242,514	1,234,175
Finance Costs	3d	1,116,705	1,226,842
Total Expenses		27,385,315	24,462,044
Operating Surplus / (Deficit)		(1,310,356)	(759,348)
Asset Disposal & Fair Value Adjustments	4	(863,815)	(14,541)
Amounts Received Specifically for New or Upgraded Assets	2e	78,225	—
Net Surplus / (Deficit)		(2,095,946)	(773,889)
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	3,352,632	—
Total Amounts which will not be reclassified subsequently to operating result		3,352,632	—
Total Other Comprehensive Income		3,352,632	—
Total Comprehensive Income		1,256,686	(773,889)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2022

\$	Notes	2022	2021
ASSETS			
Current assets			
Cash & Cash Equivalents	5a	4,237,540	18,757,037
Trade & Other Receivables	5b	3,059,413	1,578,221
<u>Subtotal</u>		<u>7,296,953</u>	<u>20,335,258</u>
Total current assets		<u>7,296,953</u>	<u>20,335,258</u>
Non-current assets			
Financial Assets	6	11,542,075	—
Infrastructure, Property, Plant & Equipment	7a(i)	40,581,075	37,858,268
Total Non-Current Assets		<u>52,123,150</u>	<u>37,858,268</u>
TOTAL ASSETS		<u>59,420,103</u>	<u>58,193,526</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	33,577,363	33,718,272
Provisions	8b	1,897,822	1,797,946
<u>Subtotal</u>		<u>35,475,185</u>	<u>35,516,218</u>
Total Current Liabilities		<u>35,475,185</u>	<u>35,516,218</u>
Non-Current Liabilities			
Provisions	8b	209,126	198,202
Total Non-Current Liabilities		<u>209,126</u>	<u>198,202</u>
TOTAL LIABILITIES		<u>35,684,311</u>	<u>35,714,420</u>
<u>Net Assets</u>		<u>23,735,792</u>	<u>22,479,106</u>
EQUITY			
Accumulated surplus		4,898,149	6,994,095
Asset revaluation reserves	9a	12,423,289	9,070,657
Other reserves	9c	6,414,354	6,414,354
<u>Total Alwyndor Equity</u>		<u>23,735,792</u>	<u>22,479,106</u>

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

Statement of Changes in Equity

for the year ended 30 June 2022

\$	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2022					
Balance at the end of previous reporting period		6,994,095	9,070,657	6,414,354	22,479,106
Net Surplus / (Deficit) for Year		(2,095,946)	—	—	(2,095,946)
Unrealised gain/(loss) on Fair Value movements of Investment Portfolio		—	—	—	—
Other Comprehensive Income					
Gain (loss) on revaluation of IPP&E	7a	—	3,352,632	—	3,352,632
Other comprehensive income		—	3,352,632	—	3,352,632
Total comprehensive income		(2,095,946)	3,352,632	—	1,256,686
Transfers between Reserves		—	—	—	—
Balance at the end of period		4,898,149	12,423,289	6,414,354	23,735,792
2021					
Balance at the end of previous reporting period		7,767,984	9,070,657	6,414,354	23,252,995
Net Surplus / (Deficit) for Year		(773,889)	—	—	(773,889)
Unrealised gain/(loss) on Fair Value movements of Investment Portfolio		—	—	—	—
Total comprehensive income		(773,889)	—	—	(773,889)
Transfers between Reserves		—	—	—	—
Balance at the end of period		6,994,095	9,070,657	6,414,354	22,479,106

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2022

\$	Notes	2022	2021
Cash flows from operating activities			
<u>Receipts</u>			
User Charges		5,497,676	4,515,138
Grants, Subsidies and Contributions		12,136,913	12,172,616
Investment Receipts		343,014	175,747
Reimbursements		3,732,897	3,192,538
Other Receipts		3,464,666	2,517,763
<u>Payments</u>			
Payments to Employees		(16,959,936)	(15,423,685)
Payments for Materials, Contracts & Other Expenses		(8,933,479)	(6,571,374)
Finance Payments		(82,164)	(69,810)
Net cash provided by (or used in) Operating Activities	11b	(800,413)	508,933
Cash flows from investing activities			
<u>Receipts</u>			
Sale of Surplus Assets		1,500	11,818
Amounts Received Specifically for New/Upgraded Assets		78,225	—
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(284,486)	(266,493)
Expenditure on New/Upgraded Assets		(330,164)	(416,265)
Net Purchase of Investment Securities		(12,406,922)	—
Net cash provided (or used in) investing activities		(12,941,847)	(670,940)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Aged Care Facility Deposits		7,573,425	6,145,550
<u>Payments</u>			
Repayment of Aged Care Facility Deposits		(8,350,662)	(7,717,196)
Net Cash provided by (or used in) Financing Activities		(777,237)	(1,571,646)
Net Increase (Decrease) in Cash Held		(14,519,497)	(1,733,653)
plus: Cash & Cash Equivalents at beginning of period		18,757,037	20,490,690
Cash and cash equivalents held at end of period	11a	4,237,540	18,757,037
Additional Information:			
plus: Investments on hand – end of year	6b	11,542,075	—

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

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

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Alwyndor in the preparation of these 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 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.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest dollar.

1.4 Trustee

The City of Holdfast Bay (the Council) is the Trustee of Alwyndor Aged Care (Alwyndor) which was established pursuant to the Dorothy Cheater Trust. Alwyndor is a registered charitable trust. These financial statements have been prepared to satisfy the reporting obligations of the Council and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC).

1.5 Income Tax

Alwyndor is exempt from income tax in accordance with Section 50-5 of the Income Tax Assessment Act.

(2) The Reporting Entity

Alwyndor reports under the Australian Charities and Not-for-profits Commission Act 2012 and has its principal place of business at 52 Dunrobin Road, Hove, South Australia. These financial statements include Alwyndor's direct operations and all entities through which Alwyndor controls resources to carry on its function.

(3) Income Recognition

Alwyndor recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

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

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

(4) Cash, Cash Equivalents and other Financial Instruments

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

Note 1. Summary of Significant Accounting Policies (continued)

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. 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 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.

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).

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

Note 1. Summary of Significant Accounting Policies (continued)

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 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.

7.2 Superannuation

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 13.

(8) Leases

Leases and Right-of-Use Assets

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

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Alwyndor has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred. Resident loans are also treated using the principles of lease accounting because Alwyndor has assessed that residents enter a lease to occupy a room within residential aged care facilities. Refer to note 1 (8.1.ii.).

i) Refundable Accommodation Deposits/Contributions

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

Note 1. Summary of Significant Accounting Policies (continued)

Refundable Accommodation Deposits/Contributions are recognised upon receipt as per the amount received. Amounts received are repaid upon the resident vacating their accommodation and are settled in accordance with legislative requirements. The accounting treatment for resident loans is described in note 1 (8.1.ii.) below. Un-refunded resident's loans (under the Aged Care Act) incur interest.

ii) Resident Loans

Resident loans are recorded as aged care facility deposits. Resident loans comprise of Refundable Accommodation Deposits/Contributions and Accommodation Bonds, which are subject to the Aged Care Act 1997.

Resident loans - Aged Care Act 1997

Lump sum amounts received from residents in payment of their accommodation expense (prior to 01/07/2014: Accommodation Bonds, from 01/07/2014: Refundable Accommodation Deposits (RAD)).

From December 2005 repayment to the resident is guaranteed by the Australian Government.

RADs and Bonds fall within the scope of AASB 16: Leases, in that there is a contract conveying to the resident the right to use an asset for a period of time, in exchange for consideration.

Alwyndor estimated the fair value of the consideration by reference to the Daily Accommodation Payment (DAP) that the resident would have paid if they had not chosen to provide a RAD. This results in the recognition of a rental income amount, and corresponding interest expense.

(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 and amended standards and interpretations

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Alwyndor and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Alwyndor then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Alwyndor.

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

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2020-6)
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2021-6)

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

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

(11) Comparative Figures

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

(12) Disclaimer

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

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

Note 1. Summary of Significant Accounting Policies (continued)

(13) Going Concern

The financial report has been prepared on a going concern basis which assumes that Alwyndor will be able to meet its financial obligations as and when they fall due. As at 30 June 2022, Alwyndor has refundable loans (liability) payable that exceeds current liquid assets given that Alwyndor records Refundable Accommodation Deposits (RAD) as current liabilities due to the inability of Alwyndor to unconditionally defer settlement of any specific RAD for a period greater than twelve months from reporting date. The total RAD liabilities recorded on the Statement of Financial Position represent amounts received from individual residents upon entry to the facility and which is repayable on exit and which is frequently replaced by new RAD payments received from new residents entering the facility. Alwyndor does not expect the balance of RAD liabilities to reduce significantly in the following financial year and expects that there will be sufficient demand to replace vacant positions created by any existing residents who exit.

(14) Distribution of Profit

Given Alwyndor is a charitable trust, no profits are distributed to beneficiaries and are retained in Equity on the Statement of Financial Position.

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

Note 2. Income

\$	2022	2021
(a) User Charges		
Aged Care Fees and Rentals	5,497,676	4,515,138
<u>Total User Charges</u>	<u>5,497,676</u>	<u>4,515,138</u>
(b) Investment Income		
Interest on Investments		
- Local Government Finance Authority	99,557	146,337
- Interest on Securities	22,606	—
- Banks & Other	—	29,410
Investment Income		
- Dividend Income and imputation credits	220,851	—
<u>Total Investment Income</u>	<u>343,014</u>	<u>175,747</u>
(c) Reimbursements		
Home Care	3,732,897	3,192,538
<u>Total Reimbursements</u>	<u>3,732,897</u>	<u>3,192,538</u>
(d) Other income		
Home Care Management Fees	2,184,785	1,523,818
Residential Daily Accommodation Fees	1,614,211	1,631,864
Means Tested Care Fees	435,188	465,302
COVID-19 Grant Income	247,000	—
Other	40,145	14,555
<u>Total Other income</u>	<u>4,521,329</u>	<u>3,635,539</u>
(e) Grants, Subsidies, Contributions		
Amounts Received Specifically for New or Upgraded Assets	78,225	—
<u>Total Amounts Received Specifically for New or Upgraded Assets</u>	<u>78,225</u>	<u>—</u>
Grants, Subsidies and Contributions	11,980,043	12,183,734
<u>Total Grants, Subsidies, Contributions</u>	<u>12,058,268</u>	<u>12,183,734</u>
(i) Sources of grants		
Commonwealth Government	10,933,339	11,028,903
State Government	1,112,493	1,154,831
Local Government	12,436	—
<u>Total</u>	<u>12,058,268</u>	<u>12,183,734</u>

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

Note 3. Expenses

\$	Notes	2022	2021
(a) Employee costs			
Salaries and Wages		14,864,744	13,573,079
Employee Leave Expense		123,031	171,002
Superannuation - Defined Contribution Plan Contributions	13	1,529,304	1,327,159
Superannuation - Defined Benefit Plan Contributions	13	49,819	56,679
Workers' Compensation Insurance		560,413	484,301
Total Operating Employee Costs		17,127,311	15,612,220
Total Number of Employees (full time equivalent at end of reporting period)		213	174
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		9,200	9,150
Lease Expense - Low Value Assets / Short Term Leases		16,449	16,816
Subtotal - Prescribed Expenses		25,649	25,966
(ii) Other Materials, Contracts and Expenses			
Contractors		3,420,996	2,996,481
Professional Services		682,052	325,975
Sundry		1,923,388	1,454,462
Materials		1,846,700	1,585,923
Subtotal - Other Material, Contracts & Expenses		7,873,136	6,362,841
Total Materials, Contracts and Other Expenses		7,898,785	6,388,807
(c) Depreciation, Amortisation and Impairment			
Depreciation and Amortisation			
Buildings & Other Structures		801,567	793,234
Plant & Equipment		208,990	228,629
Furniture & Fittings		231,957	212,312
Total Depreciation, Amortisation and Impairment		1,242,514	1,234,175
(d) Finance Costs			
Interest on Aged Care Facility Deposits		1,116,705	1,226,842
Total Finance Costs		1,116,705	1,226,842

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

Note 4. Asset Disposal & Fair Value Adjustments

\$	2022	2021
Infrastructure, Property, Plant & Equipment		
Assets Surplus to Requirements		
Proceeds from Disposal	1,500	11,818
Less: Carrying Amount of Assets Sold/Disposed	(468)	(26,359)
Gain (Loss) on Disposal	1,032	(14,541)
Fair Value movements on the Investment Portfolio		
Net gain/(loss) on fair value movements	(835,604)	—
Net gain/(loss) on disposal of investments	(29,243)	—
Gain (Loss) on Disposal	(864,847)	—
Net Gain (Loss) on Disposal or Revaluation of Assets	(863,815)	(14,541)

Note 5. Current Assets

\$	2022	2021
(a) Cash & Cash Equivalents		
Cash on Hand at Bank	113,901	267,101
Deposits at Call	3,903,364	3,989,936
Short Term Deposits & Bills, etc.	—	14,500,000
Cash on Hand - at Ord Minnett (Investment Manager)	220,275	—
Total Cash & Cash Equivalent Assets	4,237,540	18,757,037

(b) Trade & Other Receivables

Accrued Revenues	1,186,447	518,842
Debtors - General	285,605	332,975
GST Recoupment	96,027	53,404
Prepayments	122,725	63,000
Aged Care Facility Deposits	1,300,000	610,000
Investment Income and Imputation Credits	79,970	—
Subtotal	3,070,774	1,578,221
Less: Allowance for Doubtful Debts	(11,361)	—
Total Trade & Other Receivables	3,059,413	1,578,221

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 6. Non-Current Assets

\$	2022	2021
Financial Assets		
Other Financial Assets (Investments)		
Interest Rate Securities	8,904,232	—
Equity Securities	2,637,843	—
Total Other Financial Assets (Investments)	11,542,075	—
<u>Total Financial Assets</u>	<u>11,542,075</u>	<u>—</u>

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

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

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

\$	Fair Value Level	as at 30/06/21				Asset movements during the reporting period								as at 30/06/22			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	WIP Transfers	Adjustments & Transfers	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Capital Work in Progress		–	1,496	–	1,496	–	–	–	–	(1,496)	–	–	–	–	–	–	–
Land	2	5,288,840	–	–	5,288,840	–	–	–	–	–	–	–	4,341,160	9,630,000	–	–	9,630,000
Buildings & Other Structures	3	40,379,868	–	(10,291,115)	30,088,753	32,089	–	–	(801,567)	–	(82,215)	(988,528)	–	39,885,000	–	(11,636,467)	28,248,533
Plant & Equipment		–	2,791,942	(1,407,591)	1,384,351	180,235	209,570	(468)	(208,990)	–	82,215	–	–	–	3,266,640	(1,619,725)	1,646,915
Furniture & Fittings		–	2,198,856	(1,104,028)	1,094,828	117,840	74,916	–	(231,957)	–	–	–	–	–	2,391,612	(1,335,985)	1,055,627
Total Infrastructure, Property, Plant & Equipment		45,668,708	4,992,294	(12,802,734)	37,858,268	330,164	284,486	(468)	(1,242,514)	(1,496)	–	(988,528)	4,341,160	49,515,000	5,658,252	(14,592,177)	40,581,075
Comparatives		45,303,232	4,722,012	(11,589,201)	38,436,043	416,265	266,493	(26,358)	(1,234,175)	–	–	–	–	45,668,708	4,992,294	(12,802,734)	37,858,268

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

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

(b) Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

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	\$8,233 to \$3,881,973	The higher the replacement cost the higher the fair value
Buildings & Other Structures		Remaining Useful Life of Assets	25 years to 150 years	The shorter the remaining life the lower the fair value

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.

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

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

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 2022.

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2022
- Valuer: Public Private Property

The next revaluation is expected to be undertaken in the 2026-2027 financial year.

Buildings & Other Structures

Buildings and other structures were revalued as at 30 June 2022

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2022
- Valuer: Public Private Property

The next revaluation is expected to be undertaken in the 2026-2027 financial year.

Plant & Equipment

These assets are recognised on the cost basis.

Furniture & Fittings

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.

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

Note 8. Liabilities

\$	2022 Current	2022 Non Current	2021 Current	2021 Non Current
(a) Trade and Other Payables				
Trade Creditors	365,659	—	369,818	—
Payments Received in Advance				
- Grants, Subsidies, Contributions	216,364	—	59,494	—
Accrued Expenses - Employee Entitlements	349,016	—	235,830	—
Accrued Expenses - Other	225,429	—	128,642	—
Aged Care Facility Deposits	30,513,583	—	30,600,820	—
Other	1,907,312	—	2,323,668	—
Total Trade and Other Payables	33,577,363	—	33,718,272	—

(b) Provisions

Employee Entitlements (including oncosts)	1,897,822	209,126	1,797,946	198,202
Total Provisions	1,897,822	209,126	1,797,946	198,202

Note 9. Reserves

	as at 30/06/21				as at 30/06/22
\$	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset Revaluation Reserve					
Land - Other	4,943,268	4,341,160	—	—	9,284,428
Buildings & Other Structures	4,127,389	(988,528)	—	—	3,138,861
Total Asset Revaluation Reserve	9,070,657	3,352,632	—	—	12,423,289
Comparatives	9,070,657	—	—	—	9,070,657

(b) Available-for-Sale Investment Reserve

Investment Portfolio	—	—	—	—	—
Total AFS Investment Reserve	—	—	—	—	—

	as at 30/06/21				as at 30/06/22
\$	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(c) Other Reserves					
General Reserves	6,414,354	—	—	—	6,414,354
Total Other Reserves	6,414,354	—	—	—	6,414,354

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 9. Reserves (continued)

	as at 30/06/21				as at 30/06/22
\$	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
Comparatives	6,414,354	–	–	–	6,414,354

(c) Purpose of Reserves

Asset Revaluation Reserve

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).

Other Reserves

General reserves are unspent funds which are carried forward to cover part of the unfunded accommodation deposit liability.

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

Note 10. Assets Subject to Restrictions

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

Cash & Financial Assets

Aged Care Facility Deposits	1,300,000	610,000
Total Assets Subject to Externally Imposed Restrictions	1,300,000	610,000

Note 11. Reconciliation to Statement of Cash Flows

\$	Notes	2022	2021
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(a) Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	4,237,540	18,757,037
Balances per Statement of Cash Flows		4,237,540	18,757,037

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

Net Surplus/(Deficit)	(2,095,946)	(773,889)
Non-Cash Items in Income Statements		
Depreciation, Amortisation & Impairment	1,242,514	1,234,175
Grants for capital acquisitions	(78,225)	–
Net (Gain) Loss on Disposals on Fixed Assets	(1,032)	14,541
Transfer Capital Work in Progress to Expense	1,496	–
Net (Gain) Loss on disposal - Investment Portfolio	29,243	–
Net (Gain) Loss on fair value movements - Investment Portfolio	835,604	–
	(66,346)	474,827
Add (Less): Changes in Net Current Assets		
Net (Increase)/Decrease in Receivables	(779,834)	(436,160)
Change in Allowances for Under-Recovery of Receivables	(11,361)	–
Net Increase/(Decrease) in Trade & Other Payables	(53,672)	247,112
Net Increase/(Decrease) in Unpaid Employee Benefits	110,800	223,154
Net Cash provided by (or used in) operations	(800,413)	508,933

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

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 0.30% and 0.65% (2021: 0.65% and 1.7%). Short term deposits have an average maturity of 65 days and an average interest rate of 0.33% (2021: 100 days and 1%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Investments

Accounting Policy:

Financial assets are initially measured at fair value through profit or loss unless it is measured at amortised cost. Transaction costs are included part of the initial measurement except where the instrument is classified at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset.

Financial assets not measured at amortised cost such as equity securities and interest rate securities are classified as financial assets to fair value through profit or loss. Fair value movements are recognised in profit or loss. Financial assets at fair value through profit or loss are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment

The entity will recognise a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Receivables - Fees & Other Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Unsecured, and do not bear interest. 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 - Aged Care Facility Contributions

Accounting Policy:

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

Note 12. Financial Instruments (continued)

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective 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 - Aged Care Facility 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 - Leases

Accounting Policy:

Accounted for in accordance with AASB 16 as stated in Note 1.

LIQUIDITY ANALYSIS

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

2022

Financial Assets

Cash & Cash Equivalents	4,237,540	—	—	4,237,540	4,237,540
Receivables	3,070,774	—	—	3,070,774	3,059,413
Investments - Interest Rate Securities	1,050,016	5,599,712	2,598,465	9,248,193	8,904,232
Investments - Equity Securities	2,637,843	—	—	2,637,843	2,637,843

continued on next page ...

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

Note 12. Financial Instruments (continued)

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Total Financial Assets	10,996,173	5,599,712	2,598,465	19,194,350	18,839,028
Financial Liabilities					
Payables	33,256,999	–	–	33,256,999	33,360,999
Total Financial Liabilities	33,256,999	–	–	33,256,999	33,360,999
2021					
Financial Assets					
Cash & Cash Equivalents	18,757,037	–	–	18,757,037	18,757,037
Receivables	1,578,221	–	–	1,578,221	1,578,221
Investments - Interest Rate Securities	–	–	–	–	–
Investments - Equity Securities	–	–	–	–	–
Total Financial Assets	20,335,258	–	–	20,335,258	20,335,258
Financial Liabilities					
Payables	33,692,062	–	–	33,692,062	33,658,778
Total Financial Liabilities	33,692,062	–	–	33,692,062	33,658,778

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 Alwyndor is the carrying amount, net of any impairment. Alwyndor investments are made with the SA Local Government Finance Authority which is guaranteed by the SA Government and via an external investment manager, Ord Minnett. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within 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. Alwyndor is exposed to Market risk investments in equity investments, managed funds and income securities. Such risk is managed through diversification of investments across industries and geographic locations.

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 investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

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

Note 13. Superannuation

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 (10.0% in 2021/22; 9.50% in 2020/21). No further liability accrues to 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 2020/21) 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 119.34(a), 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 Willis Towers Watson as at 30 June 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to 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.

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

Note 14. Interests in Other Entities

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

Note 15. Non-Current Assets Held for Sale & Discontinued Operations

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

Note 16. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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

Note 17. Events after the Balance Sheet Date

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

Note 18. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Alwyndor includes the Alwyndor Management Committee and General Manager - Alwyndor under section 112 of the Local Government Act 1999.

In all, 8 persons were paid the following total compensation:

\$	2022	2021
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	181,425	171,611
Post-Employment Benefits	18,142	16,303
Payments to Alwyndor Management Committee	31,619	27,976
Total	231,186	215,890

Transactions with Related Parties

City of Holdfast Bay

	Sales of goods and Services	Amounts Outstanding from Related Parties
Services provided to City of Holdfast Bay	10,667	0

Description of services provided:
Group class services and staff physiotherapy services for early intervention.

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

Note 18. Related Party Transactions (continued)

	Sales of goods and Services	Amounts Outstanding to Related Parties
Services received from City of Holdfast Bay	1,103,924	20,739

Description of services received:

Fee for use of land, brokerage fees to deliver community services, contribution to public liability insurance premium, contribution for consultancy services, ICT and marketing services.

Alwyndor Aged Care

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 19. Segment Reporting

\$	2022	2021
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 2022		
Care Income		
Subsidies & Supplements (Commonwealth)	8,043,483	8,301,415
Resident Fees - Means Tested Care Fees	435,089	460,922
Total Residential Care Income	8,478,572	8,762,337
Accommodation Income		
Subsidies & Supplements (Commonwealth)	1,012,334	981,456
Resident Accommodation Payments and Charges	1,614,211	1,631,864
Total Residential Accommodation Income	2,626,545	2,613,320
Other Resident Fee Income		
Basic Daily Fee	3,200,318	2,646,132
Additional Service Fee	24,022	28,554
Total Other Residential Fee Income	3,224,341	2,674,686
Financing Income		
Interest Income	122,163	175,747
Dividend and Imputation Credit income	220,851	-
Total Financing Income	343,013	175,747
Other Income		
Donations and Fundraising	19,599	134
Gain on Sale of Assets	976	-
COVID-19 Grant Income	247,000	-
Other Income	39,935	27,663
Total Other Income	307,509	27,797
Total Revenue	14,979,980	14,253,887

Alwyndor Aged Care

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

Note 19. Segment Reporting (continued)

\$	2022	2021
Residential Aged Care		
Income Statement (continued) for the year ended 30 June 2022		
Care Expenses		
Labour Costs	8,672,904	8,015,858
Other Expenses	340,242	293,793
Total Care Expenses	9,013,146	8,309,651
Accommodation Expenses		
Labour Costs	280,352	242,642
Property Repairs, Maintenance and Replacement	268,838	264,213
Other Accommodation Expenses	333,767	307,865
Total Accommodation Expenses	882,957	814,720
Hotel Services Expenses		
Labour Costs	465,854	451,477
Contracted Services - External Service Organisations	1,590,935	1,483,077
Other Hotel Services Expenses	153,778	157,772
Total Hotel Services Expenses	2,210,567	2,092,325
Administration Expenses		
Labour Costs	1,181,156	1,159,381
Management Fees	14,947	14,273
Other Administration Expenses	580,822	551,917
Total Administration Expenses	1,776,925	1,725,571
Capital and Financing Expenses		
Depreciation	1,111,245	1,107,591
Interest Expenses	1,055,655	1,226,843
Total Capital and Financing Expenses	2,166,900	2,334,434
Other Expenses		
Loss on Sale of Assets	-	13,667
Investments - Loss on disposal	29,243	-
Investments - Fair Value movements on unrealised losses	835,604	-
Total Other Expenses	864,847	13,667
Total Expenses	16,915,342	15,290,368
Net Profit (Before Tax)	(1,935,362)	(1,036,481)

Alwyndor Aged Care

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

Note 19. Segment Reporting (continued)

\$	2022	2021
Residential Aged Care		
Statement of Financial Position		
as at 30 June 2022		
ASSETS		
Current Assets		
Cash	1,762,373	15,803,741
Trade & Other Receivables	3,059,414	1,578,220
Total Current Assets	4,821,786	17,381,961
Non-Current Assets		
Financial Assets	11,542,075	-
Property, Plant & Equipment	40,581,075	37,858,269
Total Non-Current Assets	52,123,150	37,858,269
TOTAL ASSETS	56,944,936	55,240,231
LIABILITIES		
Current Liabilities		
Trade & Other Payables	970,760	631,905
Employee Provisions	948,120	917,948
Accommodation Bonds	30,513,583	30,600,820
Other Current Liabilities	216,364	59,494
Total Current Liabilities	32,648,827	32,210,167
Non-Current Liabilities		
Employee Provisions	114,645	122,439
Total Non-Current Liabilities	114,645	122,439
TOTAL LIABILITIES	32,763,472	32,332,605
Net Assets	24,181,464	22,907,625

Alwyndor Aged Care

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 19. Segment Reporting (continued)

	Rehabilitation and Support Services	Consumer Directed Care	Other Home Care	Total
\$				
2022				
Revenue	1,148,510	7,487,283	2,538,385	11,174,179
Expenses	1,461,747	7,271,007	2,602,010	11,334,763
Surplus/(Deficit)	(313,237)	216,277	(63,625)	(160,584)
Assets	-	2,475,167	-	2,475,167
Liabilities	250,546	2,475,167	195,126	2,920,839
Total Equity	(250,546)	-	(195,126)	(445,672)
2021				
Revenue	1,183,723	5,884,523	2,380,563	9,448,809
Expenses	1,351,584	5,548,344	2,286,289	9,186,217
Surplus/(Deficit)	(167,860)	336,179	94,274	262,592
Assets	-	2,953,296	-	2,953,296
Liabilities	230,365	2,953,296	198,154	3,381,815
Total Equity	(230,365)	-	(198,154)	(428,519)

General Purpose Financial Statements

for the year ended 30 June 2022

Independent Auditor's Report - Financial Statements

General Purpose Financial Statements

for the year ended 30 June 2022

Statement by Auditor

I confirm that, for the audit of the financial statements of Alwyndor Aged Care for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Auditor's Name

Audit Firm Name

Date: dd MMMM yyyy



Audit Completion Report

Alwyndor Aged Care

Year Ended 30 June 2022

DeanNewbery

Executive Summary

26 September 2022

Mr Kim Cheater
Chair of Alwyndor Management Committee
Alwyndor Aged Care

Dear Mr Cheater

This report has been prepared for the Alwyndor Management Committee (AMC) of Alwyndor Aged Care (the Entity) in relation to the 30 June 2022 external audit.

The purpose of this report is to provide members of the AMC and those charged with governance of the Entity a summary of the significant matters that have arisen from our audit which we believe covers material matters dealt within our work completed. This report has been prepared to comply with Australian Auditing Standard (ASA) 260 Communication with Those Charged with Governance and ASA 265 Communicating Deficiencies in Internal Controls to Those Charged with Governance and Management.

We are pleased to advise that subject to finalisation of the outstanding matters outlined within this report, our audit opinion for financial year ended 30 June 2022 is expected to be issued as an unmodified audit report.

I would like to take this opportunity to thank the Administration for the assistance provided throughout the year.

If there is any need for further clarification I will be in attendance at the AMC meeting to be held on 29 September to discuss matters raised in this report.

Your sincerely
DEAN NEWBERY



Samantha Creten
Partner

Executive Summary

Scope

The audit procedures have been designed and carried out by the audit team in accordance with Australian Auditing Standards and per the audit scope prescribed under the *Australian Charities and Not-for-profits Commission Act 2012* and applicable Regulations for the financial year ended 30 June 2022.

Independence

In accordance with our professional ethical requirements, we confirm that, for the audit of the Entity for the financial year ended 30 June 2022, all members of our audit team have maintained their independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Part 4A, published by the Accounting Professional and Ethical Standards Board and in accordance with *Australian Charities and Not-for-profits Commission Act 2012*.

Audit Status

All requested audit adjustments have been processed and disclosures have been made within the financial report based on audit testing completed.

All requested information has been provided by the Administration during the course of the audit.

Subject to the finalisation of the matters outlined in this report, our audit opinion for the financial year ended 30 June 2022 will be signed without reference to any qualification.

Outstanding Matters

All requested audit adjustments have been processed and disclosures within the financial report appropriately modified based on audit testing completed.

Subject to the following work being satisfactorily completed, we expect an unmodified audit opinion to be issued for the financial year:

- Undertake a review of subsequent events since 30 June 2022
- Complete a review of the draft Financial Statements and obtain certified financial statements as required
- Receipt of the signed Management Representation Letter

Fraud & Litigation

As part of our audit we have discussed with the Administration's management staff;

- The safeguards in place in relation to the prevention and detection of fraud
- The existence of any fraud
- The existence of any litigation and claims.

We have not become aware of any matter which should be brought to the AMC's attention.

Summary of Misstatements

There remain no material misstatements that have not been adjusted by the Administration that have been identified during the course of our audit or that in our assessment, require to be reported to Entity's AMC.

Any misstatements, either individually or in aggregate, that are considered to be immaterial, have been listed below for the Entity's consideration.

All requested audit adjustments have been processed and disclosures within the financial report have been appropriately modified based on audit testing completed.

Subject to all matters being appropriately completed as outlined in this report, we anticipate to be issuing an unqualified audit opinion on the financial statements.

No.	Matter	Variance (\$) Dr/(Cr)	Description
	NIL MISSTATEMENTS RECORDED		

Materiality

An item is considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view to the users of the financial statements. Materiality is set at the outset of planning to ensure that an appropriate level of audit work is planned. It is then used throughout the audit process in order to assess the impact of any item on the financial statements.

Any identified errors or differences are investigated and are recorded on a schedule of potential misstatements. These are assessed individually and in aggregate, discussed with the Administration and Entity's AMC to further clarify the proposed treatment and/or disclosure of the matter.

Should the matter remain unadjusted and signed off by the Entity's Administration in their letter of representation to us, confirming that in the AMC's view also that the matter(s) are immaterial to the financial statements, an item of low value may still be judged material by its nature.

An item of higher value may also be judged not material if it does not distort the accuracy and/or fairness of the financial statements.

Key Audit Matters Considered

As part of our audit planning process we identified key audit and accounting matters that were considered and tested during the course of the audit which represented areas of identified risk where material misstatements could occur.

As a result of the work we have recently completed, we have provided further detail below of the key audit matters and the outcomes from our testing completed.

Key Audit Matter Description	Audit Work Undertaken	Outcomes of Testing Completed
Management override of controls	<ul style="list-style-type: none">Review and observation of controls in operation to assess whether controls are operating effectively as intended throughout the periodPerform analytical reviews and recalculation of transactions	<ul style="list-style-type: none">Our audit procedures have not identified any material misstatements
Compliance with Prudential Return Requirements	<ul style="list-style-type: none">Testing of compliance with the Aged Care Act 1997 and User Rights Principles 2014	<ul style="list-style-type: none">Our audit procedures have not identified any breaches
Grants and Fees	<ul style="list-style-type: none">Review of financial statements disclosuresRevenue recognition and testing of correct year end treatment between revenue and revenue in advanceReviewed funding deeds	<ul style="list-style-type: none">Our audit procedures have not identified any material misstatements
Expenditure on employee costs, materials, contracts and other expenses	<ul style="list-style-type: none">Detailed sample transaction testingEmployee payments are in accordance to award rates and conditionsPerform analytical reviews and recalculation of transactions	<ul style="list-style-type: none">Our audit procedures have not identified any material misstatements

Key Audit Matters Considered Continued

Key Audit Matter Description	Audit Work Undertaken	Outcomes of Testing Completed
Infrastructure, Property, Plant & Equipment	<ul style="list-style-type: none"> Reviewed Infrastructure, Property, Plant & Equipment movements against General Ledger and relevant asset registers 	<ul style="list-style-type: none"> Our audit procedures have not identified any material misstatements.
Infrastructure, Property, Plant & Equipment – Revaluations	<ul style="list-style-type: none"> A review of the movement in the asset values was conducted including the movement in valuation for the Land and Buildings & Other Structures asset classes. 	<ul style="list-style-type: none"> Our audit procedures have not identified any material misstatements.
Financial Assets (Investments)	<ul style="list-style-type: none"> Treatment and presentation of Investments ensure compliance with AASB 9 Financial Instruments Performed tests of existence and valuation of investments held Reviewed appropriateness of the disclosures in financial statements as per AASB 9 Financial Instruments and the Council's irrevocable election made under this standard 	<ul style="list-style-type: none"> Our audit procedures have not identified any material misstatements.
Employee Entitlement Provisions	<ul style="list-style-type: none"> Verified hours and amounts taken and leave accrued Reviewed the calculation of oncosts and discount rates used in the calculation Reviewed appropriateness of estimates and assumptions contained in the calculation Reviewed controls relating to the management and monitoring of employee leave entitlements 	<ul style="list-style-type: none"> Our audit procedures have not identified any material misstatements.

Matters to be Addressed in Future Financial Years

As a result of audit work completed, the following audit matters have been identified during the course of our audit which we have summarised below:

Audit Matter	Audit Recommendation
Quarterly Financial Report (QFR)	Approved aged care service providers are now required to submit the new reporting obligation QFR. These new reporting requirements commence from 1 July 2022 and the first quarter is due to be submitted by 4 November 2022. As this is a new reporting obligation and the information required is also new, we recommend the Administration have a framework in place to ensure information required for this reporting is available and is submitted by the timeframes imposed.
Asset Management Plans	As the valuation of Land and Buildings has been conducted we recommend that a review and an update of the Buildings Asset Management Plan is completed.

Draft Audit Report

INDEPENDENT AUDITOR'S REPORT

To the members of the Alwyndor Aged Care Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Alwyndor Aged Care (the Entity), which comprises the Statement of Financial Position as at 30 June 2022, the Statement Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, Alwyndor Management Committee Declaration and the Certification of the Financial Statements.

In our opinion, the accompanying financial report of the Entity is in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the Australian Accounting Standards (including Australian Accounting Interpretations), including;

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2022 and of its performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as 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 auditor independence requirements of 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 other ethical responsibilities in accordance with the Code.

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

Responsibility for the Financial Report

The Entity is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the need of the directors. Management's responsibility also includes such internal control as Management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

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

Draft Audit Report

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 the 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.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

DEAN NEWBERY

Samantha Creten

Partner

Signed on the day of 2022,
at 214 Melbourne Street, North Adelaide

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Dean Newbery

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Attachment 4





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

25 October 2022

Samantha Creten
Partner
Dean Newbery
PO Box 755
NORTH ADELAIDE SA 5006

Dear Samantha

Management Representations: External Audit, Financial Year Ended 30 June 2022

This Management Representation letter is provided in connection with your audit examination of the General Purpose Financial Report (**2022 Financial Report**) of City of Holdfast Bay (**'the Council'**) for the financial year ended 30 June 2022.

We hereby confirm, at your formal request, that to the best of our knowledge and belief, the following representations relating to the 2022 Financial Report are correct.

In making these representations, we understand that they are provided to you in connection with your external audit of the Council for the year ended 30 June 2022 as prescribed by the *Local Government Act 1999*, for the express purpose of your expressing an opinion as to whether the 2022 Financial Report is, in all material respects, presented fairly in accordance with all applicable standards and requirements, including statutory. In making these representations, we have read and understood the standard unqualified Audit Opinion that would be normally expressed to the Council by you as is required under Section 129(3) of the *Local Government Act 1999* for the financial year ended 30 June 2022. We therefore understand, without exception, the potential ramifications of making any representations to you that are not correct, to the best of our knowledge and belief as of the date of this letter.

We understand and acknowledge that it is the Council management's responsibility for the fair presentation of the 2022 Financial Report and that management, as appropriate, have approved the Financial Report. Accordingly, management of the Council are of the opinion that the 2022 Financial Report is free of material misstatements, including omissions.

1. Compliance with all Applicable Standards, including Statutory

The Financial Report of the Council has been prepared so as to present a true and fair view of the state of affairs of the Council as at 30 June 2022 and of the results of operations of the Council for the financial year ended on that date, including for all post balance date matters, as applicable.



The accounting and financial management policies, practices and records of the Council were at all times maintained in accordance with the requirements of the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and that the Financial Report was prepared in accordance with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011*, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board together with all other mandatory professional reporting requirements in Australia.

ASSETS

Cash and Cash Equivalents

- (1) Cash on hand at balance date was represented by cash floats reconciled and on hand as at 30 June 2022.
- (2) Cash at bank at balance date represented the reconciled operating account(s) of the Council.
- (3) Short term deposits represented amounts held with the LGFA by Council and Ord Minnett (Investment Manager) for Alwyndor.

Rates and Other Receivables

- (1) Current rate receivables at balance date represented all outstanding amounts owed by rate payers.
- (2) Current other receivables at balance date represented all outstanding amounts owed by debtors other than rate payers.
- (3) Debts due at balance date that are known to be uncollectible have since been written-off and adequate provision has been made for impairment to cover allowances, discounts and losses that may be sustained by Council in the collection of the debts.

Other Current Assets

- (1) Prepayments at balance date represented payments for goods and services to be received in the 30 June 2023 financial year.
- (2) There are no non-current assets held for sale.

Financial Assets

- (1) There are no grounds to provide for any impairment loss for loans to community groups or other organisations apart from the provision reported in the 2020-21 statements of \$517,780.
- (2) Other financial assets refer to Alwyndor interest rate and equity securities.

Investments Accounted using the Equity Method

- (1) Council has complied with all applicable Australian Accounting Standards with regard to Council's equity in subsidiaries, regional subsidiaries and other interests, as applicable.

Infrastructure, Property, Plant & Equipment and Depreciation

- (1) Infrastructure, property, plant and equipment at the 2022 balance date was represented by the following fair values, cost, accumulated depreciation and carrying amounts for each class of asset, in accordance with all prescribed requirements and standards, as follows:

	At Fair Value \$'000	At Cost \$'000	Accumulated Depreciation \$'000	Carrying Amount \$'000
Land	504,222	-	-	504,222
Buildings & Other Structures	177,081	-	(64,923)	112,158
Infrastructure	378,498	35,441	(145,699)	268,240
Plant & Equipment	-	11,525	(5,890)	5,635
Furniture & Fittings	-	7,118	(3,563)	3,555
Library Lending Materials	1,347	-	(520)	827
Total Infrastructure, Property, Plant & Equipment	1,061,148	54,084	(220,595)	894,637

- (2) The additions during the 2022 financial year to Infrastructure, property, plant and equipment general ledger control accounts and asset registers represents the cost of additions and or improvements to existing facilities or replacements thereof. All units of property which have been replaced, sold, dismantled or otherwise disposed of, or which are permanently unusable, have been removed from general ledger and applicable asset register. Adequate provision, determined in a manner consistent with that of the preceding financial year, has been made to write-off depreciable assets over their useful economic working lives.

No circumstances have arisen which render adherence to the existing basis of depreciation misleading or inappropriate and that depreciation expense for the financial year ended 30 June 2022 is reliable.

- (3) All additions to depreciable assets represent actual additions or improvements of a capital nature, based on capitalisation thresholds consistently applied for the 2022 financial year in accordance with Council's Asset Accounting Policy.

- (4) Where the recorded carrying amount of any depreciable assets exceeds its recoverable amount as at 30 June 2022, that asset's recorded carrying amount has been written down to its recoverable amount.
- (5) Contractual commitments for capital expenditure(s) included in the Financial Report payable not later than one year are as described in the notes accompanying the Financial Report.
- (6) There are no deficiencies or encumbrances attaching to the title of the assets of the Council at 30 June 2022 other than those reflected in the financial report and those are not greater than the value of the asset.
- (7) No Operating or Finance Lease commitments exist that have not been disclosed in the Financial Report. All Operating Lease expenses have been fully disclosed in the notes to the 2022 Statement of Comprehensive Income. Finance Leasing commitments have been fully disclosed in the notes to the 2022 Balance Sheet.
- (8) The asset revaluation of all land owned by Council was undertaken by independent valuers Public Private Property as at 30 June 2022 based on Fair Value using the Market Approach. Accordingly, the fair value was reliably established for each asset and the financial records of Council were restated in accordance with all applicable Australian Accounting Standards, and the Financial Report reflects all such accounting entries.
- (9) The asset revaluation of all buildings owned by Council was undertaken by independent valuers Public Private Property as at 30 June 2022 based on Fair Value using a combination of the Market Approach and Cost Approach. The fair value, total economic working life, residual economic working life were reliably established for each asset and the financial records of Council were restated in accordance with all applicable Australian Accounting Standards, and the Financial Report reflects all such accounting entries.
- (10) The asset revaluations of stormwater infrastructure assets undertaken during the 2022 financial year by internal staff and reviewed by Public Private Property as at 30 June 2022 were based on the principle of written down replacement value. Accordingly, total replacement value, total economic working life, residual economic working life were reliably established for each asset and the financial records of Council were restated in accordance with all applicable Australian Accounting Standards, and the Financial Report reflects all such accounting entries.
- (11) Valuations of all land, buildings and infrastructure assets are reflected in the 2022 Financial Report and will be considered by Audit Committee and Council as part of the adoption of the Financial Statements.
- (12) The resultant increment to the asset revaluation reserve during the year represents the difference between the prior written down value of the assets being valued and the valuations as at 30 June 2022.

- (13) Depreciation expense reported in the 2022 Statement of Comprehensive Income is reliable, being based on reliable 'whole of life' asset management information for each class of depreciable non-current asset.

LIABILITIES – Current and Non-Current

- (1) All liabilities which have arisen or which will arise out of the activities of the Council to the end of the 2022 financial year have been included in the 2022 Financial Report.
- (2) All outstanding trade payables at balance date have been taken up as at the 2022 balance date.
- (3) All applicable accrued wages and salaries and accrued employee entitlements at the 2022 balance date have been taken up.
- (4) All accrued interest at the 2022 balance date have been taken up.
- (5) All revenue received in advance as at the 2022 balance date have been taken up.
- (6) Provisions for employee benefits, inclusive of on-costs, all discounted as at the 2022 balance date representing long service leave benefits calculated for all valid employees (as at balance date) have been taken up.
- (7) Accrued employee benefits represent annual leave accrued for all valid employees as at the 2022 balance date.
- (8) Borrowings as at the 2022 balance date represented amounts owed to the Local Government Finance Authority. Loans with the LGFA have varying maturity dates and interest rates with details fully provided in the notes to the 2022 Financial Report.
- (9) There were no contingent liabilities including for:
- a) guarantees;
 - b) bills and accounts receivable discounted, assigned or sold and which are subject to recourse;
 - c) endorsements;
 - d) pending law suits - noting (as separately advised) that a pre-action notice has been served on 61 SA Councils in relation to fees associated with negotiating public lighting tariffs. The LGA are facilitating the response and coordinated defence with advice that the claim does not have merit;
 - e) unsatisfied judgements or claims;
 - f) repurchase agreements; or
 - g) contractual disputes between the Council and any contractor / service provider that may result in an increased liability as at 30 June 2022; which are not fully disclosed in the notes to the 2022 Financial Report.

EQUITY

- (1) There have been no adjustments to the Accumulated Surplus other than those allowable under the Australian Accounting Standards.
- (2) There have been no adjustments to the Asset Revaluation Reserve other those allowable under the Australian Accounting standards and the balance of the reserve has been reconciled to each class of asset.
- (3) All reserve funds required by legislation to be maintained have been at all times maintained in the accounting records of the Council.
- (4) All transfers to and from reserve funds (including the Accumulated Surplus) have been prior authorised by Council.
- (5) Other than for the Asset Revaluation Reserve, all other reserve accounts are those applied for 2022 Council budget purposes and have the same balances as at 30 June 2022.

2021 STATEMENT OF COMPREHESIVE INCOME

- (1) Please find attached a summary of all material variations for all income and expense amounts (variances less than \$5,000 have been deemed immaterial and not included) disclosed in the 2022 Statement of Comprehensive Income, compared to 2021.
- (2) No 2020-21 amounts that have been re-classified in the 2022 Statement of Comprehensive Income.
- (3) All depreciable physical resources received free of charge have been included in the appropriate asset register and depreciated from the date when Council assumed control (of the asset).
- (4) Depreciation expense for 2022 is in accordance with Council's asset registers and has been determined on the same basis as for 2021.
- (5) Salaries and Wages expense disclosed in the 2022 Statement of Comprehensive Income reconciles to the last budgeted salaries and wage amount approved by Council for 2022 annual budget funding purposes.
- (6) Capital grants have been correctly separated from operating grants, in accordance with the requirements of the Model Financial Statements.

KEY FINANCIAL INDICATORS

Council has three major financial targets as follows:

- To achieve an operating ratio of 0-10 per cent over a five year period.
- To achieve a net financial liabilities ratio of less than 75 per cent.

- To improve Council's asset sustainability ratio to be within the range of 90-110 per cent over a five year period.

CHIEF EXECUTIVE OFFICER'S REPORT

There are no exceptions to the standard Chief Executive Officer's Report that may be or will be expressed in the 2022 report to be included in the 2022 Financial Report.

OTHER REQUIRED REPRESENTATIONS

- (1) No events have occurred (or are known to occur) subsequent to the 30 June 2022 that would require any consideration for adjustment to or additional disclosure in the 2022 Financial Report.
- (2) The Council does not have any plans or intentions that may materially affect the carrying value or classification of all assets and liabilities as at 30 June 2022.
- (3) The Council has complied with all aspects of contractual arrangements and agreements that would have a material effect on the 2022 Financial Report in the event of non-compliance.
- (4) There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, other than those disclosed in the 2022 Financial Report.
- (5) There are no violations or possible violations of laws, compulsory standards or regulations whose effects should be considered for disclosure in the 2022 Financial Report or as a basis for recording as an expense or otherwise.
- (6) The methods, the data, and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
- (7) The Council has full title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (8) All details concerning related party transactions and related amounts receivable or payable (including sales, purchases, loans and guarantees) have been correctly recorded in the accounting records. All related parties have been identified and disclosed to you during your audit.
- (9) The Council reviews, at least on an annual basis, the adequacy of insurance cover on all assets and insurable risks. This review has been consistently performed, and where it is considered appropriate, assets and insurable risks of the Council are at all times adequately covered by appropriate insurance.

- (10) The minutes of all meetings of Council and its Committees were made available to you and are complete and authentic records of all such meetings held during the 2022 financial year and to the date of this letter. All other statutory records were properly kept at all times during the year and have been made available to you for audit purposes.
- (11) All audit correspondence has been formally and promptly responded.
- (12) All audit correspondence has been referred to Council and Council's Audit Committee.
- (13) Salaries and wages records together with records for the Goods and Service Tax were at all times fully maintained in accordance with the requirements of the Australian Taxation Office, as applicable.
- (14) All documentation relating to the capture of Related Party Disclosures and Transactions (AASB 124 Related Party Disclosures) including all authorised forms provided by the deemed Key Management Personnel, evidence of review of total related party transactions processed during the financial year by the Council e.g. transaction reports of payments made by Council to related parties and any working papers of calculation methodologies for the disclosures in the 30 June 2022 financial statements have been made available to the auditors.
- (15) All deemed material transactions relating to Related Party Disclosures and Transactions (AASB 124 Related Party Disclosures) have been included and adequately disclosed in the 30 June 2022 financial statements.
- (16) Council has formally in place and has at all times maintained an appropriate standard of accounting, internal control structure and framework, segregation of duties and risk management structure and framework across the entire organisation, including appropriate controls and mechanisms specifically designed to prevent and detect fraud and error. Further, we advise that there have not been any instances of fraud or error during the financial year ended 30 June 2022 or to the date of this letter. In addition, there are no matters that should be brought to your attention for the purposes of your making an assessment as to Sections 129(5) and 129(6) of the Local Government Act 1999.
- (17) The 2022 Financial Report has been adjusted for all agreed audit adjustments for the year ended 30 June 2022.
- (18) There were no changes in accounting practices and accounting policies made for the financial year ended 30 June 2022 compared to the financial year ended 30 June 2021.
- (19) Council's Audit Committee has addressed all of its prescribed responsibilities and no member of the Committee has undertaken other professional services for the Council.

- (20) In our opinion, there are no grounds to believe that the Council will not be able to pay its debts as and when they fall due, that assets will be at all time maintained to the service standards currently determined by Council and accordingly, the Council is long term financially sustainable.

Yours sincerely

Chief Executive Officer

Manager Financial Services

Attachment

Attachment

2021-22 Statement of Comprehensive Income - Summary of material prior year variations. Note References refer to the General Purpose Financial Statements

Note 2(b) - Statutory Charges \$2,801,000 (2020-21 \$2,263,000)

Increased by \$538,000 due to an increase in: parking fines \$397,000, development assessment fees \$77,000, food inspection fees \$41,000 and encroachment permit fees \$28,000.

Note 2(c) - User Charges \$8,882,000 (2020-21 \$7,754,000)

Municipal user charges increased by \$141,000 with additional off-street parking ticket machine income \$77,000 and an increase in cemetery fee income \$75,000.

Alwyndor user charges increased by \$987,000 due to an increase in residential funding from a new basic daily fee supplement (additional \$10 per resident per day to deliver better food and nutrition to residents) and third party services and consumables for Home Care Packages (offset by third costs at note 3(b)).

Note 2(g) – Operating Grants, Subsidies and Contributions \$14,743,000 (2020-21 \$15,515,000)

Municipal operating grants decreased by \$568,000. A major variance occurred due to no new Local Roads and Community Infrastructure (LRCI) being received during 2021-22 (\$1,053,000 was received in 2020-21). Due to accounting standard requirements any payments received are only recorded as income at time of receipt. Additionally the Home and Community Care grant program finished in 2020-21, \$143,000. These variances were offset by a positive variance of \$500,000 in the timing of the payment of the Financial Assistance Grants and new grants for a seawall remediation trial \$55,000, the greening of Seacliff \$42,000 and a grants management guide \$32,000.

Alwyndor grants and subsidies decreased by \$204,000. This is mainly due to an increase in the total Aged Care Funding Instrument (ACFI) revenue generated throughout the year offset by lower occupancy levels as a direct result of COVID outbreaks.

Note 2(d) - Investment Income \$363,000 (2020-21 \$191,000)

Municipal reserve fund investment reduced by \$10,000 due to lower interest rates and less available cash for investing. In accordance with Councils Treasury Management policy available cash was used to fund major operating and capital expenditure in preference to new borrowings which occurred late in 2021-22.

Alwyndor investment income increased by \$182,000 mainly due to dividend and distribution income from investing surplus funds through commencing investments with external investment manager, Ord Minnett.

Note 2(e) – Reimbursements \$4,046,000 (2020-21 \$3,575,000)

Municipal reimbursements decreased by \$69,000 mainly due to reimbursements received in 2020-21 but not in 2021-22: Fringe Benefit Tax, LGA Asset Mutual Fund and apprentice training reimbursements received through the Workers Compensation scheme.

Alwyndor reimbursements increased by \$540,000 due to increased direct services provided to Support at Home clients following growth in clients.

Note 2(f) – Other Income \$5,387,000 (2020-21 \$4,398,000)

Municipal other income has increased by \$104,000 largely due to additional income raised through various events held over 2021-22, including: Pro Hustle Basketball tournament, beach concert, Ferris wheel and Christmas Pageant.

Alwyndor other income increased by \$885,000 due to recording \$661,000 higher income compared to prior year for Home Care Package fees due to increased clients. The remaining variance of \$224,000 is mainly due to COVID Grant income recognised to offset expenses relating to managing COVID outbreaks in residential care.

Note 19 - Net gain – EQUITY ACCOUNTED COUNCIL BUSINESSES \$441,000 (2020-21 \$66,000)

This refers to Council's 15% share (\$441,000 surplus) in the Southern Region Waste Resource Authority (SRWRA). For 2021/22 SRWRA achieved a \$2,941,000 net surplus (\$578,000 in 2020/21). Major prior year variances included an increase in joint venture cost reimbursement income for the Southern Materials Recycling Facility of \$1,673,000 and an increase of \$1,848,000 to account for a 50% equity share in the net surplus of the same joint venture. This is offset by a decrease in landfill operation income of \$1,240,000. The full SRWRA financial statements are attached to the covering report. The financial results, provisions and expanded notes of Councils equity share of SRWRA are included in Note 19 to the Council financial statements.

Note 3(a) - Employee Costs \$35,007,000 (2020-21 \$32,712,000)

Overall municipal employee costs increased by \$780,000 from the prior year. This is made up of an increase in direct employment costs of \$977,000 due to vacancies in 2020-21 being filled in 2021-22 and a 2% wages and salaries increase in line with the relevant Enterprise Bargaining Agreements. This is offset by a reduction of \$172,000 in the annual employee leave provision expense. Capitalised employment costs increased by \$25,000.

Alwyndor employment costs increased by \$1,515,000. This is due to additional costs to support increased residential client needs (refer higher Aged Care Funding Instrument (ACFI) revenue noted in 2g), \$270,000 from 2% annual remuneration increase, \$172,000 COVID wages during outbreaks (offset by Income noted in 2f), \$475,000 in increased Support at Home and Therapy following growth in these areas. Increased wages also led to \$195,000 higher Superannuation costs and \$76,000 higher Workers Compensation costs.

Note 3(b) - Materials, Contracts and Other Expenses \$26,258,000 (2020-21 \$25,240,000)

Municipal expenses in this grouping decreased by \$30,000. This comprised numerous items either included in the original budget or varied throughout the year. Major prior year variances include the running of community events that had been deferred in 2020-21 due to COVID-19 \$136,000, higher insurance premiums \$45,000 and the need to hold a supplementary election \$32,000. This was offset by a decrease in expenditure of \$138,000 related to the COVID-19 pandemic and lower energy costs of \$62,000.

Alwyndor expenses increased by \$1,017,000. This is due to a \$343,000 increase in third party costs paid for Home Care Package clients, which is offset by User Charges at Note 2(c), project implementation costs for the new Home Care software program of \$331,000, \$96,000 increased in-house kitchen costs following early departure of the third party contractor, \$132,000 additional COVID expenditure on Agency costs and medical costs, additional \$72,000 in gardening and maintenance for the CHSP program and \$35,000 in costs for the investment portfolio.

Note 3(c) - Depreciation \$11,104,000 (2020-21 \$10,684,000)

Overall municipal depreciation increased by \$412,000 reflecting new and revalued assets including bridges and car parks (Other Transport) \$124,000, open space coastal assets \$105,000, buildings \$74,000 and stormwater assets \$58,000.

Alwyndor depreciation increased by \$8,000 with most of this increase applicable to buildings.

Note 3(d) - Finance Costs \$1,758,000 (2020-21 \$1,814,000)

Municipal finance charges increased by \$54,000 due to interest payments on new borrowings undertaken in June 2021 but offset by less interest paid on cash advance debenture draw-downs due to low interest rates and a positive cashflow.

Alwyndor Finance charges decreased by \$110,000 due to a \$123,000 reduction of interest recognised in accordance with the new AASB 16 accounting standards. The interest expense recognised is offset against the consideration noted at Note 2(f). The balance of \$13,000 is due to an increase in the interest rate payable on Refundable Accommodation Deposit refunds.

Note 4 - Asset Disposal and Fair Value Adjustments (\$2,340,000 loss) - (2020-21 \$1,379,000 - loss)

Municipal assets were sold, or disposed of, throughout the year resulting in a \$1,476,000 loss. The assets are itemised as follows:

- \$1,475,000 – Loss - Capital renewal program. Refers to existing infrastructure assets removed or disposed as part of the annual capital program
- \$32,000 – profit on sale of vehicles
- \$33,000 – loss on sale of caravan park cabins

Alwyndor's \$864,000 reduction represents mainly the unrealised loss on the capital value of the investment portfolio as at 30 June 2022 of \$835,000.

Note 2(g) - Amounts Received for New/Upgraded Assets \$1,544,000 (2020-21 \$5,631,000)

New grants were accounted for in 2021-22 including the following major projects - Jetty Road Glenelg Masterplan \$797,000, Brighton Oval redevelopment \$409,000, Glenelg Oval Masterplan \$165,000 and Mawson Oval upgrade \$95,000.

Alwyndor received \$78,000 in funding for new/upgraded assets, comprising \$66,000 funding for an Outdoor Gym and \$12,000 funding for noise cancelling headsets from the Local Government Association.

Note 9(a) - Change in Revaluation Surplus – \$157,837,000 increase (2020-21 \$5,567,000 increase)

Land and building assets were revalued by Public Private Property. The last revaluation on these assets was performed in 2017. Based on current replacement rates this resulted in a valuation increase of \$144,771,000 for land and \$13,878,000 for buildings. Stormwater assets were revalued by a qualified Council officer and reviewed by Public Private Property resulting in a valuation decrease of \$791,000. Though the current replacement costs of these assets has increased, their carrying value has decreased due to a reduction in their estimated remaining life. Library materials were also valued by senior library officers resulting in a valuation decrease of \$21,000.

Attachment 5



Attachment

2021-22 Statement of Comprehensive Income - Summary of material prior year variations. Note References refer to the General Purpose Financial Statements

Note 2(b) - Statutory Charges \$2,801,000 (2020-21 \$2,263,000)

Increased by \$538,000 due to an increase in: parking fines \$397,000, development assessment fees \$77,000, food inspection fees \$41,000 and encroachment permit fees \$28,000.

Note 2(c) - User Charges \$8,882,000 (2020-21 \$7,754,000)

Municipal user charges increased by \$141,000 with additional off-street parking ticket machine income \$77,000 and an increase in cemetery fee income \$75,000.

Alwyndor user charges increased by \$987,000 due to an increase in residential funding from a new basic daily fee supplement (additional \$10 per resident per day to deliver better food and nutrition to residents) and third party services and consumables for Home Care Packages (offset by third costs at note 3(b)).

Note 2(g) – Operating Grants, Subsidies and Contributions \$14,743,000 (2020-21 \$15,515,000)

Municipal operating grants decreased by \$568,000. A major variance occurred due to no new Local Roads and Community Infrastructure (LRCI) being received during 2021-22 (\$1,053,000 was received in 2020-21). Due to accounting standard requirements any payments received are only recorded as income at time of receipt. Additionally the Home and Community Care grant program finished in 2020-21, \$143,000. These variances were offset by a positive variance of \$500,000 in the timing of the payment of the Financial Assistance Grants and new grants for a seawall remediation trial \$55,000, the greening of Seacliff \$42,000 and a grants management guide \$32,000.

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Attachment 6



SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Contents

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Statement of Comprehensive Income	2
Statement of Financial Position	3
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 Notes to the Financial Statements	6
 CEO Statement	
Audit Report	
Council Certificates of Audit Independence	
Audit Certificate of Audit Independence	

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Annual Financial Statements
for the financial year ended 30 June 2022

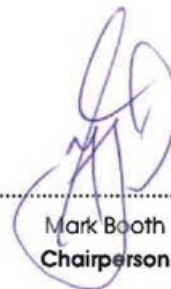
Certification of Financial Statements

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

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



Chris Adams
Chief Executive Officer



Mark Booth
Chairperson

Date: 19 September 2022

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Statement of Financial Position as at 30 June 2022

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
Balance at start of period - 1 July 2020	20,291	1,222	21,513
Net Surplus/ (Deficit) for Year	578	-	578
Other Comprehensive Income			
Gain on revaluation of property, plant & equipment	-	-	-
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
Balance at end of period - 30 June 2021	20,869	1,222	22,091
 Balance at start of period - 1 July 2021	 20,869	 1,222	 22,091
Net Surplus/ (Deficit) for Year	2,941	-	2,941
Other Comprehensive Income			
Gain on revaluation of property, plant & equipment	-	1,153	1,153
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
Balance at end of period - 30 June 2022	23,810	2,375	26,185

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 – Significant Accounting Policies

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies.

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

1.4 Rounding

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

2 The Local Government Reporting Entity

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

3 Income recognition

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

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 (cont.) – Significant Accounting Policies

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 9.

5 Infrastructure, Property, Plant & Equipment

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

5.1 Initial Recognition

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

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

5.2 Materiality

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

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

5.3 Depreciation of Non-Current Assets

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

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 (cont.) – Significant Accounting Policies

6 Payables

6.1 Goods & Services

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

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

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

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

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

7.2 Superannuation

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

Accumulation Fund Members

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

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

Salarylink (Defined Benefit Fund) Members

Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial. The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2021.

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

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 (cont.) – Significant Accounting Policies

8 Provisions for Landfill Capping, Rehabilitation and Restoration Costs

The Authority's provision for landfill capping, post closure rehabilitation costs and restoration costs are calculated based on the net present value of the future cash outflows expected to be incurred to remediate the landfill which will include the costs of capping, rehabilitating and restoring the landfill site.

The measurement of the provisions requires significant estimates and assumptions such as discount rate, inflation rate, assessment of the requirements of the Environment Protection Authority (EPA) or other government authorities, the timing, extent and costs of activities required and the area of the landfill to be remediated, which is determined by volumetric aerial surveys.

These uncertainties may result in future actual expenditure differing from the amounts currently provided. Expenditure relating to ongoing rehabilitation and restoration will reduce any provision previously established.

The Authority monitors the remaining airspace, the airspace consumption efficiency (compaction) ratio, the discount rate and the inflation rate used to calculate the net present value of the future landfill capping, rehabilitation and restoration costs on an annual basis and makes adjustments to the liability as required to ensure an accurate projected cost of the liability is shown in the balance sheet.

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

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

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

9 Inventory

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

10 GST Implications

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

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

11 Comparative Information

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 (cont.) – Significant Accounting Policies

12 New Accounting Standards

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

13 Valuation of Land and Building Assets

Building assets held by the Authority were valued by Opteon (South Australia) Pty Ltd with an effective valuation date of 30 June 2014 applied for financial reporting purposes. Assets were valued to their market value based on highest and best use. All purchases made post 30 June 2014 have been recorded at cost. Since 1 July 2019, The Authority has undertaken significant building construction works which represent 65% of the recorded "At Cost" balance of assets recorded in Note 5 as at 30 June 2022.

Land assets held by the Authority were valued by AssetVal with an effective valuation date of 30 June 2022 applied for financial reporting purposes. Where there is an active and liquid market as evidenced by sales transactions of similar property types, a Market approach by way of Direct Comparison or Income methods were utilised.

Some parcels of land are subject to restrictions as to use and sale and the value of these land assets has been determined after considering suitable market evidence and making necessary adjustment to account for these restrictions.

14 Valuation of Landfill Assets

Landfill assets comprise the acquisition of landfills, cell development costs, landfill improvements costs and the assets related to future landfill capping, rehabilitation and restoration costs.

Assets related to future landfill capping, rehabilitation and restoration costs are valued based on the net present value of the future cash outflows expected to remediate the landfill which will include the costs of capping, rehabilitating and restoring the landfill asset. The assumptions used to estimate these costs and details of their regular review are described in item 8 – Provision for Landfill Capping, Rehabilitation and Restoration Costs.

All landfill assets are amortised proportionately to the rate of filling as described in Note 1.5.3 Depreciation of Non-Current Assets.

15 Equity Accounted Joint Ventures

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

16 COVID-19

Given the nature of the business activities undertaken by the Authority, there has been no restrictions imposed on waste processing operations of the Authority due to government enforced restrictions introduced as a result of the COVID-19 pandemic event.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 3 - Expenses (cont)

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

Note 4 - Current Assets

Cash & Cash Equivalents

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

Trade & Other Receivables

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 5 - Property, Plant & Equipment

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 5 - Property, Plant & Equipment

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 6 - Liabilities

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

Provisions

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

Reconciliation of Movement in Landfill & Restoration Provisions

	Super Cell Capping	Post Closure Rehabilitation	Future Restoration Costs	Total
Opening Balance	7,980	4,064	1,674	13,718
Additional Amounts Recognised/ (Derecognised)	-	-	-	-
Payments	-	-	-	-
Unwinding of Present Value Discounts	-	-	-	-
Closing Balance	7,980	4,064	1,674	13,718

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 7 - Cash Flow Reconciliation

(a) Reconciliation of Cash

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

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

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

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

(c) Financing Arrangements

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 8 - Financial Instruments

Recognised Financial Instruments

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

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

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

Receivables - Gate Accounting Policy: Carried at nominal values less any allowance for doubtful Fees & Associated debts. An allowance for doubtful debts is recognised (and re-assessed annually) Charges when collection in full is no longer probable.

Carrying amount: approximates fair value (after deduction of any allowance).

Liabilities - Creditors Accounting Policy: Liabilities are recognised for amounts to be paid in the future and Accruals for goods and services received, whether or not billed to the Authority.

Terms & conditions: Liabilities are normally settled on 30 day terms.

Carrying amount: approximates fair value.

Net Fair Value

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

Risk Exposure

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

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

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 8 - Financial Instruments

Liquidity Analysis

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

	2021	≤ 1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- interest bearing	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Amortised Cost						
Cash Assets		4,643	-	-	-	4,643
Receivables		-	-	-	3,008	3,008
Total		4,643	-	-	3,008	7,651
Financial Liabilities						
Payables		-	-	-	4,752	4,752
Borrowings		-	-	-	-	-
Total		-	-	-	4,752	4,752

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 9 - Commitments for Expenditure

	2022 \$'000	2021 \$'000
Capital Commitments		
Capital expenditure committed at reporting date but which is not recognised in the financial statements as liabilities are as follows:		
Committed Projects	79	1,250
	79	1,250

Note 10 - Events Occurring After Reporting Date

There were no events that occurred after reporting date that requires to be disclosed.

Note 11 - Disclosure of Related Party Transactions

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under Section 112 of the *Local Government Act 1999*. In all, 6 persons were paid the following total compensation:

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

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Onkaparinga (Member Council)	7,913	466	Provision of waste disposal services
City of Holdfast Bay (Member Council)	1,446	115	Provision of waste disposal services
City of Marion (Member Council)	3,526	313	Provision of waste disposal services
Southern Materials Recycling Facility (Joint Venture)	3,309	362	Provision of waste disposal services
Southern Recycling Centre (Joint venture)	6,327	593	Provision of waste disposal services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 4. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 12 - Uniform Presentation of Finances

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 13 - Equity Accounting Joint Ventures

Southern Recycling Centre (SRC)

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

	2022 \$'000	2021 \$'000
The Authority's respective interests are:		
- interest in operating result:	50.00%	50.00%
- ownership of equity	49.99%	49.99%
- the proportion of voting power	50.00%	50.00%
<u>Movement in Investment in Joint Operation:</u>		
Opening Balance	1,164	677
New Capital Contributions	-	-
Share in Operating Result	1,140	1,087
Equity Adjustment	16	-
Distributions Received	(700)	(600)
Share in Equity of Joint Operation	1,620	1,164

Expenditure Commitments

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

Contingent Liabilities

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

Note 13 (cont.) - Equity Accounting Joint Ventures

Southern Materials Recycling Facility (SMRF)

The Authority has entered into a joint venture arrangement with Re.Cycle (Adelaide) Pty Ltd to operate the Southern Material Recovery Facility located on the Authority's landfill site.

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

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

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

Expenditure Commitments

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

Contingent Liabilities

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 14 - Fair Value Measurements

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

- Land assets.

The Authority does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(a) Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Authority selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the association are consistent with one or more of the following valuation approaches:

- *Market approach*: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- *Income approach*: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- *Cost approach*: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Authority gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 14 (cont.) - Fair Value Measurements

	Note	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$
2022					
Recurring fair value measurements					
Property, Plant & Equipment and Landfill Assets					
- Land	5	-	6,335	-	6,335
- Buildings	5	-	560	-	560
- Super Cell Capping	5	-	-	5,426	5,426
- Post Closure Rehabilitation	5	-	-	6,143	6,143
- Future Restoration Costs	5	-	-	4,228	4,228
Total financial assets recognised at fair value		-	6,895	15,797	22,692
2021					
Recurring fair value measurements					
Property, Plant & Equipment and Landfill Assets					
- Land	5	-	3,450	1,755	5,205
- Buildings	5	-	560	-	560
- Super Cell Capping	5	-	-	5,426	5,426
- Post Closure Rehabilitation	5	-	-	6,143	6,143
- Future Restoration Costs	5	-	-	4,228	4,228
Total financial assets recognised at fair value		-	4,010	17,552	21,562

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 14 (cont.) - Fair Value Measurements

(b) Disclosed fair value measurements

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

	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	2	Market Value	Observable sales of similar properties – both vacant land and land with improvements
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	3	Cost Approach	Landfill assets unobservable inputs. The measure of these costs requires significant estimates and assumptions such as: discount rate, inflation rate, assessment of EPA requirements, the timing, extent and costs of the required activities and the estimated remaining airspace of the landfill.
There has been no change in the valuation technique(s) used to determine the value of parcels of land where there are restrictions as to use and sale of these assets.	3	Market Value	Land assets unobservable inputs. Some parcels of land are subject to restrictions as to use and sale and the value of these land assets has been determined after considering suitable market evidence and making necessary adjustments to account for these restrictions. These adjustments are usually unobservable inputs that are likely to have a significant effect on valuation.



Southern Region Waste Resource Authority

Audit Committee - Auditor Independence

Presiding Member Certification

I, Greg Connor, the person occupying the position of Presiding Member of the Southern Region Waste Resource Authority's Audit Committee, do hereby certify (for the purposes of Regulation 21 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the Southern Region Waste Resource Authority, Galpins, has not been engaged by the Southern Region Waste Resource Authority to provide services to the Southern Region Waste Resource Authority outside the scope of the audit functions under the Local Government Act 1999.



Greg Connor
Presiding Member

Southern Region Waste Resource Authority Audit Committee

22/8/2022
Dated



SOUTHERN REGION WASTE RESOURCE AUTHORITY

GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2022

Statement by Auditor

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

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor

Director

21 September 2022

Mount Gambier

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Stirling

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Galpins Trading Pty Ltd
ABN: 89 656 702 886

Liability limited by a scheme approved
under Professional Standards Legislation



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INDEPENDENT AUDITOR'S REPORT

To the members of the Southern Region Waste Resource Authority

Report on the Audit of the Financial Report

Opinion

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

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

Basis for Opinion

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

Responsibility for the Financial Report

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor

Director

21 September 2022

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

To the members of the Southern Region Waste Resource Authority

Opinion

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

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

Basis for Opinion

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

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

The Authority's Responsibility for Internal Control

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

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQC 1 *Quality Control for Firms that Performs Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

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Auditor's responsibility

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

Limitations of Controls

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

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

Limitations of Use

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

A handwritten signature in blue ink, appearing to read 'T Muhl'.

Tim Muhlhausler CA, Registered Company Auditor

Director

21 September 2022



**Southern Region Waste Resource Authority
Board Chairperson - Auditor Independence**

I, Mark Booth, the person occupying the position of Chairperson of the Southern Region Waste Resource Authority's Board, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the Southern Region Waste Resource Authority, Galpins, has not been engaged by the Southern Region Waste Resource Authority to provide services to the Southern Region Waste Resource Authority outside of the scope of the audit functions under the Local Government Act 1999

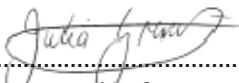
Mark Booth
Chairperson
Southern Region Waste Resource Authority

24 / 08/ 2022...

Date

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

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



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

24/08/2022.
Dated

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

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

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



.....
Chief Executive Officer
City of Marion

18 / 08 / 2022
Dated

The City of Marion acknowledges it is part of Kaurna land and recognises the Kaurna people
as the traditional and continuing custodians of the land.

19 August 2022

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

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



Chief Executive Officer
City of Holdfast Bay

19/8/22

Dated



Item No: 7.5

Subject: **2021/22 ANNUAL REPORT**

Date: 19 October 2022

Written By: Corporate and Service Planning Lead

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

Council's Annual Report is a legislative requirement under Section 131 of the *Local Government Act 1999*. The information contained within the publication provides legislators and the community with assurance that the City of Holdfast Bay is meeting its strategic and governance requirements. The publication also provides a detailed overview of the Council's services and achievements during the year.

The 2021-22 Annual Report has been prepared to meet all statutory requirements. The report shows that Council has continued to deliver quality services and facilities to its community.

RECOMMENDATION

That the Committee recommends that Council adopts the 2021-22 Annual Report (Attachment 1) subject to design and minor alterations and the inclusion of the audited financial statements.

STRATEGIC PLAN

Statutory compliance

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Section 131, *Local Government Act 1999*

BACKGROUND

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 in an appropriately governed manner.

A copy of this Annual Report must be submitted by Council to the Presiding Members of both Houses of Parliament, the Parliamentary Library, State Library and National Library as well as the SA Local Government Grants Commission by 31 December.

REPORT

The 2020-21 Annual Report meets all the requirements of the *Local Government Act 1999* and provides an overview of Council's substantial achievements.

Refer Attachment 1

This annual report is part of a strategic planning and reporting framework that guides Council's direction and measures our performance against the goals set out in the City of Holdfast Bay strategic plan—*Our Place: 2030*, which was in effect until 31 December 2021. In November 2021 Council adopted a new Strategic Plan titled *Our Holdfast 2050+*, which came into effect on 1 January 2022. This Annual Report primarily reports against the previous Strategic Plan *Our Place 2030*, as this was the basis of the *Annual Business Plan 2021-22 Our Plan for Our Place*.

This report records Council's achievements in line with the ambitious program of work outlined in the *Annual Business Plan 2021-22*, and reports on performance compared to last financial year's budget and strategic aims.

The achievements for the year include:

- The November 2021 launch of the \$23 million Southern Material Recycling Facility (SMRF)
- a state-first change to weekly household bin collections with weekly green-lid FOGO (Food Organics Garden Organics) bin collections. The move to weekly FOGO bin collections resulted in 6,288 tonnes of waste being diverted from landfill.
- the unveiling of Chapel Plaza as part of the first stage of the Jetty Road, Glenelg Masterplan. This included the installation of a thought-provoking sculpture. Titled Sesquipedalian Sea Squirt, the sculpture was created by South Australian artist Michael Kutschbach.
- Hindmarsh Lane was also transformed as part of the precinct's \$3.6 million upgrade. The State Government part funded the project with a \$1.8 million grant through the Planning and Development Fund. This included a Changing Places toilet, which provides suitable facilities for people with complex disabilities who cannot use standard accessible toilets. Glenelg is now one of only 16 places in South Australia with an accredited Changing Places toilet. The lane's name was also changed to Bouchée Walk, to honour Holdfast Bay's longest-serving female Elected Member, Councillor Mikki Bouchée, who passed away in July 2021.
- A memorial to honour the service of animals in war times was installed on the western side of the Glenelg Town Hall which was an initiative proposed by Councillor Bouchée.
- Pedestrian access was further improved across the city with 120 new kerb ramps built which meet the requirements of the Disability Discrimination Act (DDA).

- The City hosted more than 400 events, from small community gatherings to an outdoor opera spectacular on Glenelg Beach.
- In another first, the 185th Proclamation Day event on 28 December 2021, was jointly hosted by the City of Holdfast Bay together with the Kaurna Nation.
- Our dedicated team of volunteers have contributed 46,800 hours of their time to the community, which is equal to \$2.1 million in economic value to the City.
- A further 4,557 hours of social activities were delivered to engage older people in the community through programs offered through Alwyndor, which is our aged care provider based at Hove.
- Due to the ongoing impact of the pandemic, we conducted 378 COVID-19 welfare checks for the most vulnerable older people in our community.
- More than 2000 m² of footpaths were replaced with maintenance and repairs carried out on another 6,000 linear metres as part of our accelerated maintenance program.

It is noteworthy that on a normal day in the City of Holdfast Bay:

- Nearly 1500 items are borrowed from our libraries at Glenelg and Brighton.
- 747 people visit the libraries.
- More than 300 people attend our four Community Centres.
- 170 phone calls and 100 emails are responded to by our Customer Service team.
- Our two Jetty Roads at Glenelg and Brighton are serviced by street sweepers.
- 60 separate cleaning services are conducted at Council buildings.
- Each of our 31 public toilet facilities are serviced and cleaned.
- Maintenance and other works are carried out at Glenelg Oval by our Open Spaces team.
- 7,200 bins lifts for residential and business waste collection.
- 3,246 page views on our website.
- 20 trips on the Community Wellbeing bus.
- 4 Development Applications processed.
- 206m² of roads resealed.
- 12.3 linear metres of kerb replaced.

These achievements have been accomplished within a framework of tight financial control with all financial indicators well within each of our financial targets.

The attached report will also be updated to include the audited financial statements of Council along with those of Council's regional subsidiary, the Southern Region Waste Resource Authority. Both of these statements are the subject of a separate item in this Agenda. They will

be incorporated into the draft Annual Report 2021-22 once the Audit Committee has resolved to inform Council it has reviewed the General Purpose Financial Reports for the year ending 30 June 2022, 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*.

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.

As it is an election year and the Caretaker Period currently applies, a Foreword from the Mayor has not been included. This is in accordance with recommendations previously made by the Ombudsman.

BUDGET

The cost of design, printing and publishing of the Annual Report is incorporated in the 2022-23 Budget.

LIFE CYCLE COSTS

There are no life cycle costs associated with this report.

Attachment 1



OUR PLACE

**2021-22
ANNUAL REPORT**

TRADITIONAL CUSTODIANS

The City of Holdfast Bay acknowledges the Kurna People as the traditional owners and custodians of the 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 the Kurna people today.

WELCOME TO OUR PLACE

This annual report is part of a strategic planning and reporting framework that guides Council's direction and measures our performance against the goals set out in the City of Holdfast Bay strategic plan—*Our Place: 2030*, which was in effect until 31 December 2021.

This report records our achievements in line with the ambitious program of work outlined in our *Annual Business Plan 2021–22*, and reports on our performance compared to last financial year's budget and strategic aims.

In November 2021 Council adopted a new Strategic Plan titled *Our Holdfast 2050+*. This Plan came into effect on 1 January 2022. For continuity this Annual Report is described against the previous Strategic Plan *Our Place 2030*, as this was the basis of the *Annual Business Plan 2021–22 Our Plan for Our Place*.

In 2021–22, Council undertook a range of improvements on behalf of the community and continued to deliver an extensive suite of high-quality services—while containing our rate revenue increase to a modest 2.4 per cent, which is well below annual CPI.



OUR VISION

The vision in *Our Place 2030* was:

Balancing our progress with our heritage, we lead in coastal management to deliver high quality public spaces and services to build a welcoming, safe and active community where resident, visitor and business prosperity meet.

In *Our Holdfast 2050+* the vision is:

Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia's most sustainable city.



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OUR PLACE

Adelaide's Favourite Coastal Destination

For 65,000 years, Aboriginal people have inhabited the vast lands of Australia. The coastal environment of Holdfast Bay, with its freshwater lagoons and abundant plant and animal resources, was used for millennia as a meeting place for cultural celebrations, ceremony and trade by the local Kurna people. It continues to be a place of significant Kurna cultural heritage.

In 1836, Colonel William Light arrived on a ship named Rapid on a mission to survey the South Australian coast in search of a place for settlement. While the Rapid stood offshore near the mouth of the Patawalonga River, a storm blew in and the anchor held. Colonel Light consequently named the bay 'Holdfast Bay'.

The Province of South Australia was proclaimed at Pathawilyangga in 1836, which became the municipality of Glenelg in 1855. Wituwaringga became the municipality of Brighton in 1858.

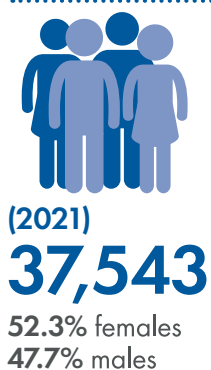
In 1997, the City of Holdfast Bay was formed through the amalgamation of the Glenelg and Brighton councils.

Located just 11 kilometres from Adelaide's city centre and five minutes from Adelaide Airport, our City is now home to over 37,000 people and one of the most celebrated places to live, work and visit in the Adelaide metropolitan area. It boasts a beautiful natural environment; high-quality recreation and community facilities; superior health and education options; a vibrant tourism sector; thriving retail precincts; and a small light industrial area.



OUR COMMUNITY

TOTAL POPULATION



VEHICLE USAGE

Private car is the most common travel method for journeys to work (80%). Public transport accounts for 8.5% and active travel (walking and cycling) 5%



SNAPSHOT



HIGH

- Average Income
- Education
- Housing Mortgages



LOW

- Unemployment for those in the workforce, but the cohort with the greatest number is not in the labour force.

MEDIAN AGE



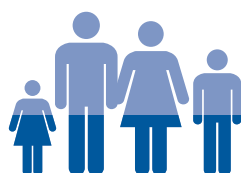
MOST COMMON AGE GROUP



60–69yrs

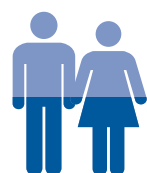
5,633 people (15%)
Older population

FAMILY COMPOSITION



Couples with children

37%



Couples without children

48%



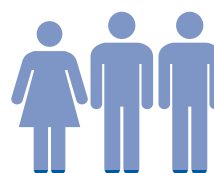
One parent families

13%



Lone person households

35%



Group households

3%



Family households

62%

HOUSEHOLD TYPES

Source: ABS 2021





MESSAGE FROM THE CEO

As the impacts of the pandemic continued to be felt by all, here at Holdfast Bay, we turned our attention to what we could achieve within our own patch of the world.

We achieved a lot in the 2021–22 financial year with a focus on the environment one of the standouts. Actions were taken from goals listed in our Environment Strategy which included purchasing our first electric vehicle, to launching a multi-million dollar recycling plant that is the biggest and most high-tech material recycling facility in South Australia.

The November 2021 launch of the \$23 million Southern Material Recycling Facility (SMRF) was a game changer in the way councils deal with household waste.

The SMRF was a joint initiative of Southern Region Waste Recycling Authority (SRWRA)—a subsidiary of the City of Holdfast Bay, City of Marion and City of Onkaparinga—and Australian recycling and resource recovery specialist Re.Group.

The state-of-the-art facility sits in a 4,400m² purpose-built building and uses advanced screening and optical sorting technologies for cardboard, plastic and glass. It can process up to 60,000 tonnes of yellow-bin recyclables every year.

This facility is a great example of councils working together to show leadership and to deliver the best outcomes for our residents and for the greater environment.

Our focus on reducing the amount of waste sent to landfill extended further when we led a state-first change to weekly household bin collections with weekly green-lid FOGO (Food Organics Garden Organics) bin collections.

An initial year-long trial proved so successful with more than 1,000 households taking part. It was extended for an additional six months with an opt-out model also introduced. This helped to inform the city-wide move to weekly FOGO bin collections, which was announced in June 2022 and implemented at the start of July.

Being the first SA council to announce this change thrust Holdfast Bay into the spotlight for good reason, and we have set the bar for other councils to follow.

The move to weekly FOGO bin collections resulted in 6,288 tonnes of waste being diverted from landfill and that figure is set to increase year on year.

Several other long-term projects also came to fruition in the past year, including the unveiling of Chapel Plaza as part of the first stage of the Jetty Road, Glenelg Masterplan.

The former roadway was transformed over six months into a spacious and inviting pedestrian plaza and community space, with a new central harbour and landscaping, creative lighting, seating and a 3m-tall thought-provoking sculpture.

Titled Sesquipedalian Sea Squirt, the sculpture was created by South Australian artist Michael Kutschbach, and took inspiration from the colours and shapes of local sea squirts found on Glenelg Beach.

Across the road, Hindmarsh Lane was also transformed as part of the precinct's \$3.6 million upgrade. The State Government part funded the project with a \$1.8 million grant through the Planning and Development Fund.

The space was upgraded with new paving, seating and increased public amenities, including a Changing Places toilet, which provides suitable facilities for people with complex disabilities who cannot use standard accessible toilets.

Glenelg is now one of only 16 places in South Australia with an accredited Changing Places toilet.

The installation of nine glass petals on the pergola create a colourful canopy in the space throughout the day and night.

The lane's name was also changed to Bouchée Walk, to honour Holdfast Bay's longest-serving female Elected Member, Councillor Mikki Bouchée, who passed away in July 2021.

Councillor Bouchée spent 25 years on Council, joining the then City of Glenelg in 1987. She was elected as an Alderman for four years, before the amalgamation of Brighton and Glenelg councils which created the City of Holdfast Bay. Councillor Bouchée was then elected a further seven times as a councillor for Holdfast Bay, serving for an amazing 18 years, including a period as Deputy Mayor.

A memorial to honour the service of animals in war times was installed on the western side of the Glenelg Town Hall which was an initiative proposed by Councillor Bouchée.

The spotlight on ensuring Holdfast Bay is accessible was showcased when we hosted our very first Accessible Beach Day in January this year. The event enabled people living with a disability to access the sand and water, with the equipment provided and operated by Push Mobility.

Following the outstanding success of the event, Council committed to building an accessible beach ramp at Glenelg along with purchasing a beach mat.

Pedestrian access was further improved across the city with 120 new kerb ramps built which meet the requirements of the *Disability Discrimination Act* (DDA).

Accessible changerooms were also included in the construction of multi-purpose changerooms at Glenelg Oval. The changerooms also give equal access to players of all genders and also meet modern standards for state level football and cricket set by the SANFL and Cricket Australia.

The City of Holdfast Bay contributed \$476,000 towards the project, in addition to funding grants from the State and Federal governments.

Driving visitation to the City to support traders and to drive economic recovery was a priority for Council, particularly once state borders reopened.

The City hosted more than 400 events, from small community gatherings to an outdoor opera spectacular on Glenelg Beach.

In another first, the 185th Proclamation Day event on 28 December 2021, was jointly hosted by the City of Holdfast Bay together with the Kaurna Nation.

Although the day commemorates the founding of South Australia, it also reflects our shared history and truth telling, which was an important cultural shift for the commemoration.

It further highlighted Council's strong and respectful relationship with Kaurna Nation which we will continue to foster into the future.

I'd also like to extend my thanks to our dedicated team of volunteers, who have contributed 46,800 hours of their time to the community, which is equal to \$2.1 million in economic value to the City.

A further 4,557 hours of social activities were delivered to engage older people in the community through programs offered through Alwyndor, which is our aged care provider based at Hove.

Due to the ongoing impact of the pandemic, we conducted 378 COVID-19 welfare checks for the most vulnerable older people in our community.

Council's commitment to enhancing our City's image and safety was demonstrated by our vigorous maintenance program, carried out daily by our Field Services team.

More than 2,000m² of footpaths were replaced with maintenance and repairs carried out on another 6,000 linear metres as part of our accelerated maintenance program.

We now have in place our new Strategic Plan, *Our Holdfast 2050+*, which has an increased focus on community—the people of Holdfast Bay as well as our infrastructure and assets. It will help guide our decisions into the future to ultimately benefit everyone who lives, works and plays in the City of Holdfast Bay.



Roberto Bria

Chief Executive Officer
City of Holdfast Bay

A DAY IN THE LIFE

Did you know that on a normal day in the City of Holdfast Bay:

Nearly

1,500

items are borrowed from our libraries at Glenelg and Brighton



More than

300

people attend our four Community Centres



747

people visit the libraries



20

trips on the Community Wellbeing bus



Maintenance and other works are carried out at Glenelg Oval by our Open Spaces team

7,200

bins lifts for residential and business waste collection



206sq metres of roads resealed



60

separate cleaning services are conducted at council buildings



Each of our

31

public toilet facilities are serviced and cleaned

Our two Jetty Roads at Glenelg and Brighton are serviced by street sweepers



2.3

linear metres of kerb replaced



170

phone calls &

100

emails

are responded to by our Customer Service team



3,246

page views on our website



4

Development Applications processed

8sq metres

of footpath replaced

26sq metres

of footpaths repaired

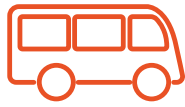


52

requests completed by our Field Services team

2021-22 HIGHLIGHTS

In 2021-22:



6,152

community transport trips helped residents get out and about



5,609

Holdfast Hounds were registered and 119 animals were reunited with their owners



379

people were supported to live safely and healthily at home with Alwyndor's home care packages



2,363

immunisations were administered at our local clinics



522,970

library items were lent to 13,420 members



4,000

people participated in Aboriginal heritage and culture events



378

COVID welfare checks



28

Community Grants issued totalling \$41,828



295

invaluable volunteers contributed 46,800 hours within council programs (\$2.1 million economic value)



42,021

phone enquiries resolved



71

businesses assisted through council's mentoring and support services



>1,000

local businesses can be found on the Holdfast Bay Business Directory and MyHoldfast App

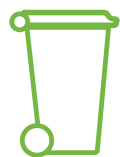
584

street trees were planted



538

events held at Partridge House



6,288

tonnes of waste was diverted from landfill

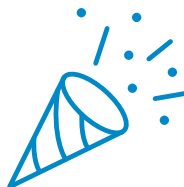
80

beach safety signs upgraded



400

events hosted by council



383,000

people attended Holdfast Bay hosted events



51,700m²

of road, 2,180 linear metres of kerb and 8,626m² of footpath were maintained or replaced



1,005

development applications were processed



304

new dwellings were approved (valued at \$159 million)

QUALITY OF LIFE SURVEY RESULTS (2022)

How you rated your council out of 10



COMMUNITY



8.6

Providing library services



8.1

Providing sporting facilities



7.5

Delivering services for the elderly and people with a disability



7.65

Providing programs and services that encourage an active lifestyle



7.5

Providing arts & cultural experiences



PLACEMAKING



7.3

Maintaining roads and kerbing



7.2

Maintaining cycle networks



8.7

Access to shops, services and open space



ENVIRONMENT



8.0

Maintaining beaches and coastal areas



8.0

Providing adequate waste management services



ECONOMY



8.1

Encouraging a diverse range of businesses and services in the area



7.6

Supporting and promoting tourism and events



CULTURE



6.8

Council provides good financial management and value for rates



6.9

Overall satisfaction with the quality of service and performance of the council



Overall rating of Holdfast Bay as a place to live



8.3

Maintaining well laid out parks and reserves



7.8

Providing programs that foster social interaction and community wellbeing



8.2

Providing a sense of safety in neighbourhoods







COMMUNITY

A HEALTHY, CREATIVE, CONNECTED COMMUNITY

In 2021–22, Council delivered many projects and services that contributed to building a healthy, active and resilient community; celebrating culture and diversity; providing welcoming, accessible facilities; and fostering an engaged community.

Community Sport and Recreation

Club development

Council provides assistance and support to local sporting clubs and recreation groups to develop positive and sustainable club management through workshops that support strategic planning, volunteer management, financial management and succession planning. Due to restrictions associated with COVID-19, club development seminars and workshops were not held in 2021–22.

Glenelg Oval Masterplan

Council completed stage two of the Glenelg Oval Masterplan in October 2021 with the completion of the new unisex changerooms for players and officials. This building comprises four unisex player changerooms and two unisex umpire changerooms, along with a new *Disability Discrimination Act* (DDA) compliant public toilet facility.

Stage three and four of the Masterplan commenced in December 2021 with the construction of indented parking along Williams Avenue and the demolition of the old changeroom building. Detailed designs continue for the remaining aspects of stages three and four and Council is working with all stakeholders to deliver this project in the coming year.

Playspace and reserve improvements

In 2021–22, Council upgraded the following playspaces and reserves.

- › John Miller Reserve with the redevelopment of the playspace, construction of a regulation size 3-on-3 basketball court and the installation of new outdoor fitness equipment.
- › Gregory Reserve received an upgrade to amenities including a new barbeque, shelter, seating and access paths.
- › Bowker Oval Reserve playspace was renewed and now includes a wider variety of play equipment and improved landscaping.

Former Buffalo site redevelopment

Following extensive public consultation, Council endorsed a preferred concept plan and agreed to proceed to detailed design for the former Buffalo site. The plans include a new kiosk / café, new seating areas and small event spaces, along with access to the water's edge via new stairs and ramps. Detailed design will commence later in 2022 once further site investigations are undertaken.



Sturt River Linear Path

Council endorsed a preferred concept plan and agreed to proceed to detailed design for a new shared use path along the Sturt River between Pine Avenue and Tapleys Hill Road. The plans were developed following extensive public consultation, includes a sealed shared use linear path, new landscaping, upgrades to Fordham Reserve Playspace, new seating and shelters.

Glenelg Beach entry points upgrades

Concept plans were developed for new beach entry points at Glenelg Beach between Glenelg Jetty and The Broadway. Seven existing locations will be upgraded with new infrastructure including steps, handrails, seating, shelter and a DDA compliant beach access ramp to the immediate north of Glenelg Jetty. A tender was awarded for the design and construction of this project which will commence later in 2022.

Community Wellbeing

The Community Wellbeing program provided 4,810 bus trips for groups of people, whilst personal transport volunteers delivered 1,342 individual transport trips. These trips are for older people who rely on community transport to engage with their local community, attend medical appointments, shopping and personal business.

Due to the ongoing impact of the pandemic, we conducted 378 COVID-19 welfare checks for the most vulnerable older people in our community.

4,557 hours of social activities were delivered to engage older people in the community who hold a current My Aged Care referral for Social Support (Group).

Volunteers

Across the City of Holdfast Bay, 295 volunteers contributed 46,800 hours of support, equating to \$2.1 million in economic value to the City.

New volunteer programs were introduced, including the development of a Centrelink Mutual Obligation volunteer pool to community centres. We also facilitated community capacity building through referral of 27 volunteers to local service organisations and special interest support groups.

We facilitated greater inclusion through tailoring volunteer roles to suit people with disability, resulting in new placements in community centres (2 people), community gardens (1 person) and across the City of Holdfast Bay programs in libraries (2 people), environment programs (2 people) and at the Bay Discovery Centre (2 people).

We were able to increase volunteering across the organisation with new placements in;

- › Youth programs – 7 people,
- › Environmental programs – 12 people,
- › the Bay Discovery Centre – 15 people,
- › Library programs – 3 people,
- › Alwyndor programs 2 people,
- › Community bus – 4 people,
- › Poo bag refill (PBR) – 1 person,
- › Justice of the Peace – 1 person,
- › Arts programs – 1 person,
- › the History Centre – 10 people, and
- › Social Support – 2 people.

Community Centres

The City of Holdfast Bay offers four community centres:

- › Glenelg Community Centre.
- › Glenelg North Community Centre.
- › Brighton Community Centre.
- › Holdfast Bay Community Centre.

Council staff work closely with centre volunteers to attract more than 8,000 visitors each month and deliver over 80 low-cost programs that include health and fitness, education, arts and crafts, social and personal development as well as luncheons, charity events, Fringe and Festival shows.

The community centres support local charities by delivering social events that raise awareness of issues and by sharing information on services available within the community. The Glenelg Brass Band offers free community concerts at a range of community events while traditional social events like Easter, Christmas, seniors and seasonal luncheons attract up to 100 people each.

Community gardens

There has been a significant growth in the interest in community gardens and sustainable environmental practices within both private and public spaces. Membership within the two Holdfast Bay Community Gardens has grown. Program offerings have diversified to include composting, recycling, food systems, arts and craft, indigenous plantings, seasonal produce, food swaps, garden planning workshops, bee keeping and chickens.

Although interest is high, the number of community garden spaces has not increased in the last year as alternative gardening sites (verge gardens) and increasing home garden knowledge has shown greater demand.

Glenelg North Community Garden (on the corner of Kibby Avenue and Alison Street) and North Brighton Community Garden on Bowker Road, continue to attract hundreds of community members each week.

Council also supports community gardens through funding and project development, governance direction and volunteer recruitment. The gardens deliver a large range of community-led programs including:

- › individual and community plots;
- › seasonal workshops and working bees;
- › diversity within the gardens to include children's and sensory gardens;
- › social programs including morning/afternoon teas, arts, craft and food classes.

The gardens are a vibrant and inclusive environment to share sustainable practices and learn about topics such as wicking beds, chickens, bees, tree pruning and the benefits of working in an environmentally friendly way.

Community development projects

There were three UniSA student placements across Council and local community groups in 2021–22.

Over 40 people took part in our community shed consultation/initiative. They all had a shared interest and received information on anticipated roles to develop a community shed. Council is now working with an interested community group to facilitate funding, resources and people to develop the shed.





Council facilitated the development of the Keeping Bees @ Kibby Project, providing mentoring and support to Veterans with Post Traumatic Stress Disorder (PTSD). This enables skill development towards a self-employment pathway and non-clinical mental health support.

We partnered with seven metropolitan and regional councils, state government departments and community organisations to develop a Food Systems Mapping project. This project is working to ensure food resilience is embedded in local policy and strategic planning.

There are a number of community partnerships with local organisations which support programs to address disadvantage and loneliness. Others support lifelong learning, good neighbours, health and nutrition, sensory and invisible disabilities. Support for each service organisation varies dependent upon gaps and includes assistance in grant application and management, collection and collation of data, program planning, network and resource connections and subject matter expertise.

Youth program

Council's programs for young people included:

- › The award winning The Local Battle of the Bands event partnering with Hold Up Youth Committee and City of Marion.
- › An active Hold Up Youth Committee regularly providing opportunities for consultation and collaboration regarding youth projects and events.
- › \$3,900 sponsorship funding delivered through the Youth Achievement Sponsorship grant program supporting 31 young people in recognition of their achievements in the community.
- › Expansive youth consultation seeking feedback regarding the Council's *Youth Action Plan (2018–2023)*. This involved local schools, community events and online survey distribution and promotion.
- › Partnership with local business offering a youth specific barista course to develop employability skills.

- › Four seasons of the Play at the Bay school holiday program connecting various internal departments promoting opportunities to the community for youth activities.
- › Collaboration with the Council Events team in the implementation of the Street Meets (1000 Play Street) initiative in partnership with Play Australia.
- › Participation in the Resilient South Joint Youth Committee collaborating with Green Adelaide, City of Marion and City of Onkaparinga providing future youth environmental project opportunities.
- › Active representation in various youth network committees including Local Government Youth Development Network (LGYDN) and Southern Youth Collective Network (SYNC).
- › An after-school youth program taster at Glenelg Community Centre with various activities including working with sponsors to Building Your Own Computer, arts and craft, IT, games and other projects of interest.

Community Grants

Council supports a range of organisations with the provision of targeted grants. In 2021–22, 28 Community Grants totalling \$41,828 were made in the following categories:

- › Arts & Culture \$4,000.
- › Recreation & Wellbeing \$15,034.
- › Events & Festivals \$5,000.
- › Community Chest \$17,794.

Key achievements

The Community Wellbeing team were recognised in 2021–22 with a nomination in the Local Government Excellence Awards for the South Australian Best Practice Guide for Grant Management in Local Government.



Kurna Heritage and Culture

The City of Holdfast Bay continues to foster and strengthen relationships with the Kurna people to honour, promote and protect their culture, heritage and connection to the land. Some activities include:

- › Regular meetings were held with Kurna Elders to discuss Council projects and cultural initiatives and deliver outcomes that strengthen our communities' understanding of Kurna culture, connection to place and our shared history.
- › Council provided a variety of workshops and training including cultural awareness, cultural heritage sessions, language workshops and arts and cultural activities. These initiatives encouraged cultural learning and sharing and provided a greater understanding and respect for Aboriginal heritage and culture and the significant sites throughout the city.
- › Traditional Welcome to Country and smoking ceremonies were held by Kurna Elders and Senior Kurna Leaders at community events and civic ceremonies.
- › The 'On Kurna Land' window stickers were designed by Kurna Ngarrindjeri Yankuntjatjara artist, Allan Sumner and have been made available free to local residents, businesses and community organisations.
- › In celebration of National Reconciliation Week, History Month and NAIDOC Week cultural workshops and tours were facilitated by Kurna Elders and Aboriginal cultural leaders.
- › Kurna Nation had a significant involvement in the 185th Proclamation Day Commemorations at the Old Gum Tree on the 28 December 2021 with a focus on the Letters Patent and the coming together to acknowledge and reflect on the joint histories of the State.
- › We reviewed, identified and managed projects and cultural monitoring on areas of Kurna cultural and European historic heritage, as set out in The Heritage Research and Procedures Report.
- › Dual naming signage was applied on reserves and cultural sites throughout the City.
- › The Discover Our Place resource packages were distributed throughout kindergartens and schools supporting students to learn about the history, culture and the local natural landscapes.

Art and Activations

Creative Holdfast summer and winter programs and monthly newsletters

The summer and winter creative programs provided a range of arts, history and cultural events, workshops, talks, tours and exhibitions held in Holdfast Bay. The Creative Holdfast newsletter, continued to be shared monthly with its readers to promote and celebrate the creative activities and events in the community and promote upcoming art initiatives and opportunities.

Public art installations

Six public art works were installed throughout the City including two new artworks in Chapel Plaza and Bouchée Walk (formally Hindmarsh Lane) Glenelg as part of Stage One of the Jetty Road Glenelg Masterplan redevelopment. Light Tapestry by Skunk Control in Bouchée Walk and Sesquipedalian Sea Squirt by Michael Kutschbach in Chapel Plaza have added some colour, life and intrigue to the space.

The Jimmy Melrose Memorial Artwork by sculptor Ken Martin was installed along Jimmy Melrose Reserve, Glenelg South. The bronze bust and granite plinth is a fitting tribute to the young aviator Charles James (Jimmy) Melrose (1913–1936).

The colourful mural by artist Fortrose made a splash of colour to the walls of the Event Cinema at Cowper Street, Glenelg. The artwork represents shapes and motifs mixed with a fresh colour palette, soft undertones and bold bright accents and works beautifully on the interesting architectural lines of the building.

A new War Service Animal Memorial has been installed on the western side of the Glenelg Town Hall to honour the deeds and sacrifice of war service animals. The public memorial aims to create a lasting reminder of the important, selfless and loyal contribution animals make during times of conflict.

Rugged Beauty, a sculptural sandstone bench, was installed in Dulcie Perry Reserve, North Brighton. The two sided sandstone work that has been beautifully carved by Rockstar was purchased by Council from the 2022 Brighton Jetty Sculptures event.

Arts and Cultural Grants and Donations

In 2021–22 two public art murals were funded by our Public Art Donations Grants and five community music initiatives or cultural events received Community Chest funding.

Arts and Culture Strategy

A significant number of actions have been delivered over the last 12 twelve months from the *Creative Holdfast Arts & Culture Strategy (2019–2024)*. This included encouraging and supporting local cultural activity, increasing participation, developing the potential of artists, nurturing local creative industry and supporting and promoting cultural development.

Holdfast Bay History

Bay Discovery Centre

In 2021–22, the Bay Discovery Centre delivered a comprehensive cultural program, presenting a broad range of projects and exhibitions. Volunteers dedicated over 950 hours to help deliver the Centre's extensive program.

This year's highlights include:

- › A total of 28,324 visitors, including school and community groups (an increase of 50 per cent from 2019–20).
- › History Festival exhibition, The Finishing Touch attracted 9,298 visitors, the Gallery's largest numbers since 2019.
- › School Holiday programs hosted with over 2,000 attendees to various workshops.
- › International award winner, Best in Heritage, for Kurna Nation co-curated exhibition Tiati Wangkanthi Kumangka (Truth-Telling Together). Best in Heritage is a global award program run in partnership between International Council of Museums and Europa Nostra.
- › Hosted National Reconciliation Week and NAIDOC Week activities in partnership with the Kurna Nation.

Holdfast Bay History Centre

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 safe keeping. During the 2021–22 financial year volunteers dedicated over 1,356 hours to help deliver the Centre's extensive program.

This year's highlights include:

- › Answering over 330 community history enquiries, including the delivery of House History, War History and Family History programs.
- › Digitising over 440 collection items including photographs, objects and paintings.
- › Completing research and print of the *Historic Seacliff and Kingston Park Walking Brochure*.
- › Successfully attracting \$16,000 in grant funding via the History Trust of South Australia's Museums and Collections (MaC) Program for the conservation of a Victorian era, 1880s two piece women's dress.
- › Delivering the 2022 History Festival, including 10 events across the month of May attracting over 500 community and state attendees.
- › Providing research and content for exhibition within the Bay Discovery Centre museum and across online platforms.

Cemeteries

The North Brighton and St Judes cemeteries are owned by Council with their daily operations managed by the Adelaide Cemetery Authority. Council continues to maintain the cemeteries, with ground improvements performed in the last 12 months, including new paths, repairs to collapsed gravesites and landscaping work to soften the environment. Grounds improvements will continue into the next financial year.

Memorial programs

Council offers two popular programs to help members of the public commemorate their loved ones—the Seaside Stone Memorials (granite sculptures by the Glenelg and Brighton jetties, with names engraved) and the plaques affixed on public benches. 206 benches currently have a commemorative plaque, most of them located along the beachfront.

Kauri Community and Sports Centre

The Kauri Community and Sports Centre is home to the Holdfast Music Centre, Seacliff Uniting Church Netball Club, Seacliff Tennis Club and Seacliff Hockey Club. During the previous 12 months, Belgravia Leisure operated the public spaces at the Centre on behalf of Council, with the objective to maximise the use of the Centre by the rest of the community and to offer a range of social, recreational, educational and personal development programs. Management of the Centre has since transitioned from Belgravia to the Clubs, with the next 12 months focussed on Council facilitating and consolidating the new self-managed approach from the Clubs. In 2021–22, the function room was booked for a total of 305 hours (in addition to existing clubs' use).

Libraries

Our accessible, progressive library service encourages community wellbeing and creativity through reading, literacy development and supporting lifelong learning. Our libraries at Brighton and Glenelg are valued and rated highly by the community receiving 8.6 out of ten in the Annual Quality of Life survey. Although COVID-19 restrictions limited participation during the year, library customers are returning to regular patterns. A 'click and collect' service was introduced to increase community confidence when collecting their items.

To encourage family connection through play, a new toy collection was added and has been well used. Tech Time and Lego Challenges were popular along with digital hub sessions for robotics, coding, circuit designs and 3D printing. Larger spaces to deliver programs has encouraged use of other venues including the Brighton Sports and Social Club, Kauri Community Sport Centre and youth program at the Glenelg Community Centre.

An array of coloured dots was added to the Glenelg library façade to provide a welcoming street appeal.

10,056 people attended programs for children throughout the year including regular early literacy sessions, NAIDOC and Reconciliation Week activities and collaborations for Book Week with Charles Sturt, Marion and Port Adelaide Enfield Libraries. We also hosted two 'authors online' to school groups, adults attended learning sessions, community information workshops, author events and sharing memories with Kapara residents.

Digital training increased to 407 participants with funding from the Libraries Board to establish Being Digital programs and 1:1 digital support. Book discussion groups reconnected book lovers and a new writing program called Shut Up and Write was very popular.

This year's highlights include:

- › 522,970 items borrowed, a 16% increase
- › 77,700 digital loans of eBooks and eAudiobooks
- › 12,745 members, with 1,118 new borrowers
- › 164,875 physical visits to libraries
- › 12,554 total attendees to library sessions
- › 2,092 attended sessions for adults including author talks, book clubs, writing and poetry groups
- › 406 attended digital one-on-one learning sessions and digital hub STEM sessions
- › 5,449 attended Wriggle and Rhyme, Toddler Time, Story Time and Stay and Play sessions
- › 566 children enjoyed holiday programs, Little Bang science and summer reading programs
- › 1,300 online story times viewed through Facebook, and
- › Regular kindy visits seeing 570 children.

Community Safety

The Community Safety team protects the health and safety of the local community and visitors. The team provides immunisation, environmental health, community safety and security services.

Some highlights of the year were:

- › Providing 2,363 immunisations
- › Registering 5,609 dogs
- › Reuniting 119 animals with their owners
- › 402 investigations for litter and local nuisance issues
- › Undertaking 276 food business inspections, and
- › Patrolling traffic safety at schools twice daily during school days.

Beach patrols

Additional beach patrols have continued this year to enforce local laws, protect native wildlife (especially the hooded plovers), improve responsible dog ownership and maintain general compliance. As a result there was a significant improvement in compliance with local laws.

Rough sleepers

The Community Safety Officers have been working closely with external agencies who have been able to provide support and housing for rough sleepers.

Immunisation

The Health team have modernised their immunisation service by adding an online booking process to benefit the community. This has been well received and has seen a significant increase in the number of attendees at the clinics.

ALWYNDOR AGED CARE

Alwyndor's aim is to support Adelaide's southern metropolitan community to live healthy, engaged and fulfilled lives through a range of personalised support services.

Alwyndor offers a continuum of care, including residential living, therapy and wellness services and support at home services—ranging from nursing care to home maintenance and gardening.

Alwyndor's Strategic Plan 2020–23

Delivery of Alwyndor's Strategic Plan progressed on target this year. The plan is based on four themes:

- › Customer experience is at the centre of all that we do, aiming to ensure we understand and meet the needs of all clients at all stages of support and care with well trained and long-serving employees.
- › Connecting communities supports the role of Alwyndor in the wider community, promoting Alwyndor as a community hub and contributing to the social capital of the local area.
- › Growth enables a business development focus for our therapy and wellness and support at-home services as well as promoting our residential services to ensure we continue to be a care home of choice.
- › Sustainability ensures Alwyndor takes a multi-faceted sustainable approach to our business with financial, environmental, and social strategies as well as sound asset management and ensuring we continue to meet all quality standards.

Alwyndor's residential care includes 144 residential, respite, transitional care and care awaiting placement beds. In 2021–22, our residential care occupancy rate average was 96.9 per cent.

Our support-at-home service grew by nearly 40 per cent during the year to 379 home care packages and private clients. Home care packages include a full range of services from domestic matters to complex clinical and end-of-life care.

Therapy and wellness programs are offered as one-on-one and in-group settings at Alwyndor, as well as in clients' homes and online. Despite the ongoing impacts of the COVID-19 pandemic, we continue to maintain the current level of services offered throughout the year. Our services and classes include:

- › Podiatry
- › Physiotherapy
- › Occupational therapy
- › Speech therapy
- › Exercise physiology
- › Yoga
- › Fit ball drumming
- › Circuit
- › Weights
- › Tai chi.

Day respite

Alwyndor's day respite program offers half and full-day respite for carers by providing care and activities. Indoor and outdoor activities are tailored to individual capability and need and are provided together with any required clinical care. This year the program expanded to five days a week with up to ten people per day.



Catering review

Alwyndor is committed to providing excellence in its residential services and recognises the importance of food, nutrition and the dining experience as an integral part of this commitment. A review of our catering services resulted in the development of a new catering model which has now been implemented to ensure high quality meals which are well presented and nutritious and which offer our residents a more 'home like' meal experience. The new model has included an investment of \$300,000 in upgraded kitchenettes throughout Alwyndor as well as the main kitchen and an operational increase in daily food expenditure.

Garden upgrade

Alwyndor's gardens are celebrated throughout the City of Holdfast Bay with their history dating back to the 1950's when they were designed and established by Stephen Cheater. In recent years features of the garden have been returned to their former glory. This year a project to reinstate the sunken garden water feature was completed. Taking inspiration from Japanese gardens, a gravel raking method was used and the garden replanted with a selection of traditional plants and includes a rock feature with flowing water.

Outdoor gym

Alwyndor was successful in gaining a Federal Government grant for an outdoor gym to help promote the health and fitness of Alwyndor residents and clients. The 'five-station' gym can be used for balance, strength, and cardio exercises and will have a shade sail and soft fall flooring. Group wellness programs to use the new equipment have been developed, which are similar to our popular indoor circuit style classes.

Palliative care

Our commitment to ensuring the best possible end-of-life care in both community and residential care was further enhanced this year through undertaking the Program of Experience in the Palliative Approach (PEPA), provided by Palliative Care SA. The aim of this work was to improve the knowledge, skills and confidence to offer quality palliative care for residents, clients, families and loved ones.

Accreditation

Alwyndor has maintained full accreditation in all business areas.

Customer Experience Plan

As a part of our commitment to the very best customer experience we report on a number of satisfaction measures which monitor the quality and consistency of care and service delivery in an environment of client choice and control. These include:

- › A net promoter score (NPS) which asks 'How likely are you to recommend Alwyndor to a friend?'. Data collection began in January 2021 with Alwyndor scoring a world class +81.9 whereas the benchmark for aged care is +44.
- › A customer effort score assesses the ease of client entry into our services—noting that entry into the aged care system can be confusing and lengthy. Alwyndor's average score was 4.8 out of a possible 5, demonstrating that we welcome new clients with a minimum of complexity.
- › Home care and community support services scored an average satisfaction rating of 95%. This rated performance in creating a welcoming environment with caring staff who provide responsive services that promote independence.



ENVIRONMENT

A COMMUNITY CONNECTED TO OUR NATURAL ENVIRONMENT

Southern Material Recycling Facility (SMRF)

The \$23 million Southern Material Recycling Facility (SMRF) was launched in November 2021. SMRF is a joint initiative of Southern Region Waste Recycling Authority (SRWRA)—a subsidiary of the City of Holdfast Bay, City of Marion and City of Onkaparinga—and Australian recycling and resource recovery specialist Re.Group.

Recyclables from Holdfast Bay residents' yellow-lid kerbside bins are now being processed through the biggest and most high-tech material recycling facility in South Australia. The state-of-the-art facility sits in a 4,400m² purpose-built building and has been designed to meet the highest standards of recycling purity to ensure that nothing goes to waste.

The facility boasts eight laser light optical sorting machines, which were imported from Canada earlier this year. They are programmed to identify different recyclable objects from glass bottles to tin cans.

The facility was made available thanks to \$3.1 million of funding, courtesy of the State and Federal Governments' Recycling Modernisation Fund. This was on top of a Federal Government Community Development Grant worth \$5.35 million. The funding has allowed the facility to greatly increase capacity and expand beyond processing the recyclables of the three partner councils to also service other regional councils and commercial businesses.

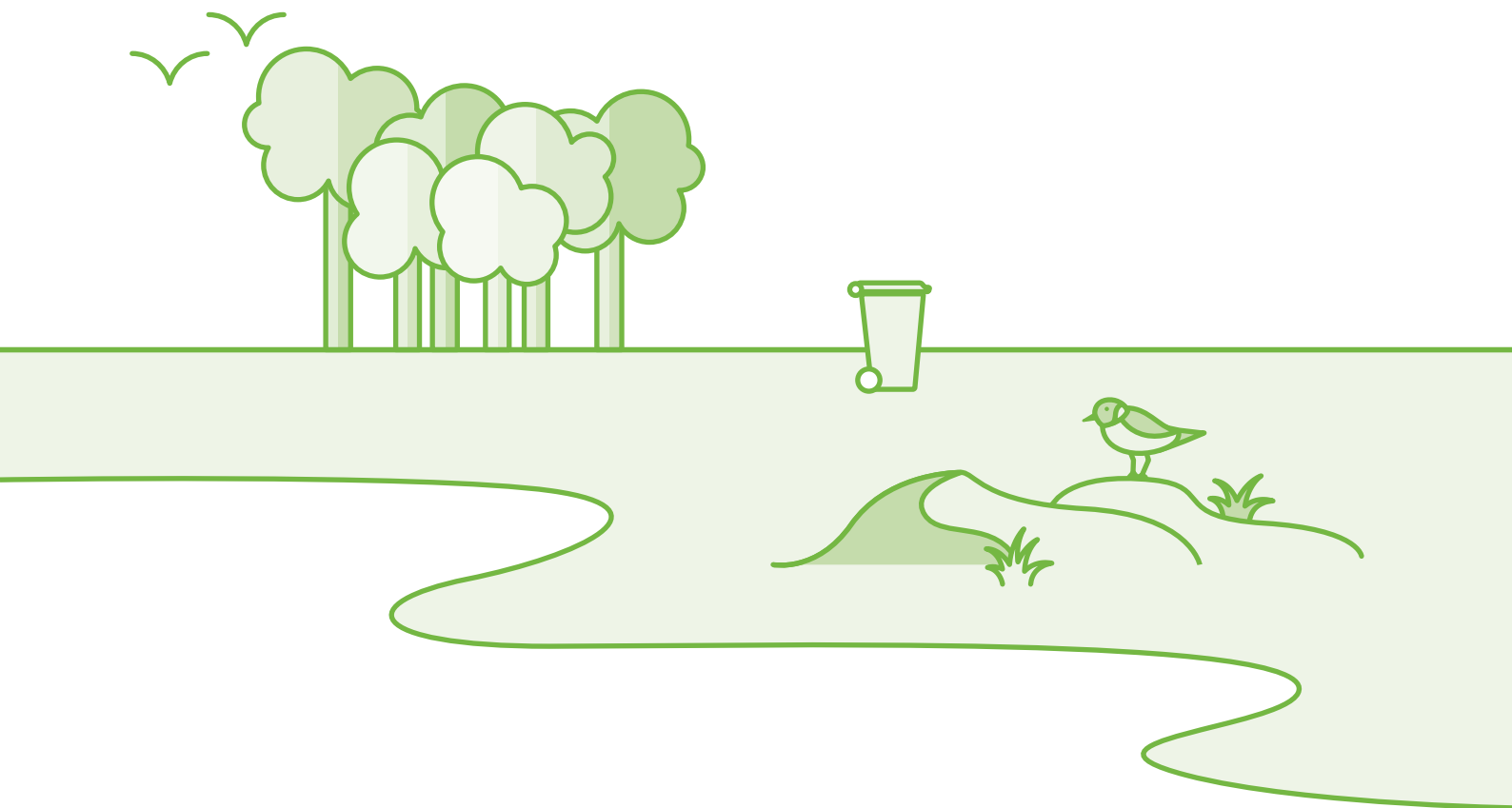
Environment Strategy

Environment and Community: Thriving Together

This year, as a part of Council's Environment Strategy, staff undertook a range of actions to reduce our impact on climate change, improve and protect our nature, improve our coast, support our community to live sustainably and manage our resources sustainably. These included:

- › maintenance and rehabilitation of natural reserves and coastal areas.
- › protection and improvement of habitats for native flora and fauna including sand dunes.
- › providing support for volunteer groups taking care of our natural reserves and sand dunes.





- › providing workshops and subsidies for sustainable living.
- › holding Clean Up Australia Day and National Tree Day community activities.
- › managing waste collection services.
- › delivering programs that improved the diversion rate of household waste from landfill.
- › awarding four Greening Our Community grants.
- › planting 584 street trees.
- › continuing our participation in the Resilient South Regional Climate Partnership.
- › improving stormwater infrastructure and constructing new water sensitive urban design installations.

Our climate

Council has committed to becoming a carbon neutral organisation by 2030. To support this target, a Carbon Neutral Plan has been developed to provide a pathway to carbon neutrality. The Plan includes emissions profiles for Council and Alwyndor, as well as actions for both organisations between now and 2030.

This year we doubled the solar generation capacity on top of Brighton Civic Centre and Library, and installed new solar panels on Glenelg Library. We converted the internal lighting in the Brighton Civic Centre and Library to energy efficient LEDs and we purchased our first electric passenger car.



Our coast

Our beaches have been managed with the Department of Environment and Water who undertake the annual sand pumping activity each winter. We have replaced a number of dune path fences to improve safety and to manage beach and dune access.

In order to reduce stormwater going out to Gulf St Vincent we installed 35 tree inlets, which redirect rainwater to our trees.

Our nature

Hooded Plovers

Holdfast Bay's hooded plover family once again returned to Seaciff this year and built three nests, each with three eggs. During their breeding season, seven chicks were seen but none survived to fledgling. Unfortunately the female of the pair was found dead in January.

Holdfast Bay Urban Forest – Tree Audit (Year 1 of 2)

This year we conducted the first ever street tree audit. Every single one of our more than 18,100 street trees has had a series of data captured about it in a spatial data system. The audit also captured potential spaces for future planting. This data will feed into the development of a comprehensive tree management plan in order to help us achieve increased canopy coverage, beautiful streets and a cooler city. Retaining canopy on private land remains our biggest challenge in terms of overall canopy coverage.

Natural areas rehabilitation and maintenance

Holdfast Bay's Environment team partners with community volunteers, community groups and Green Adelaide to maintain and improve our natural areas.

Three gullies, the dunes and the Kingston Cliff Face represent most of our natural areas. They are important refuges for native animals and plants, including some regionally rare species. This year weed control and revegetation took place with 5,481 new plantings at the following locations:

- › Barton Gully: 395 plants,
- › Pine Gully: 200 plants,
- › Gilbertson Gully: 260 plants,
- › Kingston Cliff Face: 165 plants,

- › Dunes and coast: 1,967 plants,
- › Minda Dunes: 1,040 plants,
- › Kingston House garden: 1,000 plants, and
- › Others: 454 plants.

For the first time this year we gave away a total of 990 native plants to our community.

Our two-year 'Reclaim the Dunes' project, in partnership with Trees For Life, won a Highly Commended Coastcare Award from the Landcare Association of South Australia.

This year we reintroduced three rare and endangered plant species to boost their populations.

We also eradicated Athel Pine, a major Weed of National Significance, on all Council land.

Sustainable Resources

Weekly Food Organics Garden Organics (FOGO) Trial Phase 2

This program won the 2022 South Australian LGA Professionals Award for Excellence in Environment and Sustainability. Starting in August 2021 we began an opt-out weekly green FOGO and fortnightly landfill bin collection trial across 315 households. The model provided an option for households to opt out to the old weekly landfill and fortnightly FOGO service. Larger landfill and recycling bin options were also available for households with five or more people, or with family members in nappies. Over 85 per cent of households stayed on the weekly FOGO service. The model achieved a nation leading 76 per cent landfill diversion rate.





Working together

Holdfast Habitat Heroes

We work closely with our nature volunteers who contributed more than 1,100 hours, over 43 volunteer sessions, looking after our natural areas.

Volunteer effort was also contributed by the Friends of Minda Dunes, the Friends of Pine Gully, and the Friends of Sturt River Landcare – all groups that are supported by and work in partnership with Council. This year we also worked with Seacliff SLSC, Brighton & Seacliff Yacht Club, McAuley Community School and Sacred Heart College.

Greening Our Community Grants

We continue to support our community to take action and in 2021–22 we provided four local community organisations with a total of \$11,348.50 in grant funding. The recipients were:

- › Brighton Bowling Club – \$520 to improve waste management,
- › St Peters Woodlands School – \$5,000 for their Nature Play Guardians,

- › Brighton Lacrosse Club – \$828 to improve waste management, and
- › Brighton Secondary School – \$5,000 to build a new Plastic Recycling Workshop.

Green Living

We held a range of Green Living workshops and events:

- › Three Green Living workshops with 60 participants (Nature Journaling, Green Cleaning, Natural Homes and Indoor Plants),
- › Six events held with 80 participants as part of the Nature Festival (Forest Bathing, Nest Box workshop, Native Bees, Minda wildflower walk and Ask an Arborist),
- › 30 volunteers at the Clean Up Australia Day event at Glenelg Beach, and
- › National Tree Day at the Seacliff dunes with about 50 volunteers.

We also provided Green Living subsidies to 81 residents.



ECONOMY

A DIVERSE AND RESILIENT LOCAL ECONOMY

Council assists the Holdfast Bay economy by supporting and growing local businesses; making it easier to do business; harnessing emerging technology and boosting the visitor economy.

Economic Activation Plan

The *Economic Activation Plan 2018–23* (EAP) is in its fourth year, continuing to focus on five key strategic areas:

- › Business Capacity Building
- › Investment Growth and Attraction
- › Innovation and Digital Evolution
- › Regional Collaboration
- › Adelaide's Premier Seaside Destination.

The EAP fosters a whole of city approach to economic development, encompassing the broader alignment with regional and state objectives. The Plan supports prioritisation of projects and programs that enhance and cement our competitive advantage into the future.

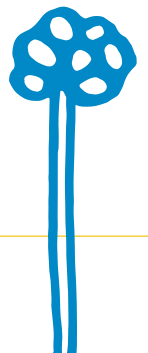
Achievements in 2021–22

In 2021–22 conditions for business continued to be challenging. In supporting businesses some of Council's achievements were:

- › the Holdfast Bay business directory hosts over 1,000 local businesses on the Council website and during peak months receives over 4,500 visitors to the site. In May 2022 an e-commerce (shopping cart) facility was added to the directory allowing existing businesses an additional avenue for point of sale.

Businesses without a shopping cart can apply for a grant to assist them with an affordable way to develop their own e-commerce platform.

- › the Shopfront Grants continue to assist commercial property owners and businesses across the city to enhance their exterior appearances and add to the character and charm of our premier seaside destination. In 2021–22 Council allocated over \$62,000 in grant support to businesses which facilitated other investment resulting in over \$203,000 of improvements to shopfronts across the city.
- › a Business Confidence Survey was conducted in quarter four of 2021. The survey occurs every two years to identify and understand future needs and aspirations of businesses located in the City and to assist Council to develop programs associated with growing our local economy. The findings reported considerable optimism in the business community with all levels of the economy (national, state and local) over the next 12 months. The primary concerns differ from previous surveys and now focus on workforce shortages, cost of overheads and the overall economic climate.





- › The Southern Business Mentoring program, in partnership with the cities of Marion, Onkaparinga and Yankalilla, continues to support Holdfast Bay businesses to grow and prosper. The program supported 71 businesses with individual mentoring and four business networking events were hosted throughout the southern region.
- › Introduced a 'Shop now' provision on the Holdfast Bay and Jetty Road business directories. This allows businesses, including homebased and creative industries businesses an additional avenue to sell their products. Businesses are able to access a small grant to assist in setting up their shopping cart through the services of Shop Local SA which also provides them with the opportunity to be displayed on this state based e-commerce website.

Business precinct activation continues to bring the community together with the success of the Brighton Jetty Road Street Party and Solstice Festival. Both events attracted over 1,500 local residents and visitors throughout the duration of these events. Data for the Brighton Jetty Road Street Party in April indicated a related spend of \$3.65m followed by a 5 per cent increase post event. Figures for the June 2022 Solstice Festival indicated a total spend in Brighton of \$3.57m which was 5 per cent more than the previous weekend and 2 per cent more for the same day post event.

Tourism and Marketing

Council continued to develop an environment that supports the future viability of local businesses and creates opportunities to enhance the City's tourism offering. Our visitor and business services include:

- › supporting a wide range of events to increase visitation, expenditure and length of stay in the Holdfast area.
- › delivering quality tourism visitor services through the Glenelg Visitor Information Outlet.
- › supporting the operations of the Bay Discovery Centre as a major visitor attraction for Holdfast Bay.
- › providing targeted tourism and marketing services aligned with current strategies and plans.
- › providing business and product development advice to local tourism businesses.
- › working with the Western Adelaide Tourism Alliance to promote the Western Adelaide region and Adelaide beaches.

Prior to the onset of COVID-19, Holdfast Bay experienced unprecedented growth in tourism visitation and expenditure. COVID-19 has significantly reduced visitor numbers and visitor expenditure to Holdfast Bay, particularly in the last two financial years. After being closed on and off for 18 months, both interstate and international borders officially opened up late in 2021. This delivered a much needed boost to the tourism industry throughout the state. Holdfast Bay is now experiencing a return of interstate visitors (particularly from Victoria, New South Wales and Queensland) and the re-emergence of international visitors.

The latest tourism figures for Holdfast Bay during the calendar year ending December 2021 show;

Visitation;

- › International – 13,000
- › Domestic – 98,000
- › Day Trips – 900,000
- › **Total Visitors – 1,011,000**

Nights;

- › International – 132,000
- › Domestic – 418,000
- › **Total Nights – 550,000**

Visitor Expenditure;

- › International – \$14M
- › Domestic – \$78M
- › Day Trips – \$56M
- › **Total Visitor Expenditure – \$148M**

Council's *Tourism Recovery Plan 2023* aims to restimulate tourism in our region and help businesses and tourism operators recover from the impact of the COVID-19 pandemic. The Plan has one more year and aims to build and restore the overall tourism figures for Holdfast Bay to pre COVID-19 levels.

Events

Community events are a key component of the Tourism Plan and the Events Strategy. This year, our City hosted more than 400 events, which increased visitation by almost half a million people. Council continued to support many of these events through specialist advice, event planning, sponsorship and in-kind support. These events included the well-established Channel 7 Brighton Jetty Classic Swim, Brighton Jetty Classic Sculptures, Bay Sports Festival, two major beach concerts (featuring the Teskey Brothers, Jimmy Barnes, Mondo Rock, Xavier Rudd, Kasey Chambers, Holy Holy and Tulliah), the Skyline Observation Wheel as well as the Glenelg and Brighton ANZAC Day dawn services. We welcomed back the October Street Party and the Moseley Beach Club.

Christmas Street Meets

In partnership with Play Australia, five Christmas themed 'Street Meets' events were held over two weekends in December 2021. Street Meets focus on creating play spaces by temporarily closing streets to traffic so children and parents can play outside. The events were successful in creating opportunities for residents to create social connections with neighbours of all ages, and feel a stronger sense of safety in their communities, particularly during the isolating time of the pandemic.

Brighton Street Party

The Brighton Street Party was held on Saturday 2 April from 10am to 10pm on Jetty Road and Twining Lane. The street came alive with a blend of local hospitality, retail and music programmed by local Porch Records, spilling onto the street to make a festive atmosphere for the day and evening for locals and visitors. A positive response was received from both local business and community, with a fireworks display off the jetty concluding the celebrations.

Brighton Winter Solstice

The second Brighton Winter Solstice was held on Saturday 18 June from 10am to 9pm. Like the Brighton Street Party, Jetty Road and Twining Lane were closed for a winter style activation, featuring festoon lighting, fire pits and music programming by Porch Records. The event is becoming a staple in the Brighton event calendar, with local businesses on Jetty Road experiencing an approximate spend of \$376,000 over the course of the event.

Bohème on the Beach

This event was staged on Glenelg Beach Saturday 26 March 2022 with over 6,000 people attending.

Set under the stars on Glenelg Beach, this one-night-only special event presented Puccini's iconic opera *La bohème* against the stunning natural backdrop of the beach at sunset.

Presented by State Opera South Australia and featuring top Australian operatic talent with the State Opera Chorus and the Adelaide Symphony Orchestra, this event was an unforgettable "you had to be there" cultural experience on the beach.

Glenelg Ice Cream Festival

Glenelg Ice Cream Festival was a fun spring time activation with live music, fashion parades, food and wine. The event was held under a COVID Management Plan with 5,000 patrons attending the event at any given time, with a total of 20,000 across the festival.

Equinox Festival

The Glenelg Equinox Festival adapts and extends the popular street party format. Jetty Road west of Partridge Street and selected side streets were closed from early afternoon Friday 18 March until late evening of Saturday 20 March. The event included live entertainment, fashion parades, kids' activities on the foreshore and food and wine experiences.



Christmas at the Bay

Christmas at the Bay was a new event that replaced the traditional Glenelg Christmas Pageant. Council supported this event that included live entertainment on the foreshore, iconic Christmas floats from the Adelaide Christmas Pageant and Santa's Hut located in the Bay Discovery Centre.

Proclamation Day

The 185th Proclamation Day Commemoration formalities were led by a Welcome to Country and smoking ceremony from Kurna Njarrindjeri Yankunytjara man Allan Sumner, followed by a speech on behalf of Traditional Owners the Kurna Nation. The Proclamation of South Australia was read by Her Excellency the Honourable Francis Adamson AC, Governor of South Australia. Proclamation Day addresses were then delivered by Amanda Wilson, Her Worship the Mayor of the City of Holdfast Bay and the Honourable Steven Marshall MP Premier of South Australia. Also in attendance were the Honourable Peter Malinauskas MP, the Leader of the Opposition, other MPs, Mayors and Councillors from across South Australia.

Australia Day

Australia Day Celebrations were held at the Stamford Grand Adelaide due to the COVID-19 restrictions in place at the time. Council recognised and celebrated the outstanding achievements and contributions of members in our community and welcomed new residents as Australian citizens as part of the citizenship ceremony. The Australia Day Awards winners in 2022 were:

- › Citizen of the Year – Jacinta Day
- › Young Citizen of the Year – Jack Shepherd
- › Community Event of the Year – Brighton Oval Open Day: Andrea Matthews (Brighton Cricket and Football Club), Kevin Bailie (Rugby Club), Patricia Lawson and Howard Wood (Croquet Club) and Traci Mathwin (Lacrosse Club)
- › Award for Active Citizenship – The Seacliff Rail Care Group: Sue Wiseman, Kate Ellis and Kaleo Selah

Moseley Beach Club

The Moseley Beach Club returned to Glenelg in 2022. Offering sun lounges and beds with table service, it also featured a casual dining area and bar with live acoustic music. The Moseley Beach Club employed 45 new staff, sourced local produce, welcomed over 60,000 visitors, engaged local businesses, was well supported by the local community and increased patronage to the surrounding retail precinct.

Brighton Beachfront Holiday Park

While it has been a challenging year with the continuation of the COVID-19 pandemic, it has also been a successful year for the Park achieving all of Council's objectives. The Park enjoyed 79.46 per cent occupancy of its cabins and 72.3 per cent on sites, outstripping both the national and state industry averages. With its absolute beachfront location and its stunning views over the Gulf St Vincent, the Park is a significant tourist asset for the City of Holdfast Bay. Despite difficult conditions the Park brought in nearly \$1.4 million income for 2021–22, with nearly 38,000 guest nights.

Council is continuing with the scoping of works and design for the second stage of redevelopment. A number of these initiatives have commenced and will be completed over the coming years.

Partridge House

With its luscious gardens, elegant interiors and welcoming ambience, beautiful Partridge House remains a much valued community facility. It serves to celebrate all of life's special occasions, from weddings to private functions such as parties and corporate events, as well as funerals. It is also a hub for the community with a range of social and recreational programs running throughout the year, including eight regular groups offering weekly activities. Partridge House hosted a total of 538 events in 2021–22.





PLACEMAKING

AN ACCESSIBLE, VIBRANT AND SAFE COASTAL CITY THAT CELEBRATES OUR PAST TO BUILD FOR OUR FUTURE

A well-planned, accessible, and safe city provides various movement, transport, employment, recreation, and housing choices. A balance between the natural and built environment and well-connected public spaces helps to support community wellbeing.

Kingston Park Kiosk

An architect and design team were appointed to undertake the detailed designs for the new Kingston Park Kiosk. These plans were nearing completion in June 2022 and will be issued for a construction tender later in 2022.

Completion of Chapel Plaza / Bouchée Walk

Council officially opened the redevelopment of Chapel Plaza and Bouchée Walk (formerly Hindmarsh Lane) in October 2021. This project involved the permanent closure of part of Chapel Street, converting it to a pedestrian friendly plaza suitable for small outdoor events, activations and passive relaxation.

Bouchée Walk also received a significant upgrade, enhancing the amenity of the laneway with modern and accessible public toilets, a certified Changing Places ablution facility along with public art installations.

Seacliff Plaza amenities block

Designs were approved by Council for the new Seacliff Beach amenities block, to replace the current ageing and non-compliant building. Extensive public consultation was undertaken to ensure the final designs were modern in design and in keeping with the locality, while being fit for purpose. Detailed designs will be undertaken later in 2022.

Maintaining Our Built Heritage

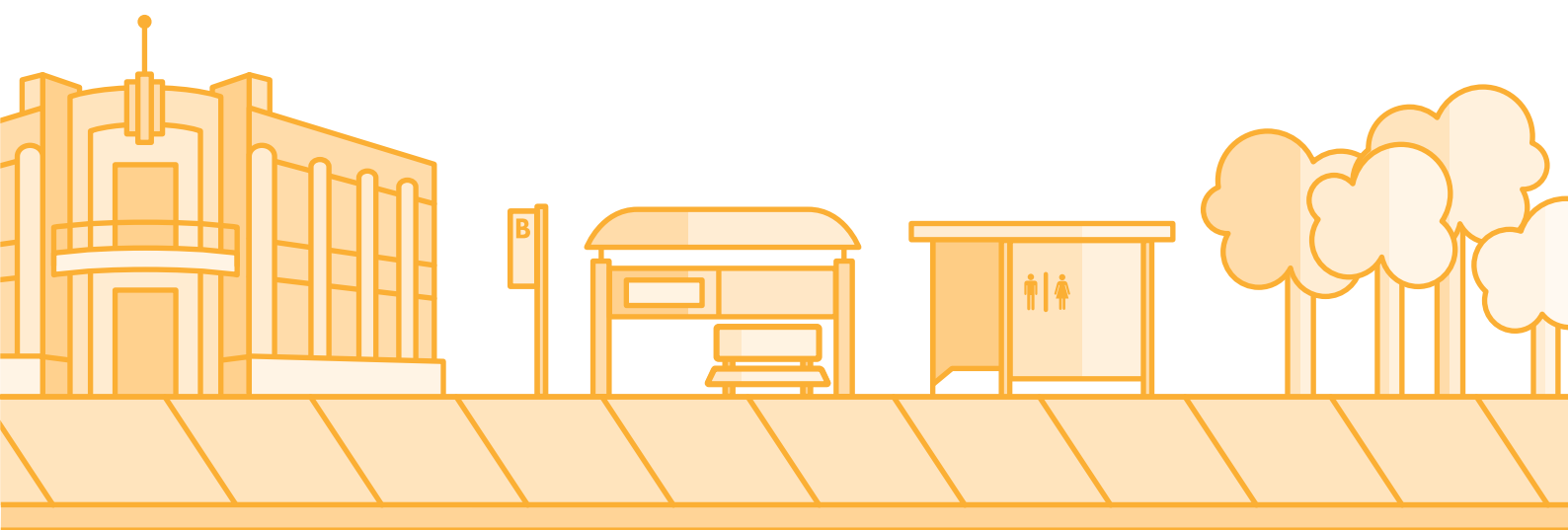
Glenelg Town Hall conservation

Originally known as the Glenelg Institute Building, Glenelg Town Hall was designed by Edmund Wright, architect, and former Mayor of Adelaide. The foundation stone was laid on 11 December 1875 by Sir Henry Ayers, and the Institute formally opened in 1877 with lecture rooms, a concert hall, and a library. The City of Glenelg acquired the hall in 1887. Today it hosts the Bay Discovery Centre, Glenelg Visitor Centre, and the Council Chambers. Restoration of this important historic building commenced in 2019.

Significant conservation works have been undertaken at a cost of \$3.5 million to date. Onsite works for stages two and three were completed by June 2022. These works included:

- › Continuation of paint removal process to rendered and timber surfaces.
- › Repairs and conservation works to external rendered surfaces.
- › Painting of all external surfaces.
- › Upgrades to stormwater systems on the western side of the building.





- › Increased load capacity to existing balcony to allow for future use.
- › Upgraded exterior light.
- › Installation of ceiling to existing western balcony.

Development Services

Council's development assessment, development advice and building compliance services recognise opportunities while protecting the character and amenity of our suburbs. This year, we processed 1,005 development applications and approved 304 new dwellings with a construction value of \$159 million. In addition, Council has successfully transitioned to the new Planning and Design Code, which introduced major changes to the way that development applications are processed and assessed.

Shopfront Character and Heritage Grants

During 2021–22 a grant scheme was continued 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 their buildings, the grants proved very popular and were instrumental in helping to fund many important projects that enhanced the City's streetscape appeal.

Heritage Register

A Local Heritage Development Plan Amendment (DPA) to ensure that the City's built heritage was adequately recognised under the new Planning and Design Code was finalised. This supported the Minister for Planning acceding to Council's request to elevate 27 properties from Contributory Item status to Local Heritage Place status on 1 October 2021.

City Assets

Council staff manage, maintain, and develop community assets and infrastructure in an environmentally and financially sustainable way. These assets include buildings, roads, coastal assets, stormwater facilities, open space and general plant and equipment.

Ongoing services include:

- › providing traffic management support, investigations, and installation of traffic calming devices;
- › maintaining buildings and facilities;
- › maintaining the Patawalonga River boat lock; and
- › inspecting and resolving damage caused by developers and utility companies.

Transport

A focus area for traffic management is improvements of active transport networks such as walking and cycling. New sharrows (cycle pavement markings) have been installed in 110 locations within the Marino Rocks Greenway to indicate the preferred on-road low traffic cycle route.

Asset Management

The City of Holdfast Bay is contributing to a multi-year collaborative project being undertaken by the four Resilient South councils (the Cities of Holdfast Bay, Marion, Mitcham and Onkaparinga). The Resilient Asset Management Project (RAMP) is piloting the integration of climate risk data into our asset management processes to improve our ability to maintain service standards in the face of increased climate risk and identify opportunities to fund climate-resilient approaches.

During 2021–22 City Asset staff:

- › resealed 51,700m² of road.
- › replaced 2,180 linear metres (lm) of kerb (plus an additional 887 lm through the depot's kerb maintenance program).
- › replaced 2,020m² of footpath and undertook significant footpath maintenance on 6,606 lm as part of the accelerated maintenance program.
- › improved pedestrian access through 120 new DDA kerb ramps installed including Brighton High School pedestrian activated crossing and new Paringa Park Primary School crossing.
- › upgraded 6 bus stops.



Field Services

A vigorous maintenance program is part of our commitment to enhancing the City's image and safety. The Field Services team is comprised of Civil Construction, Open Space, City Clean and Rapid Response who are responsible for maintaining this City and its pristine coastline, shopping precincts and open spaces.

During 2021–22 our Field Services team:

- › continued to revise and develop our routine maintenance, open space and cleansing schedules to better meet community expectations.
- › maintained services and facilities along our premier coastline to improve amenity for residents and visitors.
- › continued to development defect inspection program for our assets.
- › upgraded ageing open space facilities, which included bins, benches, showers and drinking fountains throughout the City.
- › continued the accelerated footpath program to the value of \$300,000.
- › planted 584 new trees.
- › completed 3,204 customer requests.
- › completed 7,656 maintenance schedules.
- › completed 4,478 internal requests for work.
- › repaired 6,606m² of footpath.
- › repaired 887m of kerbing.
- › repaired 579m² of bitumen (pot holes).
- › swept all streets at a minimum of every four weeks.

Buildings and Facilities

The Buildings and Facilities team provided maintenance and operational support for the City of Holdfast Bay's buildings assets. As part of the building portfolio we operate 31 public toilet facilities available 17 hours every day of the year, with each toilet serviced daily.

Buildings and Facilities developed and tendered a revised cleaning specification, some of the key deliverables under this revised specification will be:

- › over 21,400 annual cleaning services across a range of buildings and Council assets
- › greater transparency around contract accountability and delivery of services
- › more efficient response times and processing of reactive services requests
- › better management and alignment with service standards through training and auditing programs.

The Building and Facilities team also delivered 32 projects comprising renewal and new works on a range of assets within the Council's buildings, open space and coastal portfolio.

Some of these projects comprise:

- › solar system installations at Brighton and Glenelg Libraries, Brighton Tennis Club, William Kibby VC Men's Shed.
- › Somerton Park Yacht Club refurbishment.
- › Brighton Town Hall air conditioning renewal.
- › public lighting upgrades for Cygnet Court, Glenelg Foreshore, Nadilo Reserve.
- › Brighton Oval sports field netting installation.
- › Brighton Oval Rotary Club – building renewal.
- › Kingston House storage shed replacement.
- › Works Depot – fire system compliance upgrades.
- › renewal of beach access and safety signage.



CULTURE

AN EFFECTIVE, CUSTOMER-CENTRED ORGANISATION

At all times, the City of Holdfast Bay aims to provide customer-centred services; be financially accountable; enable high performance; and support excellent, efficient operations.

Business Services

Council staff deliver services in an accountable, transparent way that meets legislative requirements and provides the best value for money. The business areas providing corporate services to support Council's 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.





Strategy and Governance

In 2021–22 Council undertook a range of strategy and governance activities to support the efficient and effective delivery of its roles and functions.

Achievements include:

- › consulting on and finalised a new Strategic Plan that expands on Council's commitments to sustainability, community wellbeing and prosperity, with an ambitious vision to 2050 and beyond.
- › completing a Representation Review to ensure the interests of the community continue to be represented effectively in decision-making for the city.
- › continuing development of the Integrated Transport and Movement Strategy, which will provide a strategic framework and high-level implementation plan for safe and efficient movement throughout the City, including a strong focus on healthy transport choices.
- › reviewing Council's procurement policy to improve efficiency and respond to changing market conditions, and managing over 60 tenders and contracts over the course of the year.
- › developing concept designs for potential future redevelopment of the Civic Centre as a community hub.

- › commencing a trial of a car-sharing service in Glenelg in collaboration with the RAA and Flexicar to support the development of a greater range of transport options for residents and visitors.
- › undertaking a review of delegations and authorisations to ensure administrative efficiency and effective decision-making.
- › continuing to refresh policies, including the development of a new Risk Policy and Procedure.
- › assuring accountability by managing the Internal Audit program, which included six internal audits across the organisation.
- › establishing a Project Board and a Project Design Review Authority.

Financial Services

The Financial Services team provides services including strategic long-term financial planning; annual budgeting compilation and monitoring; rates administration; year-end financial accounting and audit; financial systems and internal control; payroll; and accounts payable/receivable.

Achievements for 2021–22 include:

- › refining and using the *Municipal Long-Term Financial Plan* for developing the 2022–23 draft budget, including presentation of funding scenarios to a series of budget workshops.

- › budget revisions (2021–22) and budget adoption (2022–23).
- › rate modelling, notice generation and distribution.
- › annual financial statements, audit finalisation and adoption for 2020–21.
- › updated the *Long-term Financial Plan* with improved development including capital projects.
- › contribution to organisational management software testing and implementation.
- › contribution to internal audits in areas of budget management and internal financial controls.

Innovation and Technology

Information technology supports the Council's mission. Information technology investments improve service delivery to the community; help to monitor how work is performed; support our customers; improve decision making; adhere to various laws, regulations, and policies; and help the organisation manage its risks. The Council's business transformation program continues to deliver business and customer benefits. The focus has been on improving core business systems and technology, ensuring service delivery, security and customer interaction can occur anywhere and anytime. The benefit of this capability has continued with the continuing COVID-19 pandemic. Continued enhancements will make Council information systems more secure and accessible for ratepayers and visitors.

Council is continuing to work with the state government and other councils on Smart Cities. This involves a range of initiatives that will, over time, provide improved information, safety and security. It will also allow Council to plan activities and change programs in line with customer needs.

Customer Experience

Council operates a face-to-face customer enquiry service between 8.30 am and 5.00 pm Monday to Friday (excluding public holidays) and a 24-hour, seven-day phone service. Customer feedback regarding high demand requests was used to improve online forms and schedule emails or texts sent to residents which improved customer wait times.

In the 2021–22 year:

- › There was a 32 per cent reduction in average call wait time.
- › Staff answered 42,021 phone calls with an average of 2 minutes 21 seconds talk time.
- › Phone call responses received a 95.8 per cent positive rating.
- › 100 per cent of WebChat enquiries were rated as positive.
- › 24,000 mail@holdfast.sa.gov.au requests were received and allocated to resolve.

To continuously improve customer experience, we will:

- › design with our customers in mind.
- › reduce customer effort.
- › keep customers informed.
- › focus our investment on channels our customers prefer.
- › ensure accessibility and inclusion for all.

Work is underway to complete the Council's customer request management system for roll out in 2023. The system will provide an improved customer experience to track requests across the organisation and greater integration of data across Council systems.

Customer Experience Strategy

Council provides a wide range of services to many different types of customers, including residents, businesses, community and sporting groups, visitors and tourists.

To provide the foundation for a world-class, customer-centred service experience, we are developing a Customer Experience Strategy. Initial pillars of the draft strategy include:

- › focusing on creating experiences from the perspective of the community.
- › seeking ways to improve our service to customers.
- › ensuring the Council is easy to do business with.
- › two-way engagement through listening and informing.
- › creating positive experiences that the customers want to tell others about.

People and Culture

The People and Culture team provide an advisory, support and education service to Council's departments to assist them to lead and manage their resources safely and effectively. Areas of support include:

- › workforce planning (including recruitment and selection)
- › workplace relations
- › organisational development
- › reward and recognition
- › work health and safety (WHS)
- › return to work/injury management.

Highlights include:

- › 100 per cent completion rate of the *WHS Risk Evaluation Action Plan*.
- › development and introduction of "Home Safe Every Time. What's Your Reason?" campaign and video to enhance WHS engagement and awareness.
- › development and implementation of an internal training calendar (both WHS and general topics available for staff).
- › Arising Stars Program completed and participation in the Local Government Management Challenge.
- › achievement of Child Safe Environment compliance for a further five years.
- › refresh the advertisements, recruitment drivers and careers website to attract quality candidates to vacancies.
- › completion of mentor program for Field Services Leadership Team to enhance leadership in the department.

Communications

We are committed to communicating to and with our community in a clear and open way. This includes a range of traditional and social media.

Social media and online

Social media and online platforms continue to be important tools to enable communication and engagement with our local community. The Council's websites are growing in their popularity and functionality.

The table below shows usage over the 2021–22 year.

Website	Users	Page views
City of Holdfast Bay	256,500	733,500
Jetty Road Glenelg	78,000	175,500
Alwyndor	22,300	92,400
Adelaide beaches (Western Alliance)	79,600	158,200
Partridge House (old site)	9,500	25,200

Instagram

Instagram is a growing social media avenue for communication and engagement with our community. In the 2021–22 year we:

- › gained 543 more followers in the 12 month period
- › posted 148 times
- › published 307 Instagram stories
- › reached an average of 5,066 accounts a week
- › had our most successful post in January 2022 with photos from the Accessible Beach Day at Glenelg reaching more than 7,000 Instagram accounts.

Facebook

Facebook is a staple social media platform used by a large proportion of the population. In 2021–22:

- › Council Facebook followers grew to 14,989 by the end of June 2022.
- › Council posted 357 times on Facebook.
- › 63 Facebook events were created, ranging from library events, community gatherings and large-scale events like Christmas at the Bay and Glenelg Ice Cream Festival.
- › our Facebook posts were shared 2,378 times by our followers.
- › an average 20,086 people were reached each week.
- › our most successful post was in August 2021 regarding the mask recycling boxes we put in place at the Glenelg Library and Brighton Civic Centre. The post reached 33,908 accounts and was shared 240 times.




STRATEGIC MANAGEMENT

HOW WE MEASURE OUR PERFORMANCE

Council assesses its financial performance against measures established in its 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.

Strategic measures are used to track our progress towards achieving community objectives and improve our internal services. Information for these reports comes from a range of sources, including a comprehensive Quality of Life Survey and Business Confidence Survey.

The table below shows progress toward achieving measures from the City of Holdfast Bay strategic plan—*Our Place: 2030*. Data is shown against the five pillars of the Plan.



Strategic Measures



COMMUNITY

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL 2021–22
Increase resident wellbeing Using PERMA model (Positive emotion, Engagement, Relationships, Meaning, Accomplishment/Achievement)	5 per cent increase (life of plan)	2018–19 represents baseline	Measure no longer available – program ceased by SAHMRI.
Deliver wellbeing and resilience workshops Number of workshops undertaken annually	≥2 workshops (p/a)	N/A	No wellbeing and resilience workshops delivered. Material is currently being reworked in partnership with Uni SA. New measures will be in place when material is ready to deliver.
Achieve a high level of community satisfaction with playgrounds and open space Quality of Life Survey Results	≥7 (each measure)	N/A	The average rating survey participants provided for this indicator in the 2021–22 Quality of Life Survey was 8.3 out of 10. Achieved for 2021–22
Complete new sporting and community hubs Completion of sporting and community hub projects Kauri Community and Sports Centre has been completed	2 (life of plan)	N/A	Stage 2 of the Glenelg Oval Masterplan completed with four uni-sex player change rooms, 2 unisex umpire change rooms, and a new DDA public toilet facility. Stages three and four of the Masterplan commenced with detailed design underway.
Attract new community initiatives through our Community Donations Program Number of new community initiatives	3 (p/a)	N/A	This year Council provided a total of \$45,258 in donations to 56 representatives, community groups and organisations for outstanding achievements and new community and wellbeing initiatives. Achieved for 2021–22
Achieve a high level of community satisfaction with the range and quality of services and programs Quality of Life Survey Results	≥7 (each measure)	N/A	The average rating survey participants provided for this indicator in the 2021–22 Quality of Life survey was 7.7 out of 10. Achieved for 2021–22

Strategic Measures (continued)

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL 2021–22
Increase community engagement with culture and heritage and Aboriginal cultural programs through participation in events and activities Number of participants	200 (p/a)	N/A	This year over 4,000 people participated in a range of Aboriginal heritage events and culture programs, including Kaurua language, cultural awareness workshops. Council also rolled out the 'On Kaurua Land' trader and resident stickers and continue to work with traditional owners on joint projects and cultural initiatives.
Increase the number of people accessing our community centres and libraries Number of people accessing facilities	5 per cent increase (p/a)	195,512	The community centres collect data regarding participation in classes, which equate to almost 81,100 visits per year. The libraries received 164,875 visits. Total of 245,975 visits. Achieved for 2021–22
Achieve a high level of community satisfaction with community facilities including libraries, services and programs Quality of Life Survey Results	≥7 (each measure)	N/A	The average rating survey participants provided for these indicators in the 2021–22 Quality of Life survey was 8.6 out of 10 for libraries and 7.8 for community centres. Achieved for 2021–22
Increase the number of volunteering opportunities Number of volunteering opportunities	5 per cent increase (p/a)	537	301 active volunteers fulfilled 380 active roles (many volunteers doing more than one role). This represents a reduction of 5.64 per cent in volunteering due to COVID-19 influence.
Increase our "Your Holdfast" (online engagement site) subscription Number of people subscribed	10 per cent sample of population (life of plan)	1,788 (4.9 per cent sample of population)	The number of YourHoldfast.com users was 8,165 which includes 8,009 active users. The total number of users represents 21.6 per cent of the population.
Increase awareness of volunteering opportunities within our city	Develop successful partnerships with a range of groups/industries (life of plan)		Working with 20 other organisations in Holdfast Bay who offer volunteering opportunities across the community. A Council run volunteer program operates at Glenelg Community Centre. Continue to work closely with Volunteer SA & NT. Progressing – trending on track.

Strategic Measures (continued)



ENVIRONMENT

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL 2021–22
Increase native flora (species and population) in natural areas Types of species (flora) and density score using 'Bush Rat' assessment tool	10 per cent increase (life of plan)	12.8	Baseline 2018 for this measure of 12.8 (overall biodiversity score). This score can be broken down into the following areas: <ul style="list-style-type: none"> › Coastal Biodiversity – Average 15.63 › Nature Reserve Biodiversity – Good 23.39 › Parks and Ovals Biodiversity – Poor 9.77
Increase native fauna habitats in natural areas Type of species (flora) an density score using 'Bush Rat' assessment tool	10 per cent increase (life of plan)	12.8	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.
Increase tree canopy within our city Per cent of tree canopy cover increase	10 per cent increase (life of plan)	15.28 per cent	Canopy analysis from the Urban Heat and Tree Canopy Mapping project is expected to be available at the end of 2022–23 financial year. This will provide a three year span from initial capture.
Maintain our dune systems and increase recreational beach widths Recreational beach width (based on land survey and aerial photography)	10 per cent increase (life of plan)	Not yet available	Works undertaken to increase recreational beach width, including conservation works, sand bag groynes and sand replenishment program. Baseline not established.
Reduce heat island areas within our city Surface temperature (thermal imaging or equivalent) across the city	10 per cent decrease (life of plan)	Not yet available	Heat mapping undertaken in 2018–19 for the first time to identify heat islands. Another heat map was done in 2022 – data not yet available.
Reduce flash flooding within our city during rain events less than 20mm Registered events of flash floods	0 flash floods in less than 20mm rain (life of plan)	Nil flooding	Occurrences of brief flooding within roadways were resolved with no property damage. Nil flash flooding. Achieved for 2021–22

Strategic Measures (continued)

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL 2021–22
Decrease Council's greenhouse emissions Carbon footprint assessment (only fuel and electricity usage at this time)	12 per cent reduction (life of plan)	Fuel – 352 tonnes CO ₂ .e Electricity – 1,902 tonnes CO ₂ .e	Fuel – 376 tonnes CO ₂ .e Electricity – 830 tonnes CO ₂ .e
Increase waste diverted from landfill Tonnage diverted from landfill	10 per cent increase (life of plan)	8,274.6 tonnes	6,288.88 tonnes were diverted away from landfill in 2021–22. Domestic diversion rate was 52 per cent. Reduction of 95 tonnes of waste sent to landfill compared to 2020–21.
Reduce stormwater discharge Stormwater discharge to sea (ML)	30 per cent reduction (life of plan)	2,108 ML (p/a)	35 new tree inlets installed with permeable paving on Allan Terrace, Glenelg East and a permeable paved roundabout in the Brighton Cemetery which all reduce stormwater discharge to the marine environment.
Increase number of environmental volunteering opportunities Number of volunteers	50 per cent increase (life of plan)	0	47 events were held with 552 volunteers equalling 1,104 hours of work (each event runs for, on average, 2 hours). Note that for the first time this included volunteers from schools.

Strategic Measures (continued)



ECONOMY

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL 2021–22
Increase business satisfaction in Council's support for business Business Confidence Survey Results	≥7 (each measure)	N/A	In 2021 the Business Confidence Survey asked to rate their level of satisfaction with various Council business initiatives. The 10 areas were in the range of 4.7 to 5.2 (out of 10), were statistically significant and vastly improved on the 2019 survey.
Increase business satisfaction in doing business with Council Business Confidence Survey Results	≥7 (each measure)	N/A	11 types of experiences in doing business with Council were surveyed in 2021. Ratings ranged from 4.77 to 6.59 out of 10. Almost all ratings increased from the previous survey and those that did were statistically significant.
Develop and commence implementation of a Digital Economy Strategy Endorsement of Strategy	Endorsement (by 1 July 2017)	N/A	A Digital Economy Strategy has been incorporated into the Economic Activation Plan 2018–2023, and was endorsed in July 2018. Strategy three of the Economic Activation Plan 2018–23 sets eight strategic actions in relation to the digital economy. Completed
Increase percentage of properties able to connect to high-speed internet	100 per cent increase (life of plan)	0	The volume build of NBN in Holdfast Bay is now completed. Additionally Jetty Road, Glenelg and Somerton Park Industrial Precinct became an NBN Business Fibre Zone providing businesses with opportunity to link with NBN's premium direct fibre product – Enterprise Ethernet with speeds of up to 1 Gigabite per second. Completed
Increase the number of visitors to Holdfast Bay Number of visitors	15 per cent increase (by 2022)	1,295,000 visitors	Although tourist visitation numbers for Holdfast Bay increased significantly (by 22 per cent) from last year's figures to a new total of 1,011,000 visitors, this is still below pre-COVID levels. Not achieved for 2021–22

Strategic Measures (continued)



PLACEMAKING

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL 2021–22
Achieve a high level of community satisfaction with the quality and feel of our major main street precincts Quality of Life Survey Results	≥7 (each measure)	N/A	The average rating that residents provided for this indicator in the 2021–22 Quality of Life Survey was as follows: <ul style="list-style-type: none"> › Jetty Road, Glenelg: 7.1 out of 10. › Jetty Road, Brighton: 7.6 out of 10. › The Broadway, Glenelg: 7.8 out of 10. Achieved for all precincts in 2021–22
Achieve a high level of community satisfaction with walkability and access to local shops, services, public transport and open space Quality of Life Survey Results	≥7 (each measure)	N/A	The average rating that residents provided for this indicator in the 2021–22 Quality of Life Survey was 8.7 out of 10. Achieved for 2021–22
Increase the number of people travelling to local destinations via active travel options	20 per cent increase (life of plan)		Data not available at time of report. A baseline for this measure is yet to be established. Council is currently developing an Integrated Transport Strategy with active travel as a key objective. Measure not yet available.
Achieve a high level of community satisfaction with the design of new buildings and their contribution to local character Quality of Life Survey Results	≥7 (each measure)	N/A	The average rating that residents provided for this indicator in the 2021–22 Quality of Life survey was 6.1 out of 10. Not achieved for 2021–22
Increase the proportion of non-detached dwelling types (the ‘missing middle’) in our city	10 per cent increase (life of plan)	43.3 per cent	Results based on trend data, shows a negligible (0.33 per cent) increase to be steady at 46 per cent. Based on this trend data, we are on track to record a minimum 1 per cent increase to the proportion of our missing middle housing to 2030. Progressing – trend at risk.

Strategic Measures (continued)



CULTURE

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL 2021–22
Achieve a high level of community satisfaction with Council's services Quality of Life Survey Results	≥7 (each measure)	N/A	The average rating that residents provided for this indicator in the 2021–22 Quality of Life survey was 6.9 out of 10. Not achieved for 2021–22
Increase number of customer services available through a digital platform in addition to other service channels	100 per cent of customer services (life of plan)	N/A	Council is undergoing improvements with customer forms online. Council had 62 customer forms in PDF on the Council website, that are being reviewed and converted to an e-form, to date 29 (47 per cent) forms were converted with 18 (29 per cent) more PDF forms identified as suitable to convert to online forms this coming financial year. This has and will continue to improve useability and accessibility and increase efficiency.
Achieve delivery on Annual Business Plan Completion of projects and programs outlined in the Annual Business Plan	100 per cent delivery (p/a)	N/A	92 per cent of projects in 2021–22 were completed or on track. 8 per cent were on watch, 1 per cent were off track and 1 per cent were ceased.
Achieve a high level of satisfaction with our Culture Brand Organisational Culture Survey Results	90 per cent (each measure)	N/A	Format of the survey was changed to allow us to be benchmarked with other councils within Australia and New Zealand. The Overall Staff Satisfaction rating measured in April 2022 indicated 4.23 (out of 5). This is an increase when compared with the 2020–21 survey which showed Overall Staff Satisfaction was 4.11. An additional measure for the Survey completed in April 2022 indicated the Overall Organisational Climate Rating was 3.78 (out of 5). This is an increase when compared with the 2021 survey which showed the Climate Rating as 3.61.
Achieve a high score in our annual leadership survey Organisational Leadership Survey Results	≥8 (each measure)	N/A	This indicator has changed and therefore no annual leadership survey was undertaken in the 2021–22 Financial Year.

Strategic Measures (continued)

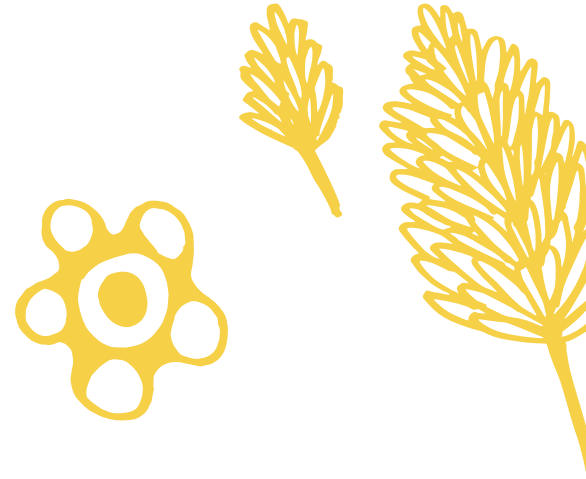
INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL 2021–22
Achieve annual financial targets Performance of annual financial targets	100 per cent achievement (p/a)	N/A	Operating Result: \$2.88 million surplus (5 year rolling average is \$1.86m surplus) Operating Ratio: 5.7 per cent (5 year rolling average is 3.8 per cent) Net Financial Liabilities Ratio: 43 per cent Interest Cover Ratio: 1.2 per cent Asset Sustainability Ratio: 92 per cent Achieved for 2021–22 These results and ratios are for Council's Municipal operations.
Achieve high level of community satisfaction with Council's provision of good financial management and value for the rate dollar Quality of Life Survey Results	≥7 (each measure)	N/A	The average rating that residents provided for this indicator in the 2021–22 Quality of Life survey was 6.8 out of 10. Not achieved for 2021–22
Reduce reliance on rate revenue Percentage of total revenue	<70 per cent (life of plan)	2016–17 71 per cent (excluding separate rates)	76% Not achieved for 2021–22
Achieve recognition in operating efficiency: target – benchmarked as top 5 metropolitan councils	Benchmark as top 5 (life of plan)	Not yet available	Measure not yet available.
Achieve high level of community satisfaction on Council's performance Quality of Life Survey Results	≥7 (each measure)	N/A	The average rating provided for satisfaction with the performance and quality of Council services in 2022 was 6.9 out of 10. Not achieved for 2021–22

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL 2021–22
Achieve recognition for work undertaken across our organisation Number of awards received	3 awards of excellence (p/a)	N/A	<p>City of Holdfast Bay was recognised in Award programs with;</p> <ul style="list-style-type: none"> › 4 Winners › 2 Highly Commended › 1 Commended › 2 Finalists › 1 Nominations <p>These were for the following Awards:</p> <p>Local Government Professionals SA Awards:</p> <ul style="list-style-type: none"> › Excellence in Infrastructure Delivery (Finalist) City of Holdfast Bay Public Realm & Urban Design Team – Jetty Road Masterplan Stage 1: Chapel Plaza and Bouchée Walk (formerly Hindmarsh Lane) Redevelopment › Excellence in Environmental Leadership and Sustainability (Winner) City of Holdfast Bay Waste Management Team – Driving Landfill Reduction Through Weekly FOGO Collection Trial › Excellence in Cross Council Collaboration (Highly Commended) City of Holdfast Bay HoldUp Youth Committee and City of Marion Youth Collective Committee – Rocket League Tournament and The Local Battle of the Bands Youth Led Events <p>Parks & Leisure Australia (SA/NT):</p> <ul style="list-style-type: none"> › Major Event of the Year (Winner) & (National Finalist) The Local Battle of the Bands youth event, a joint collaboration with City of Marion <p>IPWEA Australasia Excellence Awards 2022 (National):</p> <ul style="list-style-type: none"> › Young IPWEA Emerging Leader Award (Winner) City of Holdfast Bay, James Mitchell › Excellence in Environment & Sustainability (Nomination) City of Holdfast Bay, Use of Compostable Produce Bags in Supermarkets <p>South Australian Landcare Awards 2021</p> <ul style="list-style-type: none"> › Coastcare Award (Highly Commended) ‘Reclaim the Dunes Project’, Trees for Life and the City of Holdfast Habitat Heroes <p>Mainstreet SA Awards:</p> <ul style="list-style-type: none"> › Commendation for the Best COVID-19 response initiative Awarded to City of Holdfast Bay/Jetty Road Mainstreet Committee <p>Best in Heritage in collaboration with ICOM Europa Nostra Award:</p> <ul style="list-style-type: none"> › For Project of Influence (Winner) Awarded to Bay Discovery Centre, for Tiati Wangkanthi Kumangka (Truth Telling Together)

OUR HOLDFAST 2050+

In November 2021 Council adopted a new Strategic Plan titled *Our Holdfast 2050+*. This Plan came into effect on 1 January 2022. For continuity this Annual Report is described against the previous Strategic Plan *Our Place 2030*, as this was the basis of the *Annual Business Plan 2021–22 Our Plan for Our Place*.





Council is required by law to periodically review its strategic and future plans. In 2021 a strategic plan review was influenced by the COVID-19 pandemic which caused much disruption and uncertainty. The pandemic prompted everyone to re-examine priorities and contemplate what may be possible in the future.

In spite of COVID-19 restrictions, members of the public were given opportunities to be involved in the development and review of the strategic plan. Through July and early August 2021 views were sought via digital and analogue methods. Comments were received and incorporated, to help form *Our Holdfast 2050+*.

While change has occurred throughout human history, we are living in a world characterised by:

- › **V = Volatility:** the nature, speed and dynamics of change, forces and catalysts.
- › **U = Uncertainty:** the lack of predictability, prospects for surprise, and awareness and understanding of issues and events.
- › **C = Complexity:** the multiplex of forces, no cause-and-effect chain and confusion.
- › **A = Ambiguity:** the haziness of reality, the potential for misreads and mixed meanings of conditions.

These VUCA conditions are amplified by the convergence of technologies, changing needs, changing social values and changing expectations.

Along with considering the VUCA conditions, the strategic plan review was informed by legislative changes, strategic and organisational changes within Council and the advent of COVID-19. This meant that several changes were made from the previous *Our Place 2030* strategic plan. These changes included:

- › a new longer-term vision, that provides a clear 'north star' against which decisions can be evaluated;
- › a new focus from community and Council operations to community only;
- › a move from five discipline-based pillars to three inter-disciplinary focus areas;
- › the reduction in the number of objectives (from 20 to 15) and targets/measures (from 43 to 15); and
- › a new 2050 time horizon and the addition of aspirational 'sign posts' to guide decision making along the way.

In developing *Our Holdfast 2050+*, Council considered what long-term challenges might be predictably expected and how to best address them.

These include challenges such as climate change and infill development, which could have the potential to erode the quality of life in Holdfast Bay over the medium to long term.

Our Holdfast 2050+ has an increased focus on community—the people of Holdfast Bay as well as important infrastructure and assets. This recognises the need for a long-term, ambitious vision while allowing sufficient flexibility to adapt as conditions change and as our knowledge improves. *Our Holdfast 2050+* captures the spirit of these aspirations for everyone who lives, works and plays in the City of Holdfast Bay.



The new vision for *Our Holdfast 2050+* is:

Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia's most sustainable city.

This is supported by three focus areas:

- › **Wellbeing**
Good health and economic success in an environment and a community that supports wellbeing.
- › **Sustainability**
A city, economy and community that is resilient and sustainable.
- › **Innovation**
A thriving economy and community that values life-long education, research, creativity and entrepreneurialism.

The focus of *Our Holdfast 2050+* is on the City as a whole and the communities that work, live and play within it. To deliver this Plan the operations of the Council itself requires its own focus. To ensure that the strategic aspirations in *Our Holdfast 2050+* are embedded into the operations of Council, an integrated Corporate Plan will be developed in 2022–23.

As the 2021–22 *Annual Business Plan* was based on the *Our Place 2030* and *Our Holdfast 2050+* has only been in place for six months, a full report against the objectives of *Our Holdfast 2050+* is not available at this time. However, for transparency, the Objectives, measures and currently-known baselines follow:

Wellbeing

Objectives 2020–2030	Measures	Baseline / Notes
Apply the principles of universal design and social inclusion to all Council activities.	All project plans and policies address universal design and social inclusion.	This matches the intent of the <i>Disability Action and Inclusion Plan 2020–2024</i> , which is reported to Council annually.
Assist the City’s mainstreet precincts in becoming dementia-friendly.	The number of businesses recognised as dementia-friendly increases year on year.	Joint Council–Alwyndor program to be developed.
Increase participation rates in community engagements across all age groups, particularly under-represented demographics such as children and young people by using methods that are appealing and appropriate.	The number of participants in formal engagements increases year on year.	Seek to increase awareness from 2021–22 of 970 people formally involved in providing submissions, by ensuring meaningful engagement opportunities are further identified.
Support businesses to operate in mixed use neighbourhoods to improve local access to goods and services and reduce supply transport distances.	The proportion of mixed-use developments increases.	Seventeen (17) new businesses have been approved to operate in mixed use neighbourhoods in 2021–22, compared with nine (9) for the 2020–21 financial year.
Establish community hubs that integrate community support, recreational and commercial services in multi-purpose spaces that include frequently excluded demographics such as children and young people, people with disabilities, Aboriginal and Torres Strait Islander people and people from culturally and linguistically diverse backgrounds.	Utilisation of Council owned buildings increases.	A baseline for this measure will be gathered in 2022–23 year.

Sustainability

Objectives 2020–2030	Measures	Baseline / Notes
Become a carbon-neutral Council by 2030.	Emissions from Council operations decrease each year or are offset.	A Carbon Neutral Plan was developed in 2021–22, and adopted by Council on 23 August 2022, which includes a plan for Council operations to be carbon neutral for Scope 1 (direct) and 2 (indirect from energy use) emissions by 2030.
Prioritise sustainable and active transport (such as walking and cycling) across the City, including by reclaiming streets for play and nature and improving walkability to support healthy ageing.	Number of kilometres of street prioritised for active transport increases, measured every five years.	Work is continuing on the development of an Integrated Transport Strategy.
Support the creation of safer places by improving the public realm and collaborating with transport providers to increase transport options.	Programs supporting community safety are developed and implemented.	In 2021–22, Council was active in lobbying for increased police presence in the City, particularly in Glenelg.
Support mixed use neighbourhood development while honouring heritage values to encourage walking and cycling and support healthy ageing.	Walkability score increases in all Holdfast Bay suburbs, measured using a 'citizen science' approach every three years.	A citizen science program is being developed based on the Healthy Urban Neighbourhood Transition Tool.
Encourage more community gardening, including biodiversity sensitive urban design, in public spaces, applying the long-held knowledge of Kurna people as well as innovation.	Number of community gardening spaces increases each year.	There are two formal Community Gardens in the City; North Brighton and Glenelg North. Many 'informal' garden spaces such as verges are being taken up as community garden spaces. A baseline for this measure will be established in 2022–23.

Innovation

Objectives 2020–2030	Measures	Baseline / Notes
Facilitate growth in the number of home-based businesses where practical to reduce transit distances	The number of home-based businesses increases as reported via Census data	According to Remplan data: As at 8 July 2022 there were 2,937 businesses in the combined neighbourhood zones (the best estimate of home based businesses), out of a total of 3,738 (78%).
Maximise the value of public buildings, including libraries, to support innovation by creating co-working spaces and technology/prototyping/maker spaces and hubs	Utilisation of Council buildings increases	In 2021–22 at least one council facility had been identified as having capacity to provide maker spaces for commercial activity. This opportunity will be further explored in 2022–23 to seek expressions of interest for the creative industries sector, retailers and hospitality to utilise the space.
Partner to establish an innovator/entrepreneur in-residence program that includes local schools and encourages life-long learning across the population	Program participation rates trend upwards	Program to be developed in collaboration with schools.
Partner to develop a centre of excellence in hospice care and dying well	Amount of support attracted is sufficient to establish a centre	Joint program with Council, Alwyndor and other partners to be developed.
Partner to facilitate the provision of technology infrastructure to support creative and emerging industries, including mobility as a service, start-ups and other entrepreneurial activities	Number of start-ups, creative and technology-related businesses in the city increases	100% of the NBN network has been rolled out across the City of Holdfast Bay including the introduction of a Business Fibre Zone in Glenelg and Somerton Park. This initiative gave businesses within the zone access to NBN's premium direct fibre product 'Enterprise Ethernet' at no capital cost with guaranteed speeds of up to 1 Gigabit per second.

PLANS AND PROJECTS

In 2022–23 Council will fund and undertake a number of major projects to support the vision and objectives outlined in its strategic plan, *Our Holdfast 2050+*.

These include:

Wellbeing:

- › Seacliff Amenities Building and Beach Access Redevelopment (\$1 million grant funding received).
- › Glenelg *Disability Discrimination Act 1992* (DDA) compliant beach access funded in 2021–22.
- › Glenelg Oval Masterplan Stages three and four – \$967,000 including grant funding (confirmed).

Sustainability:

- › Brighton Beachfront Holiday Park Stage 2 – \$845,000.
- › Kingston Park Kiosk – funded in 2021–22.

Innovation:

- › Jetty Road Masterplan.

Continuing projects and activities are wide ranging and the focus on funding and delivering projects which improve resilience to climate change, and form part of the five year *Environment Strategy* includes the following:

Sustainability

- › planning and delivering water sensitive urban design projects.
- › remediating the three gullies.
- › maintaining the City's prized beaches.
- › replacing Council fleet vehicles with non-fossil fuel vehicles—the first electric vehicle deployed.
- › rolling out significant changes to collection of food and organic waste.
- › spending \$1.2 million on stormwater infrastructure.
- › continuing to renew and upgrade roads and kerbs (\$3.63million) including DDA compliant footpath ramps.

Innovation

- › focusing on attracting tourists and holiday makers to retail and entertainment precincts to create a lively and welcoming place.

COUNCIL OF THE CITY OF HOLDFAST BAY



ELECTED MEMBERS



Mayor

Amanda Wilson

Brighton Ward



Rosemary Clancy

Glenelg Ward



Rebecca Abley

Seacliff Ward



Annette Bradshaw

Somerton Ward



Janet Fletcher**



Jane Fleming



Phillip Chabrel



Clare Lindop



William Miller



Robert Snewin



Bob Patton



Susan Lonie



John Smedley

COMPOSITION OF COUNCIL

Our Council consists of the Principal Member (Mayor) and twelve 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 periodic election in November 2022.

* Councillor Bouchée passed away 30 July 2021.

** Councillor Fletcher was elected to Council via the Supplementary Election held 15 November 2021.



Mikki Bouchée*

ELECTED MEMBER ATTENDANCE AT COUNCIL MEETINGS

Number of General Council Meetings Held	22
Number of Special Meetings of Council	0
TOTAL	22

Elected Members Number of Council meetings attended July 2021 – June 2022

Mayor

Amanda Wilson	20
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Seacliff Ward

Annette Bradshaw	21
Clare Lindop	21
Susan Lonie	21

Brighton Ward

Rosemary Clancy	20
Jane Fleming	20
Robert Snewin	21

Somerton Ward

Janet Fletcher **	11
William Miller	22
John Smedley ***	18
Deputy Mayor December 2021 – current	
Rosalina (Mikki) Bouchée*	1

Glenelg Ward

Rebecca Abley	18
Deputy Mayor December 2020 – November 2021	
Philip Chabrel ****	10
Bob Patton	22

* Councillor Bouchée passed away 30 July 2021.

** Councillor Fletcher was elected to Council via the Supplementary Election held 15 November 2021.

*** Council approved Leave of Absence for Councillor Smedley for the period 27 April to 12 June 2022 inclusive.

**** Council approved Leave of Absence for Councillor Chabrel for the period 13 July 2021 until 29 October 2021.

ALLOWANCES

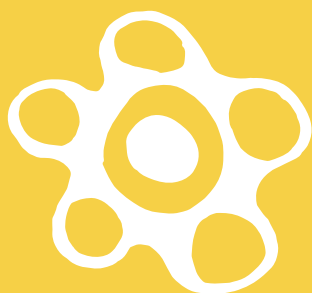
Elected Member	Allowances 1 July 2021 – 30 June 2022	Allowance from Council Committees	IT Allowance	TOTAL	Notes
Mayor					
Amanda Wilson	\$95,133.57		\$1,181.22	\$96,314.79	
Seacliff Ward					
Annette Bradshaw	\$23,783.39		\$1,181.22	\$24,964.61	
Clare Lindop	\$23,783.39		\$1,181.22	\$24,964.61	
Susan Lonie	\$23,783.39		\$1,181.22	\$24,964.61	
Brighton Ward					
Rosemary Clancy	\$23,783.39		\$1,181.22	\$24,964.61	
Jane Fleming	\$23,783.39	\$4,884.00	\$1,181.22	\$29,848.61	CAP Member
Robert Snewin	\$23,783.39		\$1,181.22	\$24,964.61	
Somerton Ward					
Janet Fletcher	\$14,774.64		\$1,688.25*	\$16,462.89	Elected in Supplementary Election
William Miller	\$23,783.39	\$1,344.00	\$1,181.22	\$26,308.61	CAP Deputy Member
John Smedley	\$23,783.39	\$5,945.91	\$1,181.22	\$30,910.52	Audit Committee Chair Deputy Mayor from 1/12/21
Glenelg Ward					
Rebecca Abley	\$23,783.39	\$2,436.84	\$1,181.22	\$27,401.45	Deputy Mayor until 30/11/21
Philip Chabrel	\$17,957.73		\$1,181.22	\$19,138.95	Leave of absence
Bob Patton	\$23,783.39		\$1,181.22	\$24,964.61	
Mikki Bouchée	\$2,499.20			\$2,499.20	Deceased 30/07/21

* IT Allowance for first year of appointment is higher as per Elected Member Entitlement Policy.

TRAINING AND DEVELOPMENT

	All Elected Members	Mayor Wilson	Deputy Mayor Abley	Councillor Fletcher	TOTAL
All of Council					
Workshop training only provided in house and provided by Leadership Team	Nil additional cost				
Council Delegate Activities					
Australian Local Government Association, National General Assembly		\$2,646.61	\$2,665.82		\$5,312.43
LGA AGM and Lunch only (28/29 October 2021) Registration		\$55.00			\$55.00
Elected Member Training					
Elected Member Forum #3 Leadership – Lessons for the Future					\$385.00
Post Supplementary Election Module 1–3 Mandatory EM Training (24 November)				\$2,062.50	\$2,062.50
Post Supplementary Election Module 4 Mandatory EM Training (26 November)				\$660.00	\$660.00
Total training and development expenditure					\$8,474.93

DECISION-MAKING STRUCTURE



PROVISIONS FOR MEETING PROCEDURES

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*.

All Council and Committee meetings are conducted in accordance with the *Local Government Act (Procedures at Meetings) Regulations 2013*. Meetings for the Council Assessment Panel are convened under the *Planning, Development and Infrastructure Act 2016*.

COUNCIL

Throughout 2021–22, Council met twice per month (on the second and fourth Tuesday of the month).





COUNCIL COMMITTEES

Council is 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.

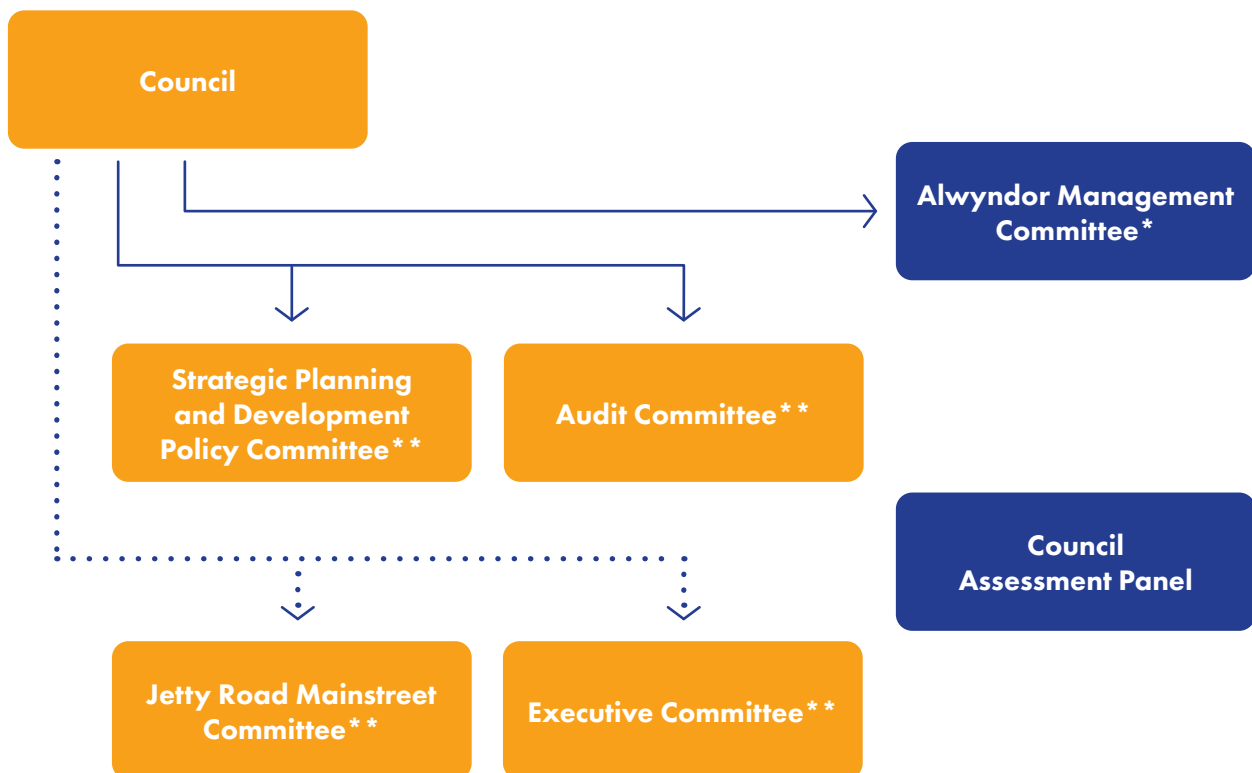
3. Two advisory committees:

- › Jetty Road Mainstreet Committee.
- › Executive Committee.

The Council Assessment Panel is established under Section 83 of the *Planning Development and Infrastructure Act 2016* (The PDI Act).

Committee meetings are open to the public unless confidential matters are considered. Notices of meetings, agendas, reports and minutes are available www.holdfast.sa.gov.au/council/council-committees

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*, 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.

AUDIT COMMITTEE

The Audit Committee operates under Section 126 of the *Local Government Act 1999* and oversees Council's risk management and internal control frameworks. The Committee reports to Council on a regular basis to confirm that these frameworks are in place and operating effectively. The Committee also reviews Council's annual financial statements, Annual Business Plan and Long-Term Financial Plan.

The Committee comprises two Elected Members including the Presiding Member. The independent members each received an allowance per meeting attended of \$437.00 per meeting (July 2021 – November 2021) and then \$448.00 per meeting (December 2021 – June 2022).

The Committee Members from July 2021 to June 2022 were:

- › Councillor Smedley – Chair
- › Mr S Tu – Independent Member
- › Ms Paula Davies – Independent Member
- › Mr David Powell – Independent Member
- › Councillor Snewin

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.

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 2021–22 Committee comprised two Elected Members and nine independent members. The members represent traders and property owners in the precinct, with no allowances paid. The Committee Members are as follows:

- › Con Maios, Maios Investments – Chairperson (resigned April 2022)
- › Gilia Martin, Attitudes Boutique – Deputy Chairperson, Chairperson (from June 2022)
- › Gina Britton, Daisy & Hen – Deputy Chairperson (from June 2022)
- › Angus Warren, Beach Burrito
- › Tony Beatrice, Cibo Espresso
- › Adoni Fotopoulos, Ikos Holdings Trust
- › Tristan Chai, Good Physio (resigned March 2022)
- › Glenn Watson, The Royal Moody (resigned March 2022)
- › David Elmes, The Jetty Hotel (resigned March 2022)
- › Chris Morley, Echelon Studio – Architecture and Design (from May 2022)
- › Brock Meuris, Terra & Sol (from May 2022)
- › Jason Rayment, Smart Hearing Solutions (from May 2022)
- › Damien Murphy, Glenelg Finance (from May 2022)
- › Councillor William Miller
- › Councillor Rebecca Abley

EXECUTIVE COMMITTEE

The Executive Committee is established under Section 41 of the *Local Government Act 1999*. The Committee meets as required to undertake the annual performance appraisal of the Chief Executive Officer.

The functions of the Executive Committee are:

- › To recommend to Council the form and process of the Chief Executive Officer's annual performance appraisal;
- › To undertake the annual performance appraisal; and
- › To provide a report and to make recommendations to Council on any matters arising from the annual performance appraisal.

The Committee Members are as follows:

- › Mayor Amanda Wilson – Chair
- › Deputy Mayor John Smedley (Somerton Ward representative until November 2021; Deputy Mayor from November 2021)
- › Councillor Susan Lonie – Seacliff Ward
- › Councillor Robert Snewin – Brighton Ward
- › Councillor Rebecca Abley – Glenelg Ward (Deputy Mayor until November 2021; Glenelg Ward representative from November 2021)
- › Councillor Robert Patton – Glenelg Ward (until November 2021)
- › Councillor William Miller – Somerton Ward (from March 2022)

COUNCIL ASSESSMENT PANEL

The Council Assessment Panel (CAP) is an autonomous authority that considers development applications and makes development decisions. It was established in accordance with the *Planning, Development and Infrastructure Act 2016* and has delegated powers that are administered in accordance with the Act's statutory requirements. It consists of one Elected Member who is appointed by the Council and four independent members. The Council Assessment Panel met on the fourth Wednesday of the month as required. During 2021–22, the Panel meets each month. The Presiding Member received \$568 per meeting (July – October 2021) and then \$582 per meeting (November 2021 – June 2022). Independent Panel members received \$437 per meeting (July – October 2021) and then \$448 per meeting (November 2021 – June 2022).

In 2021–22, the Panel comprised:

- › Mr David Bailey – Presiding Member;
- › Mr Jim Gronthos – Independent Member
- › Ms Sarah Reachill – Independent Member
- › Ms Yvonne Svensson – Independent Member
- › Councillor Jane Fleming
- › Councillor William Miller (Deputy Elected Member)

ALWYNDOR MANAGEMENT COMMITTEE

The Alwyndor Management Committee oversees the governance of Alwyndor. The 2021–22 Committee consisted of two Elected Members and seven independent members. Independent members received \$437 per meeting from July – October 2021 and then \$448 per meeting from November 2021 – June 2022. The Chair received \$531 per meeting from July – October 2021 and then \$560 per meeting from November 2021 – June 2022.

NAME	ROLE
Mr Kim Cheater	Chair
Ms Julie Bonnici	Deputy Chair
Councillor Susan Lonie	
Councillor Mikki Bouchée	July 21 – Sept 21
Councillor Robert Snewin	from Oct 21
Ms Trudy Sutton	Independent Member
Prof Judy Searle	Independent Member
Prof Lorraine Sheppard	Independent Member
Mr Kevin Whitford	Independent Member
Ms Joanne Cottle	Independent Member (from March 2022)

Footnotes for page 71

1. James Mitchell commenced as Manager Engineering on 13 September 2021
2. Regan Forest commenced as Manager City Activation on 26 July 2021
3. Leisa Humphry Manager Finance on leave from 20 September 2021; Damian Capurro – (ACTING) Manager Finance commenced 22 July 2021
4. Lisa Hall – Manager People & Culture commenced 01 November 2021

ORGANISATIONAL STRUCTURE



Roberto Bria
CEO

Assets and Delivery



Michael de Heus
GENERAL MANAGER
ASSETS & DELIVERY



James Mitchell
MANAGER
ENGINEERING¹



Bill Blyth
MANAGER FIELD
SERVICES



Mathew Walsh
BUILDING & FACILITIES
MANAGER

Community and Business



Marnie Lock
GENERAL
MANAGER
COMMUNITY
& BUSINESS



Regan Forrest
MANAGER
CITY
ACTIVATION²



Monica DuPlessis
MANAGER
COMMUNITY
WELLBEING



Tania Paull
MANAGER
CUSTOMER
EXPERIENCE &
LIBRARY SERVICES



Adrian Hill
MANAGER
COMMUNITY
SAFETY



Michelle Logie
MANAGER
COMMUNICATIONS &
ENGAGEMENT

Strategy and Corporate



Pamela Jackson
GENERAL
MANAGER
STRATEGY &
CORPORATE



John Newton
MANAGER
FINANCIAL
SERVICES



Sharon Somerville
MANAGER
PEOPLE &
CULTURE



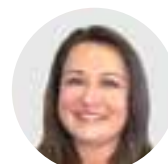
Robert Zanin
MANAGER
INNOVATION &
TECHNOLOGY



Matthew Rechner
MANAGER
PUBLIC REALM &
URBAN DESIGN



Anthony Marroncelli
MANAGER
DEVELOPMENT
SERVICES



Ania Karzek
MANAGER
STRATEGY &
GOVERNANCE

Alwyndor



Beth Davidson-Park
GENERAL MANAGER
ALWYNDOR



Damian Capurro
(ACTING)
MANAGER
FINANCE³



Natasha Stone
RESIDENTIAL
SERVICES
MANAGER



Molly Salt
MANAGER
COMMUNITY
CONNECTIONS



Lisa Hall
MANAGER
PEOPLE &
CULTURE⁴

CORPORATION OF THE CITY OF HOLDFAST BAY



OUR VALUES

Our ARISE values are the way we achieve our vision.

Achievement

Deliver agreed outcomes for our community.

Respect

Act with honesty and integrity.

Innovation

Seek better ways.

Simplicity

Easy to do business with.

Engagement

Provide opportunities for all to participate.

SENIOR LEADERSHIP TEAM

Council is supported in its decision-making by a Senior Leadership Team, which comprises:

- › Chief Executive Officer, Roberto Bria
- › General Manager Alwyndor Aged Care, Beth Davidson Park
- › General Manager Assets and Delivery, Michael de Heus
- › General Manager Community and Business, Marnie Lock
- › General Manager Strategy and Corporate, Pamela Jackson

Senior executive salary packages include the following benefits:

- › a competitive salary;
- › the option of a fully maintained vehicle or novated vehicle lease; and
- › employer-sponsored superannuation contributions.



REMUNERATION PROFILE

	COUNCIL		ALWYNDOR		TOTAL	
Total remuneration as at 30.06.2022 (excluding superannuation)	Male	Female	Male	Female	Male	Female
< \$25,000	2	16	25	98	27	114
\$25,000 – \$35,000	0	2	5	29	5	31
\$35,001 – \$45,000	1	1	8	28	9	29
\$45,001 – \$55,000	2	11	12	30	14	41
\$55,001 – \$65,000	4	10	6	35	10	45
\$65,001 – \$75,000	39	16	4	17	43	33
\$75,001 – \$85,000	10	11	2	17	12	28
\$85,001 – \$95,000	15	17	1	9	16	26
\$95,001 – \$105,000	8	11	0	3	8	14
\$105,001 – \$115,000	6	3	1	1	7	4
\$115,001 – \$125,000	2	1	1	0	3	1
\$125,001 – \$150,000	6	5	1	2	7	7
>\$150,000	2	2	0	1	2	3
Total	97	106	66	270	163	376

WORK HEALTH AND SAFETY

In 2021–22 the following key measures were realised in regards to work, health and safety:

- › Total Hazards: 57
- › Total Incidents: 140
- › Total Injuries: 82

Note: This 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.

WORKFORCE PLANNING

Work continues on building skills and capability across our workforce to provide excellent customer experience and provide flexibility in times of changing service demands and technology. Recruitment focuses on required experience and skills, and on behaviours in line with our organisational values and customer experience requirements. Staff benefits, including flexible working arrangements, continue to be developed to ensure the attraction of high quality candidates and retention of staff.

Voluntary employee turnover for Council was 14 per cent. Alwyndor Aged Care's turnover was 37.14 per cent.

TRAINING AND DEVELOPMENT

Approximately \$187,829 was spent on developing workforce skills to meet current and future needs. This included mandatory training to meet legislative requirements such as work, health and safety as well as governance obligations. A review of Council's training needs analysis was also undertaken to ensure Council's legislative obligations were being met. This will result in a program of training events to be implemented over the next five years.



TRANSPARENCY



COMMUNITY ENGAGEMENT

We value the involvement of our community and we are committed to ensuring the views of the community help to inform the Council's decision making.

Community engagement is an integral part of the planning of our projects and new initiatives, and plays a vital role in enabling us to achieve our vision for the City of Holdfast Bay.

There were 16 targeted community engagements held throughout the year, where we invited people to share their views through a variety of methods, including online hubs, drop-in sessions, workshops, focus groups and surveys.

To find out more visit www.yourholdfast.com.

COMMUNICATIONS

As a part of our commitment to communicating with our community in a clear and open way, we provide many ways for the community to interact with us. As described previously in this Annual Report, this includes a myriad of online and social media channels. It also includes direct contact with Council staff via the telephone or in person at the Brighton Civic Centre or in our libraries. We can also be contacted by telephone, mail, email, via our website and social media. Council information is provided on our website – holdfast.sa.gov.au – as well as our community engagement site – yourholdfast.com – and through a range of Council publications and social media.

More than 5,000 people have subscribed to receive our regular e-newsletters such as the fortnightly *Holdfast News* which features the latest Council news, project updates and forthcoming events. There are also newsletters for our libraries, *Alwyndor* and *Creative Holdfast* that focuses on arts, culture and history information.

A quarterly Council magazine, *Our Place*, is distributed to all ratepayers in Holdfast Bay.

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*.

The terms and conditions for several leases were resolved by Council in 2021–22, including the extension of existing leases with the Brighton Over 50's Social Club Incorporated in respect of the Brighton Community Centre, Young Men's Christian Association Incorporated in respect of the Holdfast Bay Community Centre, Glenelg Brass Band Incorporated in respect of the Glenelg North Community Centre, and the Tramside Kiosk at Wigley Reserve. The terms and conditions for new leases were also established, including those for a Telecommunications Tower at Glenelg Oval, the Kauri Community and Sports Centre at Seacliff, and a new sublease between The Holdfast Bay Bowls and Croquet Club Incorporated and Bowls SA Incorporated.

REGISTERS AND CODES

The following documents are available to the public:

Registers

- › Register of Interests (Elected Members)
- › Register of Gifts and Benefits (Elected Members)
- › Register of Allowances and Benefits (Elected Members)
- › Register of Conflicts of Interest (Elected Members)
- › Register of Remuneration, Salaries and Benefits (Employees)
- › Register of Interests (Employees)
- › Register of Gifts and Benefits (Employees)
- › Register of Community Land
- › Register of Community Leases
- › Register of Public Roads
- › Register of By-Laws and certified copies
- › Register of Fees and Charges
- › Register of Building Upgrade Agreements
- › Register of Facilities
- › Record of Delegation

Codes

- › Code of Conduct (Council Members)
- › Code of Practice – Meeting Procedures
- › Code of Practice – Access to Meetings and Documents
- › Code of Conduct (Employees)

LEGAL FEES

In the 2021–22 financial year Council incurred legal costs totalling \$150,286. This was made up of:

- › Appeals \$41,204.
- › Enforcement \$7,454.
- › Advice \$101,628.

In the same period, legal fees for Alwyndor were \$21,548.

CREDIT CARD USE

In the 2021–22 financial year the total expenditure via credit cards was \$157,310.70. This expenditure is tightly controlled and in accordance with relevant legislation and regulation along with Council policies and procedures.

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 one request in 2021–22 to review Council decisions in accordance with the provisions of Section 270 of the *Local Government Act 1999 – Internal Review of Council Decisions*.

Year	Number of reviews
2021–22	1
2020–21	1
2019–20	3
2018–19	4
2017–18	5
2016–17	1
2015–16	3
2014–15	3

The details for the 2021–22 review are:

- › **Description of matter**
Internal review request received regarding a Representation Review.
- › **Date received**
8 January 2021.
- › **Outcome of review**
Review completed and decision was upheld.

FREEDOM OF INFORMATION APPLICATIONS

During 2021–22, Council processed 13 Freedom of Information (FOI) requests, one request for internal review of an FOI determination and provided its Annual Return to State Records.

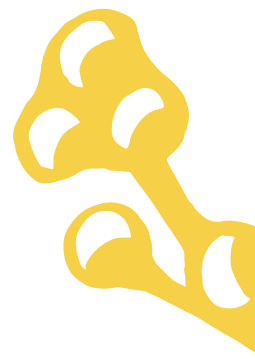
Information on the FOI process, application forms, fees and access to documents is available from Council's accredited FOI officers. If required, these officers will assist anyone seeking to amend Council records containing their personal affairs. More information on, and application forms for, the FOI process are available from Council, on our website and on the State Records website.

A member of the public wishing to amend the Council's records concerning their personal affairs may email governance@holdfast.sa.gov.au or phone (08) 8229 9999 and speak with an accredited FOI officer.

In accordance with Section 9 of the *Freedom of Information Act 1991*, Council must make available for public inspection an annual 'Information Statement' that provides an overview of its structure, functions and documents. This information is detailed in other sections of this annual report and can be viewed on Council's website.

INDEPENDENT AUDITORS

The *Local Government Act 1999* provides that Auditors be appointed on the recommendation of the Audit Committee for a term no longer than five years. As of 1 July 2020, Dean Newbery were appointed as Council's external auditors for a period of five years. For the 2021–22 external auditing services for both Municipal and Alwyndor operations, Dean Newbery were paid \$30,500 (excluding GST) for the annual audit of Council's financial statements, and \$200 (excluding GST) for additional grant acquittals audits.



LOCAL NUISANCE AND LITTER CONTROL

In 2021–22 in accordance with the *Local Nuisance and Litter Control Act 2017*, 402 complaints were registered, six abatement notices were provided and nine expiation notices were issued.

	Dust	Noise	Smoke	Odour	Animals	Litter (Asbestos)	Litter	Insanitary Conditions	Unsanitary Conditions	Bill Posting	Total
Complaints	15	39	8	2	24	250	1	12	51	0	402
Abatement Notices					1	1		2	2		6
Expiations						9					9

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 Two (annual gross operating income less than \$2 million per year).

In 2021–22 Council continued to maintain the following significant business activities:

- › Category One
 - » Alwyndor Aged Care Facility
- › Category Two
 - » Brighton Caravan Park
 - » Partridge House
 - » Kauri Community and Sports Centre
 - » Glenelg Visitor Information Centre
 - » Partridge Street Car Parks.

COMPETITIVE TENDERING

Tenders are called for contracts in excess of \$100,000, provided Council is of the reasonable opinion that a competitive process is practicable and will deliver greater benefit than through other methods. Likewise tenders are used for contracts of a lesser amount where the process is considered to be most appropriate. All tendering is managed within the following procurement principles:

- › Value for money.
- › Transparent, accountable, fair and ethical.
- › Social responsibility.
- › Environmental sustainability.
- › Buy local.
- › Work health and safety.



REPRESENTATION QUOTA

Our Council is divided into four Wards, with three Councillors representing each Ward, plus a Mayor. The details for the City of Holdfast Bay elector representation ratios are below and comparative data for similar councils.*

Council	No of Elected Members (Excluding elected Mayors)	Electors	Representation Quota
Norwood Payneham St Peters (15.1km ²)	13	26,451	1:2,035
Unley (14.29km ²)	12	28,141	1:2,345
Holdfast Bay (13.72km ²)	12	29,037	1:2,420
Burnside (27.53km ²)	12	32,585	1:2,715
West Torrens (37.07km ²)	14	43,332	1:3,095
Campbelltown (24.35km ²)	10	37,119	1:3,712
Mitcham (75.55km ²)	13	49,633	1:3,818
Average			1 per 2,877

Council is required to conduct a review of representation at least once in every eight years or within a period specified by the Electoral Commissioner.

As required under the *Local Government Act 1999*, Section 12(4), a review of the Council's composition and structure was considered in 2012–13 and came into effect at the periodic Local Government elections in November 2014. Council was required by the Minister for Local Government to undertake a recent Representation Review in October 2020 and October 2021, which has been undertaken. The review process involved two stages of public consultation as prescribed by the Local Government Act allowing opportunity for public submissions to be provided to the Council during the review process.

*Source: Electoral Commission South Australia Council enrolment data as at 25 February 2022.



NUMBER OF ITEMS DISCUSSED IN CONFIDENCE

The *Local Government Act 1999* determines that Council meetings be held in a public place. On occasions the need to keep information or discussion confidential outweighs the need for public meetings for reasons predetermined in the *Local Government Act 1999*.

From 1 July 2021 to 30 June 2022, the City of Holdfast Bay was satisfied of the necessity to consider items in confidence on 60 occasions under Section 90(2) of the *Local Government Act 1999*.

The grounds for these matters to be heard in confidence are detailed in the accompanying table. There can be multiple grounds for each confidential order.

Grounds of Confidential Orders	Grounds for Confidential Orders
A Personal Affairs	4
B Commercial Advantage	33
C Trade Secret	0
D Commercial Information not a trade secret	27
E Security/safety	2
F Maintenance of Law	0
G Breach of Law	1
H Legal Advice	6
I Litigation	9
J Minister of the Crown	2
K Tenders for the supply of goods	0
M Amendment to the Development Plan	0
N Freedom of Information Act 1982	0
O Proposed Award Recipient before the presentation of the award	0
Total	84



CONFIDENTIAL ORDERS FROM PREVIOUS YEARS RELEASED – 2021–22

The grounds of each confidential order released during 2021–22 for items held in confidence from previous years are reflected in the table below. This table does not include items discussed in confidence in 2021–22 and released from confidence in the same year.

Confidential Order Categories	Number of Grounds under each Confidential order
A Personal Affairs	2
B Commercial Advantage	13
C Trade Secret	0
D Commercial Information not a trade secret	14
E Security/Safety	0
F Maintenance of Law	0
G Breach of Law	1
H Legal Advice	7
I Litigation	0
J Minister of the Crown	0
K Tenders for the supply of goods	2
M Amendment to the <i>Development Plan</i>	0
N <i>Freedom of Information Act 1982</i>	0
O Proposed Award Recipient before the presentation of the award	0
Total	39

ITEMS RETAINED IN CONFIDENCE

Following the release of items held in confidence as listed above, the table below reflects those items from previous years that still remain in confidence. The total for 2021–22 provided here is not the same as that provided in the previous table as some items can be held in confidence and released in the same financial year.

	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Number of Items	1	1	0	0	8	3	0	0	1	2	0	1	3	11	25	15	18	32	57

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AUDITED FINANCIAL STATEMENTS

Audited 2021/22 financial statements
to be inserted here

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SOUTHERN REGION WASTE RESOURCE AUTHORITY ANNUAL REPORT

SRWRA 2021/22 annual report
to be inserted here





PO Box 19
Brighton, SA 5048

T (08) 8229 9999
F (08) 8298 4561

mail@holdfast.sa.gov.au

holdfast.sa.gov.au

Item No: 7.6

Subject: **TERMS OF REFERENCE - REVIEW**

Date: 19 October 2022

Written By: Manager Strategy and Governance

General Manager: Strategy and Corporate, Ms P Jackson

SUMMARY

The *Local Government Act 1999* requires Council to have an Audit Committee to carry out the functions defined in Section 126. Pursuant to Section 41 of the Act, Council established an Audit Committee in 2007.

The Local Government Reform process, which has been undertaken over several years will result in mandatory changes to the terms of reference and functions of audit committees. Relevant reforms are not scheduled to commence until late in 2023, however, under the current Audit Committee Terms of Reference, the Committee is required to at least once per year, review its own performance, terms of reference and provide a report to Council including any recommended changes.

A light review has been undertaken and suggested changes are marked in Attachment 2.

RECOMMENDATION

That the Audit Committee endorses the amended Terms of Reference, as provided in Attachment 2 for adoption by Council.

STRATEGIC PLAN

Statutory compliance

COUNCIL POLICY

Not applicable

STATUTORY PROVISIONS

Local Government Act 1999

BACKGROUND

The *Local Government Act 1999* (the Act) requires Council to have an Audit Committee to carry out the functions defined in Section 126. Pursuant to Section 41 of the Act, Council established an Audit Committee in 2007.

Regulation 17 of the Local Government (Financial Management) Regulations 2011 states:

(1) The audit committee of a council -

- (a) must have between 3 and 5 members (inclusive); and*
- (b) must include at least 1 person who is not a member of the council and who is determined by the council to have financial experience relevant to the functions of an audit committee; and*
- (c) must not include, as a member, the council's auditor under section 128 of the Act.*

Further amendments to the *Local Government Act 1999* to implement financial accountability reforms, are to commence in late 2023. These include:

- Extending the work of council audit committees to audit and risk committees to provide independent assurance and advice to councils on accounting, financial management, internal controls, risk management and governance matters. Audit and risk committees will be required to consist of a majority of independent members and councils will have the ability to form regional audit and risk committees.
- New requirements for councils and their chief executive officers to ensure that effective policies, systems and procedures relating to risk management are established and maintained.
- New requirements for chief executive officers of a council that have an internal audit function to consult with the relevant audit and risk committee before appointing a person to be primarily responsible for the internal audit function.

REPORT

The Terms of Reference for the Audit Committee were last amended and adopted by Council on 12 September 2017, and are included as Attachment 1.

Refer Attachment 1

Notwithstanding further reforms coming, the existing terms of reference require that the Committee at least once per year, reviews its own performance, terms of reference and provides a report to Council including any recommended changes.

Given that legislative reforms are imminent, a light review was conducted of the current terms of reference. A desktop analysis against current legislation and comparisons against other councils' showed that the current terms of reference both meet legislative requirements and extend well beyond minimum requirements.

The opportunity was taken to include minor clarifications and improve clarity, however, a substantive reconsideration of the terms of reference is not recommended at this time. Suggested amendments are provided in tracked changes, as Attachment 2.

Refer Attachment 2

The key proposed changes are:

- amending the name of the committee to more accurately reflect its role by changing it to the Audit and Risk Committee;
- clarifying matters related to the appointment of the Presiding Member;
- removing minor duplications in relation to the meetings of the Committee;
- including references to recently adopted Council policies that are integral to the functions of the Committee;
- removing the need to provide Council with a formal annual report on the Committee's activities. Given the Council receives the Committee's minutes after each meeting, the Committee's activities are already transparently reported.

It is expected that in due course, the Local Government Association will provide new model terms of reference to meet legislative obligations. At that time, a more substantive review can be considered. At that time, the scope and focus of the committee can be discussed more broadly.

BUDGET

Nil

LIFE CYCLE COSTS

This report does not have any full life cycle cost implications.

Attachment 1





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Audit Committee Terms of Reference

1. Establishment

- 1.1 The Audit Committee is established under Section 41 of the Local Government Act pursuant to Section 126 of that Act.

2. Membership

- 2.1 The Audit Committee shall consist of 5 persons with at least 2 persons who are not Elected Members of Council ("independent members").
- 2.2 Independent members of the Audit Committee must have recent and relevant financial, risk management or internal audit experience and must not be an employee of City of Holdfast Bay.
- 2.3 Members of the Audit Committee are appointed by Council. Elected Members are appointed for the term agreed by Council, and independent members are appointed for a term not exceeding 3 years. On expiry of their term, a member may be re-appointed by Council
- 2.4 If Council proposes to remove an independent member of from the Committee, it must give written notice to the independent member of its intention to do so and provide that expert member with the opportunity to be heard at an Executive Committee meeting, if that independent member so requests."
- 2.5 The Audit Committee shall nominate and Council shall appoint the Presiding Member who must be a member of the Audit Committee but not the Mayor.

3. Secretariat and Support

- 3.1 The Chief Executive Officer shall ensure that the Audit Committee has access to reasonable administrative resources in order to carry out its duties (subject to any budget allocation being approved by Council).
- 3.2 The Audit Committee shall be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members.



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4. Meetings

- 4.1 The Audit Committee shall meet at least 4 times each year at least once per quarter at appropriate times in the budgeting and financial reporting cycle and otherwise as required. As per section 90 of the Local Government Act the meetings are public except in special circumstances as defined by the Act.
- 4.2 Meetings of the Audit Committee are governed by the Local Government (Procedures at Meetings) Regulations 2013.
- 4.3 Unless required by legislation not to vote, each member must vote on every matter that is before the Audit Committee for decision.
- 4.4 The Presiding Member has a deliberative vote but not a casting vote in the event of a tie. A tied vote means that the motion is lost.
- 4.5 The quorum necessary for the transaction of business shall be 3 members. A duly convened meeting of the Audit Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by it.
- 4.6 The Chief Executive Officer, General Manager, Strategy and Corporate and other officers of Council may attend any meeting as observers or be responsible for preparing papers for the Audit Committee.
- 4.7 Council's External Auditor and Internal Auditor may be invited to attend meetings of the Audit Committee.
- 4.8 Ordinary meetings of the Audit Committee will be held at times and places determined by Council or, subject to a decision of Council, the Audit Committee.
- 4.9 A special meeting of the Audit Committee may be called by the Chief Executive Officer in accordance with Section 87(5) of the Act at the request of the Presiding Member or at least two members of the Audit Committee.
- 4.10 In accordance with the principles of open, transparent and informed decision making, Audit Committee meetings will be conducted in a place open to the public.
- 4.11 The agenda and minutes of Audit Committee meetings, subject to any items that are discussed in confidence under Section 90 of the Act and



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subsequently retained under Section 91 of the Act, are also required to be made available to the public.

- 4.12 Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Audit Committee, no later than 3 business days before the date of the meeting. Supporting papers shall be sent to committee members (and to other attendees as appropriate) at the same time.
- 4.13 The Chief Executive Officer shall ensure that the proceedings and resolutions of all meetings of the Audit Committee are minuted and that the minutes comply with the requirements of the Local Government (Procedure at Meetings) Regulations 2000.
- 4.14 Minutes of Audit Committee meetings shall be circulated within 5 days after a meeting to all members of the Audit Committee and to members of the Council and will (as appropriate) be available to the public.

5. **Review**

- 5.1 The Audit Committee shall, at least once per year following the adoption of the audited financial statements by Council, review its own performance, terms of reference and provide a report to Council including any recommended changes

6. **Role of the Committee**

- 6.1 The Audit Committee has no authority to act independently of Council. The primary role of the Audit Committee is to provide suggestions and recommendations to Council about matters in relation to financial governance.

6.2 ***Financial Reporting***

The Audit Committee shall:

- 6.2.1 pursuant to Section 126 of the Act, review Council's annual financial statements to ensure that they present fairly the state of affairs of the Council;
- 6.2.2 monitor the integrity of the financial statements of Council, including its annual report, reviewing significant financial reporting issues and judgements which they contain;



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6.2.3 review:

- 6.2.3.1 the consistency of, and/or changes to, accounting policies;
- 6.2.3.2 the application of accounting standards and appropriate estimates and judgements, taking into account the views of the external auditor;
- 6.2.3.3 the clarity of disclosure in the Council's financial reports and the context in which statements are made; and
- 6.2.3.4 all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).

6.3 ***Strategic Management Plans and Annual Business Plan***

The Audit Committee shall:

- 6.3.1 pursuant to Section 126 of the Act, propose and provide information relevant to a review of Council's strategic management plans or annual business plan; and
- 6.3.2 review and provide recommendations to Council on the sustainability of Council's financial performance and proposals with respect to debt levels included in the strategic management plans and, in particular, the long-term financial plan.

6.4 ***Internal Controls and Risk Management Systems***

The Audit Committee shall:

- 6.4.1 pursuant to Section 126 of the Act, review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis;
- 6.4.2 review and assess the effectiveness of Council's internal controls and risk management systems; and



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- 6.4.3 review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls and risk management.

6.5 ***Whistle Blowing***

The Audit Committee shall:

- 6.5.1 review the Council's arrangements for its employees to raise concerns, in confidence, about possible wrong-doing in financial reporting or other matters; and
- 6.5.2 ensure these arrangements allow independent investigation of such matters and appropriate follow-up action.

6.6 ***Internal Audit***

The Audit Committee shall:

- 6.6.1 endorse the internal audit program;
- 6.6.2 receive and review internal audit reports on a regular basis;
- 6.6.3 review the status of internal audit recommendations;
- 6.6.4 provide advice and recommendations to Council in relation to internal audit program and matters;
- 6.6.5 monitor and review the effectiveness of Council's internal audit function
- 6.6.6 meet with the Internal Audit Partner at least once a year, without management being present, to discuss any issues arising from the Internal Audits carried out during the year. In addition, the Internal Audit Partner shall be given the right of direct access to the Mayor and the Presiding Member of the Audit Committee.
- 6.6.7 monitor and review the selection process for the Internal Auditor. Appointment of Internal Auditor is the responsibility of management. If the Internal Auditor resigns, the Audit Committee shall investigate the issues leading to the resignation and decide whether any action is required.



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6.7 External Audit

The Audit Committee shall:

- 6.7.1 pursuant to Section 126 of the Act, liaise with Council's external auditor;
- 6.7.2 pursuant to Section 129 of the Act, receive the external auditor's audit opinion with respect to Council's audited financial statements and the external auditor's report on particular matters arising from the audit;
- 6.7.3 develop and recommend to Council a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter;
- 6.7.4 pursuant to Section 128 of the Act, consider and make recommendations to the council, in relation to the appointment, re-appointment and removal of the Council's external auditor;
- 6.7.5 investigate the issues leading to the resignation of an external auditor and report to Council with any recommendations;
- 6.7.6 oversee Council's relationship with the external auditor including, but not limited to:
 - 6.7.6.1 recommending the approval of the external auditor's remuneration, whether fees for audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;
 - 6.7.6.2 recommending the approval of the external auditor's terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;
 - 6.7.6.3 assessing the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the extent of Council's relationship with the auditor, including the provision of any non-audit services;



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- 6.7.6.4 satisfying itself that there are no relationships that give rise to an actual, perceived or potential conflict of interest in the external auditor carrying out the external audit duties;
- 6.7.6.5 monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners;
- 6.7.6.6 assessing the external auditor's qualifications, expertise and resources and the effectiveness of the audit process (which shall include a report from the external auditor on the Audit Committee's own internal quality control procedures);
- 6.7.7 meet with the external auditor at least once per year, without management being present, to discuss the external auditor's report and any issues arising from the audit and otherwise as need;
- 6.7.8 review and make recommendations on the annual audit plan, and in particular, its consistency with the scope of the external audit engagement;
- 6.7.9 review the findings of the audit with the external auditor including, but not limited to, the following:
 - 6.7.9.1 a discussion of any major issues which arose during the external audit;
 - 6.7.9.2 any accounting and audit judgements; and
 - 6.7.9.3 levels of errors identified during the external audit;
- 6.7.10 review the effectiveness of the external audit;
- 6.7.11 review any representation letter requested by the external auditor before it is signed by administration;
- 6.7.12 review the management letter and administration's response to the external auditor's findings and recommendations; and
- 6.7.13 pursuant to regulation 22 of the Local Government (Financial Management) regulations 2011, consider and authorise the



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Presiding Member to sign a statement with the Chief Executive Officer on an annual basis certifying that the external auditor is independent of Council.

6.8 *Economy and Efficiency Audits*

The Audit Committee shall:

- 6.8.1 propose and review the exercise of powers under Section 130A of the Act (relating to economy and efficiency audits); and
- 6.8.2 receive a report prepared by the external auditor or other person appointed by Council under Section 130A to examine any matter relating to financial management, or the efficiency and economy with which Council manages or uses its resources to achieve its objectives.

6.9 *Reporting Responsibilities*

- 6.9.1 The Audit Committee minutes shall be presented to the Council after every meeting to identify and present advice and recommendations.
- 6.9.2 The Chief Executive Officer will identify matters, further to those matters covered elsewhere in these Terms of Reference, to be reported to the Audit Committee in detail where those matters are considered to be of material affect, have a material impact on the operation of Council as an elected body (e.g. impact on policies relating to Elected Members), or have significant impact on Council's operations.
- 6.9.3 The Audit Committee Presiding Member shall report annually to Council summarising the activities of the Committee during the previous financial year.

Attachment 2





13 December 2022 – C131222/

Audit and Risk Committee Terms of Reference

1. Establishment

- 1.1 Pursuant to section 41 of the Local Government Act 1999 (the Act) the Council hereby establishes a committee to be known as the Audit and Risk Committee, in order to fulfill the role of an audit committee as required by The Audit and Risk Committee is established under Section 41 of the Local Government Act pursuant to Section 126 of the Act.

2. Membership

- 2.1 The Audit and Risk Committee shall consist of 5-five persons with at least 2-persons who are not Elected Members of Council (“with the majority being Independent Members”).
- 2.2 Independent Members of the Audit and Risk Committee must have recent and relevant financial, risk management or internal audit experience and must not be an employee of City of Holdfast Bay.
- 2.3 Members of the Audit and Risk Committee are appointed by Council. Elected Members are appointed for the-a term agreed by Council, and Independent Members are appointed for a term not exceeding 3-three years. On expiry of their term, a member may be re-appointed by Council.
- 2.4 If Council proposes to remove an Independent Member of from the Committee, it must give written notice to the Independent Member of its intention to do so and provide that expert-Independent Member with the opportunity to be heard at an Executive Committee meeting, if that Independent Member so requests.
- 2.5 The Audit and Risk Committee shall nominate-recommend, and Council shall appoint, the Presiding Member of the Audit and Risk Committee. The Presiding Member who must already be a member of the Audit and Risk Committee. but not ~~the~~ Mayor may not be appointed to the Role of Presiding Member of the Audit and Risk Committee.

3. Secretariat and Support

- 3.1 The Chief Executive Officer shall ensure that the Audit and Risk Committee has access to reasonable administrative resources in order to carry out its duties (subject to any budget allocation being approved by Council).
- 3.2 The Audit and Risk Committee shall be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members.



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4. Meetings

- 4.1 The Audit and Risk Committee shall meet at least 4-four times each year, at least once per quarter, at appropriate times in the budgeting and financial reporting cycle, and otherwise as required. ~~As per~~Pursuant to Section 90 of the ~~Local Government Act, the~~ meetings are public (except in special circumstances as defined by the Act) and will be conducted in a place open to the public.
- 4.2 Meetings of the Audit and Risk Committee are governed by the *Local Government (Procedures at Meetings) Regulations 2013*.
- 4.3 Unless required by legislation not to vote, each member must vote on every matter that is before the Audit and Risk Committee for decision.
- 4.4 The Presiding Member has a deliberative vote but not a casting vote in the event of a tie. A tied vote means that the motion is lost.
- 4.5 The quorum necessary for the transaction of business shall be 3-three members. A duly convened meeting of the Audit and Risk Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by it.
- 4.6 The Chief Executive Officer, General Manager, Strategy and Corporate and other officers of Council may attend any meeting as observers or ~~be responsible for preparing papers for~~ in support of matters being considered by the Audit and Risk Committee.
- 4.7 Council's External Auditor and Internal Auditor may be invited to attend meetings of the Audit and Risk Committee.
- 4.8 Ordinary meetings of the Audit and Risk Committee will be held at times and places determined by Council or, subject to a decision of Council, the Audit and Risk Committee.
- 4.9 A special meeting of the Audit and Risk Committee may be called by the Chief Executive Officer in accordance with Section 87(5) of the Act, at the request of the Presiding Member or at least two members of the Audit and Risk Committee.
- ~~4.10 In accordance with the principles of open, transparent and informed decision making, Audit and Risk Committee meetings will be conducted in a place open to the public.~~
- 4.~~11~~10 The agenda and minutes of Audit and Risk Committee meetings, subject to any items that are discussed in confidence under Section 90 of the Act and subsequently retained under Section 91 of the Act, are also required to be made available to the public.



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- 4.1211 Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Audit and Risk Committee, no later than ~~3-three~~ business days before the date of the meeting. Supporting papers shall be sent to committee members (and to other attendees as appropriate) at the same time.
- 4.1312 The Chief Executive Officer shall ensure that the proceedings and resolutions of all meetings of the Audit and Risk Committee are minuted and that the minutes comply with the requirements of the *Local Government (Procedure at Meetings) Regulations 2000* ~~2013~~.
- 4.1413 Minutes of Audit and Risk Committee meetings shall be circulated within ~~5-five~~ days after a meeting to all members of the Audit and Risk Committee and to members of the Council and will (as appropriate) be available to the public.

5. Review

- 5.1 The Audit and Risk Committee shall, at least once per year following the adoption of the audited financial statements by Council, review its own performance, terms of reference and provide a report to Council including any recommended changes.

6. Role of the Committee

- 6.1 The Audit and Risk Committee has no authority to act independently of Council. The primary role of the Audit and Risk Committee is to provide suggestions and recommendations to Council about matters ~~in relation~~ relating to financial governance.

6.2 Financial Reporting

The Audit Committee shall:

- 6.2.1 pursuant to Section 126 of the Act, review Council's annual financial statements to ensure that they present fairly the state of affairs of the Council;
- 6.2.2 monitor the integrity of the financial statements of Council, including its annual report, reviewing significant financial reporting issues and judgements which they contain;
- 6.2.3 review:
- 6.2.3.1 the consistency of, and/or changes to, accounting policies;
- 6.2.3.2 the application of accounting standards and appropriate estimates and judgements, taking into account the views of the external auditor;



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6.2.3.3 the clarity of disclosure in the Council's financial reports and the context in which statements are made; and

6.2.3.4 all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).

6.3 ***Strategic Management Plans and Annual Business Plan***

The Audit and Risk Committee shall:

6.3.1 pursuant to Section 126 of the Act, propose and provide information relevant to a review of Council's strategic management plans or annual business plan; and

6.3.2 review and provide recommendations to Council on the sustainability of Council's financial performance and proposals with respect to debt levels included in the strategic management plans and, in particular, the long-term financial plan.

6.4 ***Internal Controls and Risk Management Systems***

The Audit and Risk Committee shall:

6.4.1 pursuant to Section 126 of the Act, review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis;

6.4.2 receive reports on risks rated high and above, pursuant to Council's Risk Management Policy and Procedure;

6.4.3 verify annually that risks are controlled within risk appetite and tolerances and propose emerging risks for consideration as relevant;

6.4.24 review and assess the effectiveness of Council's internal controls and risk management systems; and

6.4.35 review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls and risk management.

6.5 ***Whistle-Blowing Public Interest Disclosures***

The Audit and Risk Committee shall:



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- 6.5.1 review the Council's arrangements for its employees to raise concerns, in confidence, about possible wrong-doing in financial reporting or other matters; and
- 6.5.2 ensure these arrangements allow independent investigation of such matters and appropriate follow-up action.

6.6 ***Internal Audit***

The Audit and Risk Committee shall, [in accordance with Council's Internal Audit Policy and Procedure](#):

- 6.6.1 endorse the internal audit program;
- 6.6.2 receive and review internal audit reports on a regular basis;
- 6.6.3 review the status of internal audit recommendations;
- 6.6.4 provide advice and recommendations to Council in relation to internal audit program and matters;
- 6.6.5 monitor and review the effectiveness of Council's internal audit function;
- 6.6.6 meet with the Internal Audit Partner at least once a year, without management being present, to discuss any issues arising from the Internal Audits carried out during the year. In addition, the Internal Audit Partner shall be given the right of direct access to the Mayor and the Presiding Member of the Audit and Risk Committee;
- 6.6.7 monitor and review the selection process for the Internal Auditor. Appointment of Internal Auditor is the responsibility of management. If the Internal Auditor resigns, the Audit Committee shall investigate the issues leading to the resignation and decide whether any action is required.

6.7 ***External Audit***

The Audit and Risk Committee shall:

- 6.7.1 pursuant to Section 126 of the Act, liaise with Council's external auditor;
- 6.7.2 pursuant to Section 129 of the Act, receive the external auditor's audit opinion with respect to Council's audited financial statements and the external auditor's report on particular matters arising from the audit;



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- 6.7.3 develop and recommend to Council a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter;
- 6.7.4 pursuant to Section 128 of the Act, consider and make recommendations to the council, in relation to the appointment, re-appointment and removal of the Council's external auditor;
- 6.7.5 investigate the issues leading to the resignation of an external auditor and report to Council with any recommendations;
- 6.7.6 oversee Council's relationship with the external auditor including, but not limited to:
 - 6.7.6.1 recommending the approval of the external auditor's remuneration, whether fees for audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;
 - 6.7.6.2 recommending the approval of the external auditor's terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;
 - 6.7.6.3 assessing the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the extent of Council's relationship with the auditor, including the provision of any non-audit services;
 - 6.7.6.4 satisfying itself that there are no relationships that give rise to an actual, perceived or potential conflict of interest in the external auditor carrying out the external audit duties;
 - 6.7.6.5 monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners;
 - 6.7.6.6 assessing the external auditor's qualifications, expertise and resources and the effectiveness of the audit process (which shall include a report from the external auditor on the Audit Committee's own internal quality control procedures);
- 6.7.7 meet with the external auditor at least once per year, without management being present, to discuss the external auditor's report and any issues arising from the audit and otherwise as need;
- 6.7.8 review and make recommendations on the annual audit plan, and in particular, its consistency with the scope of the external audit engagement;



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- 6.7.9 review the findings of the audit with the external auditor including, but not limited to, the following:
 - 6.7.9.1 a discussion of any major issues which arose during the external audit;
 - 6.7.9.2 any accounting and audit judgements; and
 - 6.7.9.3 levels of errors identified during the external audit;
- 6.7.10 review the effectiveness of the external audit;
- 6.7.11 review any representation letter requested by the external auditor before it is signed by administration;
- 6.7.12 review the management letter and administration's response to the external auditor's findings and recommendations; and
- 6.7.13 pursuant to regulation 22 of the *Local Government (Financial Management) ~~regulations~~ Regulations 2011*, consider and authorise the Presiding Member to sign a statement with the Chief Executive Officer on an annual basis certifying that the external auditor is independent of Council.

6.8 ***Economy and Efficiency Audits***

The Audit and Risk Committee shall:

- 6.8.1 propose and review the exercise of powers under Section 130A of the Act (relating to economy and efficiency audits); and
- 6.8.2 receive a report prepared by ~~the external auditor or other~~any person appointed by Council ~~under pursuant to~~ Section 130A of the Act to examine any matter relating to financial management, or the efficiency and economy with which Council manages or uses its resources to achieve its objectives.

6.9 ***Reporting Responsibilities***

- 6.9.1 The Audit and Risk Committee minutes shall be presented to the Council after every meeting to identify and present advice and recommendations.
- 6.9.2 The Chief Executive Officer will identify matters, further to those matters covered elsewhere in these Terms of Reference, to be reported to the Audit and Risk Committee in detail where those matters are considered to be of material affect, have a material impact on the operation of



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Council as an elected body (e.g. impact on policies relating to Elected Members), or have significant impact on Council's operations.

~~6.9.3 The Audit and Risk Committee Presiding Member shall report annually to Council summarising the activities of the Committee during the previous financial year.~~