

Agenda

Audit and Risk
Committee

NOTICE OF MEETING

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

Kingston Room, Civic Centre
24 Jetty Road, Brighton

Wednesday 18 October 2023 at 4.00pm



Pamela Jackson
Acting Chief Executive Officer



1. Opening

The Presiding Member, Councillor Smedley will declare the meeting open at 4.00pm.

2. Kaurna Acknowledgement

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

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

3. Apologies

3.1 Apologies received

3.2 Absent

4. Declaration Of Interest

If a Committee 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. Committee Members are reminded to declare their interest before each item.

5. Confirmation Of Minutes

Motion

That the minutes of the Audit and Risk Committee held on 16 August 2023 be taken as read and confirmed.

6. Action Items

7. Presentations

7.1 Nil

8. Reports By Officers

- 8.1 Standing Items (Report No: 334/23)
- 8.2 Internal Audit Program Report (Report No: 333/23)
- 8.3 2022-23 General Purpose Financial Statements (Report No: 335/23)
- 8.4 2022-23 Draft Annual Report (Report No: 331/23)
- 8.5 Long-Term Financial Plan 2023 - 2033 (Report No: 332/23)
- 8.6 Risk Report (Report No: 336/23)
- 8.7 End of Financial Year Debtors (Report No: 337/23)
- 8.8 Terms of Reference Review (Report No: 338/23)



9. Urgent Business – Subject to the Leave of the Meeting

10. Confidential Items - Nil

11. Date and time of next meeting

The next meeting of the Audit and Risk Committee will be held on Wednesday 15 November 2023 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

12. Closure

Pamela Jackson
Acting Chief Executive Officer

**Audit and Risk Committee - Action Items
as at 18 October 2023**

Meeting	Agenda Item	Action Required	Responsibility	Estimated Completion Date	Current Status
16 December 2020	7.1 Standing Items	Develop framework for Governance relationship between Alwyndor, Audit and Risk Committee and Council.	GMs Alwyndor and Strategy & Corporate	December 2023	Work is currently being undertaken by Alwyndor to address new governance requirements under the Aged Care Reform, which is due to be put in place by December 2023.

Item No: 8.1

Subject: **STANDING ITEMS – OCTOBER 2023**

Summary

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

Recommendation

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

- **Monthly Financial Statements**
 - **External Audit**
 - **Public Interest Disclosures**
 - **Economy and Efficiency Audits**
 - **Council Recommendations**
 - **Audit and Risk committee meeting schedule**
-

Background

The Audit and Risk 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 2023 preliminary financial reports received by Council on 22 August 2023, and the August 2023 financial report for municipal and Alwyndor operations considered by Council on 26 September 2023, were emailed to members on 27 September 2023.

External Audit

Council's external auditor firm, Dean Newbery, has completed the 2022-23 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 16 August 2023.

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 16 August 2023.

Council Recommendations

At its meeting on 22 August 2023 Council received the minutes and endorsed the recommendations of the meeting of the Audit and Risk Committee held on 17 August 2023.

2023 Meeting Schedule

The Audit and Risk Committee's terms of reference require it to meet at least four times each year and at least once each quarter. During 2023 meetings have been set to align with the two important financial programs in which the Audit and Risk Committee plays important roles:

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

The above reporting requirements have now been addressed; however, another meeting has been scheduled for Wednesday 15 November 2023 to consider additional items.

2024 Meeting Schedule

Meetings for 2024 are proposed for the following dates:

- Wednesday 13 March
- Wednesday 17 April
- Wednesday 12 June
- Wednesday 14 August
- Wednesday 16 October

These dates are tentative and are yet to be confirmed.

Budget

This report does not have any budget implications.

Life Cycle Costs

This report does not have any full life cycle costs implications.

Strategic Plan

Statutory compliance

Council Policy

Not applicable

Statutory Provisions

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

Written By: Manager Finance

General Manager: Strategy and Corporate, Ms S Wachtel

Item No: 8.2

Subject: INTERNAL AUDIT PROGRAM REPORT

Summary

The risk-based audits scheduled for the Internal Audit Program 2023-24, have now commenced, with the program attached to this report for further information.

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

Recommendation

1. That the Audit and Risk Committee notes this report.

RETAIN IN CONFIDENCE - Section 91(7) Order

2. That having considered Agenda Item 8.2 Internal Audit Program Report (Report No: 333/23) in confidence under section 90(2) and (3)(e) of the *Local Government Act 1999*, the Audit and Risk Committee, pursuant to section 91(7) of that Act orders that Attachment 2b be retained in confidence until the Chief Executive Officer is satisfied that the information no longer poses security concerns, at which point the documents can be released, and that this order be reviewed every 12 months.
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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 2023 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 2023-24 Internal Audit Plan, is outlined below:

Procurement	Scope document drafted and approved; initial interviews underway
Strategic Planning Alignment	Scope document drafted and approved

Asset Management	Audit scheduled for February/March 2024
Fraud Detection - Alwyndor	Audit scheduled for April/May 2024

Procurement Audit

The Procurement Audit is aligned with the following strategic risk:

- *poor or ineffective budget development and management.*

The scope for this audit will focus on the procurement processes in place across the City of Holdfast Bay, excluding Alwyndor, and will identify existing controls as well as areas where future efficiencies may be realised.

The audit intent is to provide process improvement insights rather than to assess compliance in detail, with specific elements for review being the:

- clarity of governance, roles/responsibilities;
- identification of the 'Procure to Pay' process, controls, bottlenecks and potential risk-based opportunities for either streamlining or strengthening process(es);
- useability of systems/tools/templates to support procurement through to payment;
- testing of value thresholds across a select sample of procurement records;
- appropriateness of market approaches used.

In addition, there will be a high-level review of the draft business requirements established for the new contractor management system. This is currently being tested and shortly due for implementation, therefore the review will aim to identify any opportunity for synergies or process improvements between these two aligned systems.

Strategic Planning Alignment

The Strategic Planning Alignment audit is aligned to the following strategic risk:

- *lack of strategic alignment.*

The scoping document has been approved and outlines the following audit objectives:

- to review and evaluate the strategic planning framework;
 - establishing whether the systems and processes being developed;
 - align to better practice,
 - support achievement of intended outcomes in the Plan.
 - assessing the effectiveness of the alignment of the supporting strategic planning and reporting framework in assisting achievement of the Plan.

This initial meeting for this audit is scheduled for late October.

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

An appropriate budget has been allocated for the 2023-24 Internal Audit Program.

Life Cycle Costs

There are no life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Risk Management Policy

Statutory Provisions

Local Government Act 1999

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

Internal Audit Program Year 2: 2023 - 24

Attachment 1

*PIR = Post Implementation Review

#	Year Ref:	Timing	Audit Topic	Audit Project Detail	Status	Audit Type			Risk Coverage	Project Sponsor
						System/ Process Audit	P.I.R*	Financial Controls Review		
1	Year 2	October/ November	Procurement And Contracting	Review to include flow/processing of documentation, CoHB & Alwyndor - Poor or ineffective budget development and management	Strategic			✓	16	GM Strategy & Corporate
2	Year 2	February/ March	Strategic Planning	Review of the organisation's planning framework and strategic planning landscape - Lack of Strategic Alignment - Inability to effectively implement strategic projects	Strategic	✓			22	GM Strategy & Corporate
3	Year 2	February/ March	Asset Management	Review Asset Management - class of assets yet to be confirmed - Insufficient or ineffective Asset Management Planning	Strategic	✓			22	GM Strategy & Corporate
4	Year 2	April/ May	Fraud Detection	Undertake Fraud Detection across Alwyndor - Poor or ineffective budget development and management	Standard			✓	16	GM Strategy & Corporate

Attachment 2

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
Cyber Security Follow-Up <small>(denoted by Ref. No's 02.xx)</small>	Apr-22	CS02.03	2.1 A need to define required technology and security capabilities	We recommend that; Rec 3: Develop a process to ensure that all recommendations from reviews/audits in relation to information security capabilities are tracked and monitored. Note: the majority of these reviews are conducted <i>independent of the internal audit program</i> .	High	Complete	Manager Innovation and Technology	31/12/2022 30/09/2023	Comments September 2022 Work commenced and will then reviewed regularly in line with LGITSA Framework. Regular reporting to align with Comments March 2023 - LGITSA framework review in place, however remaining IT actions within this spreadsheet will be actively monitored by Risk Officer until completed. Comments June 2023 - work progressing to target due date Comments August 2023 - work progressing to target due date Comments October 2023 - complete, with security audits every 2 years
		CS02.05	2.3 Lack of technology/ information risk assessment	We recommend that; Rec 5: Conduct regular risk assessments within IT/information security functions. These should occur at least annually and when there is a significant change to the environment, for example with change of key suppliers.	Medium	Complete	Manager Innovation and Technology	31/12/2022 31/12/2023	- Information Security Risk Management Procedure submitted for final approval as at 4 March 2022. This includes an Annual Risk and Control Self Assessment (RCSA), and lists triggers for evaluation. Monitoring of risk response measures are intended to occur annually. - An IT risk assessment was conducted in September 2021. This is a positive start, however Audit note that the document is in draft and some elements in the assessment were not completed, including identification of treatment recommendations for the last three identified risks (one rated as catastrophic). Details around ownership/due dates of recommendations are also not completed within the document. - Strategic Risk around IT has been updated (2022). This is a high-level risk review around IT supporting service delivery and would not replace ongoing detailed IT risk assessments.(See section 2.2 in report) Comments September 2022 Work commenced and will then be reviewed regularly in line with LGITSA Framework. Comments March 2023 Risk assessments are linked to the work outlined above in Recommendation: 2.2 Comments June 2023 - engaged CyberCX to develop/implement a cyber security framework, the intent of which is to provide clear guidance for implementing strong cyber security practices. To be completed by Mid Sept 2023. L17Additionally, engagement is to identify major cyber security control/process gaps and develop security strategy to address these in a structured/consistent manner. Comments August 2023 - work progressing to target due date Comments October 2023 - complete. Risk assessments now embedded in security function.
		CS02.11	2.6 Lack of information asset identification and classification	We recommend that; Rec 11: Develop an Information Identification and Classification process, and use this to classify and protect Council's data on a risk basis. For example, critical information can be subject to more rigorous protection than lower-value information.	High	Complete	Manager Innovation and Technology	31/12/2022 31/03/2023 31/07/2023 31/08/2023	Comments September 2022 Work commenced. Comments March 2023 As previously reported the Information Management Change Program has commenced. The objective is to improve access to information for all staff and the information and record-keeping environment at Council by: <ul style="list-style-type: none">enabling an agreed platform for improved collaboration of unofficial/active informationassessing, implementing and administering business information access and security across all storage repositoriesimplementing a definitive Business classification scheme and document naming standardsestablishing responsibilities of business owners and ECM Championsdeveloping standards and proceduresawareness and educationregular information audits and performing internal usage auditsmaintaining business information repositoriesmonitoring and controlling business information, including disposal schedule retention on electronic documents Comments June 2023 Phase 1 (Council only) expected to be completed by end of July 2023. Comments August 2023+L19 - Phase 1 completed - review to be undertaken prior to closing off recommendation. Comments October 2023 - initial development of identification and classification processes have been finalised. These will now be further developed within the security framework and aligned to the LGITSA information classification over the next 24 months.
Transport Asset Management	May-22	AM01	2.1 Forward-planning processes and use of asset management information in strategic decision making - There is a clear link between long term financial forecasts included in the AMPs and the budget, annual business plan and long term financial plan (LTFP). - A key gap in the asset management framework for CHB is the absence of an Asset Management Strategy. - CHB has recently had a comprehensive condition assessment undertaken of road assets, which identified average conditions as lower than assumed in the current AMP, indicating a need to increase spending on renewals and maintenance. - There is a focus on increasing the level of proactive maintenance of assets. - Service levels are generally defined quite well, though there are improvement opportunities in the ongoing measurement and tracking of service levels.	We recommend that; Rec 01: -Develop an overarching Asset Management Strategy as an internal management document to provide guidance for asset management principles and prioritisation of asset management improvement strategies across all asset classes in line with the strategy.	High	Complete	GM Assets & Delivery	30/06/2023 30/09/2023	Comments June 2022 Progress in line with audit report Comments September 2022 Will be progressed in line with Target Completion Dates Comments March 2023 Will be progressed in line with Target Completion Dates Comments June 2023 - work progressing to target due date Comments August 2023 - Completed draft of AMS (V1.1) and distributed for internal comment. Internal document to guide development of AMP (November 2024) Comments October 2023 - complete - next phase of AMP scheduled for completion by Nov 2024 - see Recommendations 2-9.
2021/22 EOFY Financial Controls CHB Council	May-22	FC03	Detailed Findings: 3. REV-USE-0002: Fees and Charges register is maintained and made available to the public.	Rec.Treatment Plan 3: Undertake a stocktake of all fees and charges published online to identify any duplications, and establish protocols on how fees and charges information online will be maintained.	Better Practice	Complete	Manager Communications & Engagement	30/06/2023 30/09/2023	Comments September 2022 Leadership team personnel will review in conjunction with Communications & Engagement team to ensure all documents are current. Comments March 2023 Will be completed within target dates Comments June 2023 - work progressing to target due date Comments August 2023 - initial review of contents undertaken for start of FY2023/24. Further review underway to check for completeness and review format. Comments October 2023 - draft Fees and Charges review format now complete - will be used as part of the budget planning process during November/December 2023 to ensure all income streams are identified
2022/23 Complaints Handling	May-23	CH07	1.2 Detailed findings Review of current complaints handling records management and communications	Recommendation 7: Work to reconfigure how 'complaints' are recorded in CHB's system, potentially with 'complaint' being a Level 1 business function subject index, with the Level 2 activity subject index then being the subject matter/business area of interest.	Medium	Complete	Manager Customer Experience & Library Services	30/09/2023	Comments August 2023 - being developed and will be informed by the data input over coming 3 months Comments October 2023 - Complaint requests levels added to RMS

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
Transport Asset Management	May-22	AM06	2.3 Governance and risk management frameworks. - The majority of effectiveness criteria per the IIMM standards have been met. - There is a need to develop an Asset Management Strategy to provide greater cohesiveness of asset management across asset classes, and improve transparency over the prioritisation of strategies for continuous improvement of asset management maturity at an organisational level. - Asset management risks captured within the AMPs would benefit from annual updates to implementation status of treatment plans.	We recommend that; Rec 6: Develop a costed delivery plan for asset management improvement initiatives identified within the Asset Management Plans. Note: the prioritisation of initiatives should be guided by the principals of the Asset Management Strategy.	High	Not Yet Implemented	GM Assets & Delivery	30/06/2024	Comments June 2022 Progress in line with Target Completion Dates Comments September 2022 Will be progressed in line with Target Completion Dates Comments March 2023 Will be progressed in line with Target Completion Dates Comments June 2023 - work progressing to target due date Comments August 2023 - work progressing to target due date Comments October 2023 - working towards a costed delivery plan in alignment with the Asset Management Strategy
		AM08	2.4 Asset Management Systems. - Asset management systems used are fit for purpose. - Opportunities exist to work towards use of advanced system functionality, including thematic GIS mapping and scenario / predictive modelling to guide future decision making.	We recommend that; Rec 8: Investigate the use of thematic GIS mapping to support decision making Note: This is considered a longer-term improvement opportunity, with priority to be considered in the context of other asset management improvement initiatives determined via recommendations 1 and 7.	Better Practice	Not Yet Implemented	GM Assets & Delivery	30/06/2024	Comments June 2022 Progress in line with Target Completion Dates Comments September 2022 Will be progressed in line with Target Completion Dates Comments March 2023 Will be progressed in line with Target Completion Dates Comments June 2023 - work progressing to target due date Comments August 2023 - work progressing to target due date Comments October 2023 - review of GIS mapping will be undertaken in alignment with this asset management process review
		AM09		We recommend that; Rec 9: Pursue the use of Predictive / Scenario modelling to support long term strategic asset management decisions. Note: This is considered a longer--term improvement opportunity, with priority to be considered in the context of other asset management improvement initiatives determined via recommendations 1 and 7.	Better Practice	Not Yet Implemented	GM Assets & Delivery	30/11/2024	Comments June 2022 Progress in line with Target Completion Dates Comments September 2022 Will be progressed in line with Target Completion Dates Comments March 2023 Will be progressed in line with Target Completion Dates Comments June 2023 - work progressing to target due date Comments August 2023 - work progressing to target due date Comments October 2023 - review this as part of the later asset management framework undertaking
2022/23 Flood Mitigation	Feb-23	FM01	2.1 Detailed Findings A framework to manage flooding is in place, there's opportunity to review Stormwater Management Plan	We recommend that: Rec. 1: - After updated flood modelling/risk data is received from the State Government, review the Stormwater Management Plan. This can include updated action items/projects for achievement, based on the latest modelling data. Note – this recommendation will be dependent on agreement with the City of Marion and the Stormwater Management Authority.	Low	Not Yet Implemented	Manager Engineering	30/06/2026	Comments June 2023 - work not yet commenced Comments August 2023 - not yet commenced Comments October 2023 - will program in works when meeting with Manager Engineering later this quarter.
2022/23 Flood Mitigation	Feb-23	FM02	2.2 Detailed Findings A need to stocktake progress in implementing SMP actions	We recommend that: Rec.2: - Conduct a stocktake of progress in implementing projects identified in the Stormwater Management Plan Coastal Catchments between Glenelg and Marino 2014 (SMP) and identify whether: - (i) sufficient action taken against these compared to associated risk. - (ii) whether sufficient financial resources associated to achieve CHB's expected progress in delivering the projects. - (iii) an action plan to ensure more timely progress is required, or - (iv) each project (considering updated flood risk modelling) is still required/considered a risk area. Report results to the Senior Leadership Team.	Medium	Not Yet Implemented	Manager Engineering	31/12/2023	Comments June 2023 - work not yet commenced Comments August 2023 - not yet commenced Comments October 2023 - will program in works when meeting with Manager Engineering later this quarter.
2022/23 Flood Mitigation	Feb-23	FM03	2.3 Detailed Findings Further encouraging rainwater tank installation/stormwater compliance measures	We recommend that: Re. 3: - Develop a strategy to ensure existing and new rainwater and stormwater detention facilities are installed and maintained correctly. This in line with the Planning, Development and Infrastructure (2016) Act's requirements (as applicable), and CHB's Stormwater Drainage Building and Construction Policy (2020). <u>This may include but is not limited to:</u> (i) - researching/understanding the extent of non-compliance with detention tank installation and risks of non-compliance on stormwater flooding (ii) - confirming that tanks that meet criteria set out in the Code are installed. (iii) - requiring builders to advise owners of their responsibility to install tanks (where applicable). (iv) - offering further incentives associated with tank installation on existing properties (v) - use of education on the importance of installing tanks. (vi) - regular inspection of tank installation and detention installation. (vii) - use of an enforcement/penalty-based approach when tanks / detention are not installed as per approved plans.	Low	Not Yet Implemented	Manager Engineering/ Manager Development Services	30/06/2024	Comments June 2023 - work not yet commenced - to be completed in time to inform the FY26/27 budget Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter.
2022/23 Flood Mitigation	Feb-23	FM04	2.4 Detailed Findings Coastal 'inundation' management is long term, some need to clarify asset ownership	We recommend that: Rec.4: -Pending confirmation of whether ownership of seawalls rests with CHB or the SA Government, review whether: (i) - seawall assets should be included in the Asset Management Plan. (ii) - ongoing monitoring and maintenance of seawall infrastructure is captured adequately in CHB's asset management system.	Low	Not Yet Implemented	Manager Engineering	30/06/2024	Comments June 2023 - work not yet commenced - as part of the AMP update Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter.
2022/23 Flood Mitigation	Feb-23	FM05	2.5 Detailed findings Opportunity for proactive condition assessments and oversight of third parties	We recommend that: Rec.5: - Identify the stormwater drains/assets identified as being at higher risk of failure and use this to prioritise proactive condition assessment of these assets. Captured information can then be used to inform proactive maintenance of stormwater infrastructure going forward.	Medium	Not Yet Implemented	Manager Engineering	30/06/2024	Comments June 2023 - work not yet commenced subject to budget Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter.

Audit	Date Report Finalised	Ref	Findings	Recommendation	Risk Rating	Status	Action Owner	Target Completion Date	Action Owner Comments
2022/23 Flood Mitigation	Feb-23	FM05	2.5 Detailed findings Opportunity for proactive condition assessments and oversight of third parties	We recommend that: Rec. 6: - Develop an approach, for example via two-way liaison, to obtain assurance that Minda's current management of stormwater is effective. <i>Note: the intent of this recommendation is for CHB to have assurance that it will not be unexpectedly impacted by a failure in stormwater asset controls at Minda. Minda may also benefit from two-way discussion with CHB on this matter. If CHB attempt to open liaison and Minda is not forthcoming in engaging, then this recommendation will be considered closed.</i>	Medium	Not Yet Implemented	Manager Engineering/ Manager Development Services	30/06/2024	Comments June 2023 - work not yet commenced Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter.
2022/23 Flood Mitigation	Feb-23	FM06	2.6 Detailed Findings Operational maintenance of infrastructure occurs, some minor improvements identified	We recommend that: Rec.7: - Define the maintenance requirements for CHB's Water Sensitive Urban Design (WSUD) assets and plan an approach to ensure these are maintained in line with industry standards.	Low	Not Yet Implemented	Manager Field Services	30/06/2024	Comments June 2023 - work not yet commenced - for implementation in FY 2024/25 budget Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter.
2022/23 Flood Mitigation	Feb-23	FM07		We recommend that: Rec. 8: Review the Yarrum Grove maintenance schedule and ensure that Field Services have oversight of these requirements.	Low	Not Yet Implemented	Manager Engineering	30/06/2024	Comments June 2023 - work not yet commenced - connect to the BMS and provide alarms/training for field staff Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter.
2022/23 Flood Mitigation	Feb-23	FM08		We recommend that: Rec. 9: - Work to increase clarity around cost management of Gross Pollutant Traps, in particular: (i) - ensure that ongoing maintenance costs are included as part of forward planning for new GPTs, and (ii) - work to clarify cost recovery arrangements for GPT cleaning with the City of Marion.	Low	Not Yet Implemented	Manager Field Services	30/06/2024	Comments June 2023 - work not yet commenced - noted as 'ongoing' - need to clarify Comments August 2023 - not yet commenced Comments October 2023 - will factor into workload when meeting with Manager Engineering later this quarter.
2022/23 Complaints Handling	May-23	CH09		Recommendation 9: Review feedback from other TechOne Councils to explore whether the council website/RMS portal can be used to lodge customer complaints.	Medium	Not Yet Implemented	Manager Customer Experience & Library Services	31/12/2023	Comments August 2023 - not yet commenced Comments October 2023 - to be incorporated into workplan for Oct/Nov 2023

Item No: 8.3

Subject: 2022-23 GENERAL PURPOSE FINANCIAL STATEMENTS

Summary

The financial statements for the year ended 30 June 2023 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 and Risk Committee for review.

Recommendation

That the Audit and Risk Committee informs Council it has reviewed the General Purpose Financial Reports for the year ending 30 June 2023, 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*.

Background

Pursuant to sub-section 126(4) of the *Local Government Act 1999*, the Audit and Risk 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 2023 have been completed and audited. They will be presented to an ordinary meeting of Council on 24 October 2023 for the Chief Executive Officer and the Mayor to be authorised to sign the certification of the financial statements.

Preliminary 2022-23 funding statements were received by Council on 22 August 2023 (Report 280/23) and have been previously distributed to members of the Audit and Risk Committee under separate cover. The preliminary statements excluded a number of year-end adjustments and the final Southern Region Waste Resource Authority result as these were yet to be finalised.

The attached 2022-23 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 and Risk 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 auditor's 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 Alwyndor.

Regulation 22(3) requires that the council Chief Executive Officer and Presiding Member of the Audit and Risk 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 and Risk Committee meeting on 18 October 2023 under Regulation 22(3) confirming the Auditor's independence. A copy will be tabled at the Audit and Risk Committee meeting on 18 October 2023 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 2023, 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 2023

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 28 September 2023 which was unqualified with no material issues. The final completion report is attached.

Refer Attachments 3a and b

As part of the audit, the Chief Executive Officer and council's Manager Finance 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

Consolidation

The consolidated financial statements include Alwyndor Aged Care (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.

The consolidated (rounded) operating result before capital revenues is \$1,679,000 (surplus) comprising \$2,544,000 surplus from council's municipal operations and (\$852,000) deficit from Alwyndor operations. Contained in council's municipal operations result is a \$323,000 surplus from council's equity interest in SRWRA.

The operating results vary from the preliminary result reported to Council on 22 August 2023 (Report 280/23) as indicated in the table overleaf.

Preliminary Council Report 280/23 operating result before net gain/loss on asset disposals/revaluations – (rounded)	Financial Statements Operating Result (rounded)	Difference (to Council Report 280/23)
<i>Municipal Operations</i>		
\$2,524,000 Surplus	\$2,544,000 Surplus	\$20,000 increase in surplus
<i>Alwyndor Operations</i>		
(\$778,000) Deficit	(\$852,000) Deficit	\$74,000 increase in deficit
<i>Consolidated</i>		
\$1,746,000 Surplus	\$1,679,000 Surplus	\$67,000 decrease in surplus

Municipal Result

There were a few final year-end adjustments made from council's previously stated operating result leading to a \$20,000 increase to the reported surplus:

- \$131,000 – increase in Council's equity share in SRWRA
- \$127,000 – reversal of a doubtful debt provision no longer required due to a change in the accounting for unpaid car parking infringements
- (\$205,000) – expenditure originally accounted for as capital transferred to operational expenses
- (\$33,000) late accruals for invoice payments

Loan receivables were reviewed and considered by the Audit and Risk Committee on 16 August 2023 (Report 267/23) with Council noting the minutes of the Audit and Risk Committee on 22 August 2023 (Resolution C220823/7534). The loan impairment provision has been maintained in accordance with the recommendations.

Explanation of variances between budget and result

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 22 August 2023 (Report 280/23) fully detailed the budget forecast variations for 2022/23. 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 and Risk Committee members under separate cover.

The following table summarises the major contributing variances between the revised budget forecast of \$709,000 and the final result.

Major Municipal Operational Variances	Amount
Timing of Financial Assistance Grants	\$740,000
Yet to be finalised operational projects	\$433,000
Higher car parking income	\$336,000
Higher cemeteries and memorial income	\$159,000
Higher Caravan Park user income	\$133,000
Reverse provision previously made for doubtful debts	\$127,000
Higher equity share in SRWRA	\$120,000
Lower depreciation expense	\$120,000
Lower materials, contract and other expenditure	\$118,000
Higher employment costs due to new Enterprise Agreement	(\$232,000)
Higher employee leave provisions	(\$219,000)
Total variance to forecast (favourable)	\$1,835,000

Alwyndor Result

Alwyndor's deficit increased by \$74,000 following their final year-end adjustments, primarily due to increased employee cost related to Aged Care 15% Work Value adjustment in Annual and Long Service Leave provisions.

Explanation of variances between budget and result

The major contributing factors for the operating result actual deficit increase of \$544,000 from the revised forecast deficit of \$308,000 is based on numerous factors as tabled below.

Major Alwyndor Operational Variances	Amount
Additional expenses for Annual and Long Service Leave Provision (Aged Care Work Value 15% wage increase)	(\$295,000)
Additional expenses – Nurses Retention Grant	(\$68,000)
Carry forward amount to 2023/24 financial year - CHSP Grant Funding	(\$46,000)
Additional accrued expenses due to increased workforce - Workers Compensation	(\$44,000)
Fixed Assets adjustments - assets under \$2,000 capitalisation threshold have been incorrectly capitalised	(\$47,000)
Additional expenses - Support at Home Services	(\$25,000)
Net other	(\$19,000)
Total variance to forecast	(\$544,000)

Ratio Analysis

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

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 ¹	≥ 0	(\$108,644) Deficit	\$400,910 Surplus	\$1,679,000 Surplus
Operating Ratio ²	$\geq 0\%$	(0.1%)	0.5%	1.9%
Net Financial Liabilities Ratio ³	$\leq 75\%$	65%	62%	45%
Asset Sustainability Ratio ⁴	90% -110%	82%	140%	104%

¹ **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.

² **Operating Ratio** expresses the operating result as a percentage of total operating income.

³ **Net Financial Liabilities Ratio** expresses total liabilities less total financial assets as a percentage of total operating income.

⁴ **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	\$389,644 Surplus	\$708,910 Surplus	\$2,544,000 Surplus
Operating Ratio	$\geq 0\%$	0.8%	1.4%	4.8%
Net Financial Liabilities Ratio	$\leq 75\%$	72%	69%	41%
Interest Cover Ratio ¹	$\leq 5\%$	1.6%	1.0%	0.8%
Asset Sustainability Ratio	90% -110%	100%	153%	111%

¹ **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.

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

- The 2022-23 original ratio assumed completion of the 2021-22 capital works program. However not all 2021-22 capital projects were completed and the net capital expenditure budget was increased by \$10.2m (net) during 2022-23.

- The 2022-23 capital expenditure program was not finalised by 30 June 2023 and \$12.1m (net) has been approved by Council (Report 280/23) to be carried forward into 2023-24 to be funded by new borrowings.

The above factors combined with capital grant funds received in advance contributed to a strong positive cash flow throughout 2022-23. 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	(\$281,000) Deficit	(\$308,000) Deficit	(\$852,000) Deficit

Additional Alwyndor Performance Indicators	Target	Actual to 30 June 2023
Cash to total revenue	4.4%	7.5%
Cash Liquidity Level – ability to refund bonds/refundable accommodation deposits (RAD's)	Minimum of \$2.5m	\$2.6m
Bed occupancy rate – year-to-date average	98.0%	98.6%
Average direct care funding per resident per day (Aged Care Funding Instrument) to 30 th September 2022	\$187.00	\$193.12
Average direct care funding per resident per day (Aged Care Funding Instrument) from 1 st October 2022	\$187.00	\$224.00
No. of Home Support Packages	435	535
Home Support funding utilisation – the portion of revenue generated from Home Support Package funds.	78.0%	74.5%

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 2022-23 was \$2,151,000 net surplus. The 2022-23 SRWRA Annual Report is attached.

Refer Attachment 5

Budget

This report has no direct budget implications.

Life Cycle Costs

This report has no direct implication for life cycle costs.

Strategic Plan

Statutory compliance

Council Policy

Not applicable

Statutory Provisions

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

Written By:

Manager Finance

General Manager:

Strategy and Corporate, Ms S Wachtel

Attachment 1



Audit Completion Report

Year Ended 30 June 2023

City of Holdfast Bay

Executive Summary

6 October 2023

Cr John Smedley
Independent Chair – Audit & Risk Committee
City of Holdfast Bay

Dear Cr Smedley

This report has been prepared for the Audit & Risk Committee of the City of Holdfast Bay (the Council) in relation to the 30 June 2023 external audit.

The purpose of this report is to provide members of the Audit and Risk Committee and those charged with governance of the Council 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 opinion for financial year ended 30 June 2023 is expected to be issued as an unmodified audit reports.

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

Please contact me should you have any queries you wish to clarify further.

Your sincerely
DEAN NEWBERY



Samantha Creten
Director

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 2023.

Independence

In accordance with our professional ethical requirements, we confirm that, for the financial year ended 30 June 2023, 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 2023 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
- 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 and Risk 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 & Risk 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.

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 Audit & Risk Committee to further clarify the proposed treatment and/or disclosure of the matter.

Should the matter remain unadjusted and signed off by the Council's Administration in their letter of representation to us, confirming that in the Audit & Risk Committee 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 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
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 FY2023. Further review to be conducted in future years and adjustments made if/as required.
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 Open Space & Costal asset class. 	<ul style="list-style-type: none"> Our audit procedures have not identified any material misstatements.
Asset Revaluation Reserve	<ul style="list-style-type: none"> Reviewed the General Ledger and Equity Accounts to ensure appropriate accounting treatment per accounting standards. 	<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"> 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
Asset Revaluation - Roads, Kerb and Gutter and Footpaths	<p>As disclosed in Note 7 of the Financial statements, Council will be undertaking a revaluation of the Roads, Kerb and Gutter and Footpaths asset classes in FY24. We recommend that the valuation be undertaken with an effective date of 1 July 2023 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 2023, 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 2023, 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
Director

/ / 2023

Draft Assurance Report on Internal Controls

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF 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 2022 to 30 June 2023.

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 2022 to 30 June 2023 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
Director

/ / 2023

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Dean Newbery

ABN 48 007 865 081

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Attachment 2

City of Holdfast Bay

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2023



General Purpose Financial Statements

for the year ended 30 June 2023

Contents	Page
Council certificate	2
Principal Financial Statements	
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to and forming part of the Financial Statements	7
Independent Auditor's Report – Financial Statements	47
Independent Auditor's Report – Internal Controls	48
Certificates of Audit Independence	
Council Certificate of Audit Independence	49
Audit Certificate of Audit Independence	50

General Purpose Financial Statements
for the year ended 30 June 2023

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 2023 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

24 October 2023

A. Wilson
Mayor

24 October 2023

Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Income			
Rates	2a	40,535	39,060
Statutory charges	2b	3,245	2,801
User charges	2c	10,577	8,882
Grants, subsidies and contributions - operating	2g	17,615	14,657
Investment income	2d	888	363
Reimbursements	2e	5,806	4,046
Other income	2f	8,198	5,387
Net gain - equity accounted council businesses	19(a)	323	441
Total income		87,187	75,637
Expenses			
Employee costs	3a	41,708	35,007
Materials, contracts and other expenses	3b	29,862	26,337
Depreciation, amortisation and impairment	3c	11,715	10,954
Finance costs	3d	2,223	1,758
Total expenses		85,508	74,056
Operating surplus / (deficit)		1,679	1,581
Asset disposal and fair value adjustments	4	446	(2,340)
Amounts received specifically for new or upgraded assets	2g	582	1,544
Net surplus / (deficit)		2,707	785
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	9a	3,855	157,858
Share of other comprehensive income - equity accounted council businesses	19	—	173
Total other comprehensive income		3,855	158,031
Total comprehensive income		6,562	158,816

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

Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalent assets	5a	2,715	5,079
Trade and other receivables	5b	6,674	6,276
<u>Subtotal</u>		<u>9,389</u>	<u>11,355</u>
Total current assets		<u>9,389</u>	<u>11,355</u>
Non-current assets			
Trade and other receivables	6a	12,984	12,403
Equity accounted investments in council businesses	6b	4,251	3,928
Other non-current assets	6c	3,390	2,339
Infrastructure, property, plant and equipment	7	899,441	893,809
Total non-current assets		<u>920,066</u>	<u>912,479</u>
TOTAL ASSETS		<u>929,455</u>	<u>923,834</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8a	41,461	42,372
Borrowings	8b	1,362	1,073
Provisions	8c	5,801	5,197
<u>Subtotal</u>		<u>48,624</u>	<u>48,642</u>
Total current liabilities		<u>48,624</u>	<u>48,642</u>
Non-current liabilities			
Borrowings	8b	12,276	13,365
Provisions	8c	657	491
Total non-current liabilities		<u>12,933</u>	<u>13,856</u>
TOTAL LIABILITIES		<u>61,557</u>	<u>62,498</u>
<u>Net assets</u>		<u>867,898</u>	<u>861,336</u>
EQUITY			
Accumulated surplus		187,896	185,189
Asset revaluation reserves	9a	673,587	669,732
Other reserves	9b	6,415	6,415
Total council equity		<u>867,898</u>	<u>861,336</u>
<u>Total equity</u>		<u>867,898</u>	<u>861,336</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 2023

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2023					
Balance at the end of previous reporting period		185,189	669,732	6,415	861,336
Net surplus / (deficit) for year		2,707	—	—	2,707
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	3,855	—	3,855
Equity Accounted Council Business - asset revaluation adjustment		—	—	—	—
Other comprehensive income		—	3,855	—	3,855
Total comprehensive income		2,707	3,855	—	6,562
Balance at the end of period		187,896	673,587	6,415	867,898
2022					
Balance at the end of previous reporting period		185,045	511,893	6,415	703,353
Adjustments (due to voluntary changes in accounting policies)	24	(458)	(375)	—	(833)
Net surplus / (deficit) for year		785	—	—	785
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	157,858	—	157,858
Equity Accounted Council Business - asset revaluation adjustment		(183)	356	—	173
Other comprehensive income		(183)	158,214	—	158,031
Total comprehensive income		602	158,214	—	158,816
Balance at the end of period		185,189	669,732	6,415	861,336

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 2023

\$ '000	Notes	2023	2022
Cash flows from operating activities			
<u>Receipts</u>			
Rates		40,460	38,989
Statutory charges		3,295	2,821
Investment receipts		888	364
Reimbursements		5,814	4,062
Other receipts		8,640	7,442
User charges		10,913	9,169
Grants, subsidies and contributions (operating purpose)		17,983	16,389
<u>Payments</u>			
Payments for materials, contracts and other expenses		(33,654)	(30,370)
Finance payments		(682)	(723)
Payments to employees		(40,781)	(34,478)
Net cash provided by (or used in) operating activities	11b	<u>12,876</u>	<u>13,665</u>
Cash flows from investing activities			
<u>Receipts</u>			
Sale of surplus assets		722	34
Repayments of loans by community groups		270	239
Amounts received specifically for new/upgraded assets		582	1,544
Sale of replaced assets		528	43
<u>Payments</u>			
Net purchase of investment securities		(468)	(12,407)
Expenditure on renewal/replacement of assets		(9,243)	(9,339)
Expenditure on new/upgraded assets		(6,416)	(5,655)
Net cash provided (or used in) investing activities		<u>(14,025)</u>	<u>(25,541)</u>
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from aged care facility deposits		9,841	7,573
Proceeds from borrowings		249	—
Proceeds from bonds and deposits		—	7
<u>Payments</u>			
Repayment of bonds and deposits		(7)	—
Repayment of lease liabilities		(11)	—
Repayment of aged care facility deposits		(10,214)	(8,351)
Repayments of borrowings		(1,322)	(1,117)
Net cash provided by (or used in) financing activities		<u>(1,464)</u>	<u>(1,888)</u>
Net increase (decrease) in cash held		<u>(2,613)</u>	<u>(13,764)</u>
plus: cash & cash equivalents at beginning of period		5,079	18,843
Cash and cash equivalents held at end of period	11a	<u>2,466</u>	<u>5,079</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 2023

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	8
2	Income	14
3	Expenses	17
4	Asset disposal and fair value adjustments	18
5	Current assets	19
6	Non-current assets	20
7	Infrastructure, property, plant & equipment and investment property	21
8	Liabilities	24
9	Reserves	25
10	Assets subject to restrictions	25
11	Reconciliation to Statement of Cash Flows	26
12(a)	Functions	27
12(b)	Components of functions	28
13	Financial instruments	29
14	Capital expenditure and investment property commitments	33
15	Financial indicators	34
16	Uniform presentation of finances	35
17	Leases	35
18	Superannuation	38
19	Interests in other entities	39
20	Non-current assets held for sale and discontinued operations	39
21	Contingencies and assets/liabilities not recognised in the balance sheet	40
22	Events after the balance sheet date	40
23	Related party transactions	41
24	Retrospective restatement of comparative data	42
	Additional Council disclosures (unaudited)	
25	Comparative Financial Reporting – Excluding Alwyndor Aged Care Facility	44

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

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 2023

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
2022/23	\$1,868,862	\$1,483,827	+\$385,035

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. The provision for doubtful debts has reduced significantly this year because Council now reviews infringements receivables balances on a monthly basis.

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. Alwyndor investment financial assets are measured at fair value through profit and loss. Measurement is determined by Ord Minnett at market value as at 30 June 2023.

(5) Infrastructure, property, plant and 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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

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
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
Intangible Assets	6 to 10 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 60 years
Drains / Culverts	15 to 150 years
Playground Equipment	10 to 20 years
Benches, seats, etc	7 to 25 years

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

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).

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 Hostplus 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.).

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

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

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 has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, 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 annual reporting periods beginning on or after 1 January 2023

- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current.

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

- AASB 2014-10 Amendments to Australian Accounting Standards – Sale and Contribution of Assets between an Investor and its Associate or Joint Venture.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(13) 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.

During the year the Council changed its asset accounting policy, the change has been retrospectively applied and comparative information has been restated, refer to Note 24 for detail.

An error in the figures previously reported in Note 25 when comparing Consolidated and Excluding Alwyndor figures was identified and corrected. Refer to Note 25 for detail.

(14) 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 2023

Note 2. Income

\$ '000	2023	2022
(a) Rates		
General rates		
General rates	39,080	37,903
Less: mandatory rebates	(501)	(518)
Less: discretionary rebates, remissions and write-offs	(201)	(411)
Total general rates	38,378	36,974
Other rates (including service charges)		
Landscape levy	1,351	1,327
Separate and special rates	695	673
Total other rates (including service charges)	2,046	2,000
Other charges		
Penalties for late payment	77	74
Legal and other costs recovered	34	12
Total other charges	111	86
Total rates	40,535	39,060
(b) Statutory charges		
Development Act fees	548	498
Animal registration fees and fines	201	191
Parking fines / expiation fees	1,662	1,590
Other licences, fees and fines	834	522
Total statutory charges	3,245	2,801
(c) User charges		
Cemetery/crematoria fees	295	274
Parking fees	1,260	1,054
Sundry	38	65
Commercial Leases/Caravan Park	2,231	1,994
Aged Care Residential Fees and Rentals	6,585	5,492
Major Community Event	164	—
Other	4	3
Total user charges	10,577	8,882

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 2. Income (continued)

\$ '000	2023	2022
(d) Investment income		
Interest on investments		
- Local Government Finance Authority	214	119
- Interest on securities	91	—
- Banks and other	18	244
Investment Income		
- Dividend income and imputation credits (Alwyndor)	565	—
<u>Total investment income</u>	<u>888</u>	<u>363</u>

(e) Reimbursements

Private works	150	59
Aged Care Facility - Home Care	5,382	3,733
Other	274	254
<u>Total reimbursements</u>	<u>5,806</u>	<u>4,046</u>

(f) Other income

Rebates received	447	416
Sundry	457	385
Aged Care Facility - Home Care Management Fees	4,058	2,185
Aged Care Facility - COVID-19 Grant Income	338	247
Aged Care Facility - Accommodation and Care Fees	2,392	1,614
Aged Care Facility - Home Care	352	435
Other	154	105
<u>Total other income</u>	<u>8,198</u>	<u>5,387</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 2. Income (continued)

\$ '000	2023	2022
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(g) Grants, subsidies and contributions

Amounts received specifically for new or upgraded assets

Total	582	1,544
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Other grants, subsidies and contributions

Other grants, subsidies and contributions	384	394
Aged Care Facility - Grants, Subsidies and Contributions	14,609	11,980
Untied - Financial Assistance Grant	1,484	1,410
Roads to Recovery	253	373
Local Roads and Community Infrastructure Program	500	—
Individually significant item - additional Grants Commission payment (refer below)	385	500
Total other grants, subsidies and contributions	17,615	14,657

Total grants, subsidies and contributions

	18,197	16,201
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The functions to which these grants relate are shown in Note 12.

(i) Sources of grants

Commonwealth Government	13,656	11,735
State Government	4,603	4,203
Other	(62)	263
Total	18,197	16,201

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 3. Expenses

\$ '000	Notes	2023	2022
(a) Employee costs			
Salaries and wages		34,582	29,532
Employee leave expense		2,993	2,201
Superannuation - defined contribution plan contributions	18	3,507	2,727
Superannuation - defined benefit plan contributions	18	169	199
Workers' compensation insurance		1,440	1,282
Less: capitalised and distributed costs		(983)	(934)
Total operating employee costs		41,708	35,007
City of Holdfast Bay		174	175
Aged Care Facility		272	213
Total number of employees (full time equivalent at end of reporting period)		446	388
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		31	31
Elected members' expenses		409	367
Election expenses		229	43
Lease expense - low value assets / short term leases		15	16
Subtotal - prescribed expenses		684	457
(ii) Other materials, contracts and expenses			
Contractors		7,251	7,107
Energy		516	372
Maintenance		2,522	2,312
Legal expenses		227	168
Levies paid to Government - NRM levy		1,322	1,302
Professional services		3,071	2,884
Water		538	521
Materials		5,172	2,892
Insurances		639	596
Waste Management		4,259	4,087
Library Lending Materials		90	79
Covid 19 Related Expenditure		—	31
Other		3,571	3,529
Subtotal - Other material, contracts and expenses		29,178	25,880
Total materials, contracts and other expenses		29,862	26,337

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 3. Expenses (continued)

\$ '000	2023	2022
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Buildings and other structures	3,248	3,015
Infrastructure		
- Stormwater drainage	663	568
- Roads	1,496	1,485
- Footpaths	1,121	973
- Kerb & Guttering	702	683
- Other Transport	581	589
- Open Space & Coastal	2,055	2,105
Right-of-use assets	12	–
Plant and equipment	1,101	941
Furniture & Fittings, Office Equipment	736	595
Subtotal	11,715	10,954
Total depreciation, amortisation and impairment	11,715	10,954

(d) Finance costs

Interest on loans	581	641
Interest on leases	1	–
Aged Care Facility - Interest on Deposits	1,641	1,117
Total finance costs	2,223	1,758

Note 4. Asset disposal and fair value adjustments

\$ '000	2023	2022
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	528	44
Less: carrying amount of assets sold	(1,151)	(1,549)
Gain (loss) on disposal	(623)	(1,505)
(ii) Assets surplus to requirements		
Proceeds from disposal	722	31
Less: carrying amount of assets sold	–	(1)
Gain (loss) on disposal	722	30
Fair Value movements on Alwyndor Investment Portfolio		
Net gain/(loss) on fair value movements	418	(836)
Net gain/(loss) on disposal of investments	(71)	(29)
Gain (loss) on disposal	347	(865)
Net gain (loss) on disposal or revaluation of assets	446	(2,340)

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 5. Current assets

\$ '000	2023	2022
(a) Cash and cash equivalent assets		
Cash on hand and at bank	197	306
Deposits at call	2,300	4,553
Other	218	220
<u>Total cash and cash equivalent assets</u>	<u>2,715</u>	<u>5,079</u>
(b) Trade and other receivables		
Rates - general and other	709	644
Council rates postponement scheme	48	38
Accrued revenues	1,796	1,186
Debtors - general	2,084	2,105
GST recoupment	558	320
Prepayments	754	508
Loans to community organisations	216	252
Aged care facility deposits	300	1,300
Investment Income and Imputation Credits	228	80
<u>Subtotal</u>	<u>6,693</u>	<u>6,433</u>
Less: provision for expected credit losses	(19)	(157)
<u>Total trade and other receivables</u>	<u>6,674</u>	<u>6,276</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 6. Non-current assets

\$ '000	Notes	2023	2022
(a) Trade and other receivables			
Receivables			
Loans to community organisations		1,145	1,379
Provision for Impairment on Loans to Community Organisations		(518)	(518)
Subtotal		627	861
Total receivables		627	861
Other financial assets (investments)			
Interest Rate Securities - Alwyndor Investments		9,607	8,904
Equity Securities - Alwyndor Investments		2,750	2,638
Total other financial assets (investments)	1(15)	12,357	11,542
Total financial assets		12,984	12,403
(b) Equity accounted investments in council businesses			
Southern Region Waste Resource Authority	19	4,251	3,928
Total equity accounted investments in Council businesses		4,251	3,928
(c) Other non-current assets			
Other			
Capital work in progress		3,390	2,339
Total other		3,390	2,339
Total other non-current assets		3,390	2,339

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property

Infrastructure, property, plant and equipment

\$ '000	Fair Value Level	as at 30/06/22				Asset movements during the reporting period							as at 30/06/23			
		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	120,971	—	—	120,971	—	—	—	—	—	—	—	120,971	—	—	120,971
Land	3	383,251	—	—	383,251	230	—	—	—	—	—	—	383,251	230	—	383,481
Buildings and other structures	2	4,766	—	(3,862)	904	—	14	—	(96)	—	—	—	4,766	14	(3,958)	822
Buildings and other structures	3	172,315	—	(61,061)	111,254	105	856	3	(3,152)	—	—	—	172,314	876	(64,130)	109,060
Infrastructure																
- Stormwater drainage	3	68,267	—	(26,764)	41,503	500	56	—	(663)	21	—	—	68,299	554	(27,436)	41,417
- Roads	3	119,134	8,265	(45,296)	82,103	—	2,361	448	(1,496)	—	—	—	119,134	9,303	(45,917)	82,520
- Footpaths	3	44,367	1,296	(21,108)	24,555	122	687	90	(1,121)	4,047	—	—	50,252	1,919	(23,971)	28,200
- Kerb & Guttering	3	63,318	6,223	(20,788)	48,753	—	1,509	103	(702)	278	—	—	63,828	7,555	(21,648)	49,735
- Other Transport	3	35,277	37	(9,139)	26,175	—	304	—	(581)	(177)	—	—	34,980	341	(9,600)	25,721
- Open Space & Coastal	3	48,134	19,620	(22,604)	45,150	3,437	1,030	180	(2,055)	(4,169)	—	3,855	76,508	—	(29,440)	47,068
Right-of-use assets		—	—	—	—	35	—	—	(12)	—	—	—	—	35	(12)	23
Plant and equipment		—	11,525	(5,890)	5,635	411	1,895	327	(1,101)	—	—	—	—	12,524	(6,011)	6,513
Furniture & Fittings, Office Equipment		—	7,118	(3,563)	3,555	563	528	—	(736)	—	—	—	—	8,190	(4,280)	3,910
Total infrastructure, property, plant and equipment		1,059,800	54,084	(220,075)	893,809	5,403	9,240	1,151	(11,715)	—	—	3,855	1,094,303	41,541	(236,403)	899,441
Comparatives		863,641	65,593	(197,932)	731,302	7,504	9,650	(1,548)	(10,954)	—	(2,062)	159,920	1,059,800	54,084	(220,075)	893,809

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Valuation of infrastructure, property, plant & equipment and 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 7(a) 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 2023

Note 7. Infrastructure, property, plant & equipment and 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
- An updated valuation will be undertaken in 2023/24

Footpaths

- Basis of valuation: Written down current replacement cost
- Date of valuation: 31 December 2019
- Valuer: Public Private Property
- An updated valuation will be undertaken in 2023/24

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 2023

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

- Valuer: Public Private Property

Plant & Equipment

These assets are recognised at cost.

Furniture & Fittings, Office Equipment

These assets are recognised at cost.

Note 8. Liabilities

\$ '000	2023 Current	2023 Non Current	2022 Current	2022 Non Current
(a) Trade and other payables				
Goods and services	4,977	—	4,762	—
Payments received in advance	4,201	—	4,382	—
- Grants, subsidies, contributions - operating	354	—	—	—
Accrued expenses - employee entitlements	622	—	349	—
Accrued expenses - other	513	—	450	—
Aged care facility deposits	29,141	—	30,514	—
Deposits, retentions and bonds	1	—	8	—
Other	1,652	—	1,907	—
Total trade and other payables	41,461	—	42,372	—

\$ '000	Notes	2023 Current	2023 Non Current	2022 Current	2022 Non Current
(b) Borrowings					
Short term draw down facility		249	—	—	—
Loans		1,101	12,264	1,073	13,365
Lease liabilities	17b	12	12	—	—
Total Borrowings		1,362	12,276	1,073	13,365

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

(c) Provisions

Employee entitlements (including oncosts)	5,801	657	5,197	491
Total provisions	5,801	657	5,197	491

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 9. Reserves

	as at 30/06/22				as at 30/06/23
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset revaluation reserve					
Land - other	455,227	—	—	—	455,227
Buildings and other structures	54,076	—	—	—	54,076
Infrastructure					
- Stormwater drainage	21,213	—	—	—	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	3,855	—	—	12,164
Equity Accounted Council Business - asset revaluation reserve	356	—	—	—	356
Total asset revaluation reserve	669,732	3,855	—	—	673,587
Comparatives	511,518	158,214	—	—	669,732

	as at 30/06/22				as at 30/06/23
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other reserves					
Alwyndor General Reserve	6,415	—	—	—	6,415
Total other reserves	6,415	—	—	—	6,415
Comparatives	6,415	—	—	—	6,415

(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	2023	2022
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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	300	1,300
Total assets subject to externally imposed restrictions	300	1,300

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2023	2022
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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 and equivalent assets	5	2,715	5,079
Less: short-term borrowings	8	(249)	—
Balances per Statement of Cash Flows		2,466	5,079

(b) Reconciliation of change in net assets to cash from operating activities

Net surplus/(deficit)		2,707	785
Non-cash items in income statements			
Depreciation, amortisation and impairment		11,715	10,952
Equity movements in equity accounted investments (increase)/decrease		(323)	(441)
Grants for capital acquisitions treated as investing activity		(582)	(1,544)
Net (gain)/loss on disposals		(446)	2,340
		13,071	12,092
Add (less): changes in net current assets			
Net (increase)/decrease in receivables		(1,296)	(1,580)
Change in allowances for under-recovery of receivables		138	(27)
Net (increase)/decrease in other assets		(276)	54
Net increase/(decrease) in trade and other payables		469	2,634
Net increase/(decrease) in unpaid employee benefits		770	492
Net cash provided by (or used in) operations		12,876	13,665

(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	19,479	19,728

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 2023

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 AND NON-CURRENT)	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Functions/Activities										
Business Undertakings	3,398	2,937	732	710	2,666	2,227	—	(86)	44,359	102,907
Community Services	35,652	26,103	41,328	32,477	(5,676)	(6,374)	14,634	12,023	185,593	125,570
Culture	274	247	4,583	4,312	(4,309)	(4,065)	188	224	27,201	27,455
Economic Development	910	843	2,666	2,382	(1,756)	(1,539)	20	20	1,227	1,285
Environment	424	906	8,911	7,679	(8,487)	(6,773)	151	160	44,813	45,116
Recreation	292	224	5,999	6,996	(5,707)	(6,772)	—	—	424,981	420,329
Regulatory Services	2,687	2,463	6,283	5,903	(3,596)	(3,440)	—	—	526	629
Transport & Communication	32	20	11,072	9,171	(11,040)	(9,151)	—	—	180,047	179,878
Unclassified Activities	—	—	—	—	—	—	—	—	2,806	3,233
Council Administration	43,518	41,894	3,934	4,426	39,584	37,468	2,622	2,316	17,902	17,432
Total Functions/Activities	87,187	75,637	85,508	74,056	1,679	1,581	17,615	14,657	929,455	923,834

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 2023

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 2023

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 1.05% and 4.30% (2022: 0.30% and 1.05%). No short term deposits were placed during 2022-2023.

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - rates and 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 (2022: 0.42%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - fees and other charges

Accounting policy:

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

Terms and 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 and 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 2023

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 and 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 and 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 1.30% and 5.63% (2022: 3% and 5.63%).

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 2023

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 reqd 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.

\$ '000	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2023					
Financial assets					
Cash and cash equivalents	2,716	—	—	2,716	2,715
Receivables	6,421	596	812	7,829	6,714
Other financial assets	3,859	5,915	2,745	12,519	12,357
Total financial assets	12,996	6,511	3,557	23,064	21,786
Financial liabilities					
Payables	40,820	—	—	40,820	40,594
Current borrowings	1,893	—	—	1,893	1,350
Non-current borrowings	—	5,860	9,840	15,700	12,264
Lease liabilities	12	12	—	24	24
Total financial liabilities	42,725	5,872	9,840	58,437	54,232
Total financial assets and liabilities	55,721	12,383	13,397	81,501	76,018
2022					
Financial assets					
Cash and 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
Total financial assets and liabilities	58,375	12,590	14,479	85,444	79,667

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 13. Financial instruments (continued)

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

\$ '000	2023		2022	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed interest rates	4.01%	13,638	4.09%	14,438
		<u>13,638</u>		<u>14,438</u>

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.

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 and 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. 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. 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.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 13. Financial instruments (continued)

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	2023	2022
As at 1 July	(157)	(130)
Provisions for Doubtful Debt	133	(27)
As at 30 June	(24)	(157)

Note 14. Capital expenditure and investment property commitments

\$ '000	2023	2022
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Capital commitments

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

Buildings	1,428	503
Infrastructure	2,030	2,261
Reserves	710	187
Plant and equipment	587	897
	4,755	3,848

These expenditures are payable:

Not later than one year	4,755	3,848
	4,755	3,848

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 15. Financial indicators

	Indicator 2023	Indicators 2022	Indicators 2021
<p>Financial Indicators overview</p> <p><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></p>			
1. Operating Surplus Ratio			
Operating surplus			
Total operating income	1.9%	2.1%	1.8%
<p><i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i></p>			
2. Net Financial Liabilities Ratio			
Net financial liabilities			
Total operating income	45%	51%	51%
<p><i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i></p>			
Adjusted Operating Surplus Ratio			
Operating surplus			
Total operating income	1.5%	1.4%	1.8%
Adjustments to Ratios			
<p><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></p>			
Adjusted Net Financial Liabilities Ratio			
Net financial liabilities			
Total operating income	45%	52%	51%
3. Asset Renewal Funding Ratio			
Asset renewals			
Infrastructure and Asset Management Plan required expenditure	104%	93%	116%
<p><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></p>			

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 16. Uniform presentation of finances

\$ '000	2023	2022
<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>		
<u>Income</u>		
Rates	40,535	39,060
Statutory charges	3,245	2,801
User charges	10,577	8,882
Grants, subsidies and contributions - operating	17,615	14,657
Investment income	888	363
Reimbursements	5,806	4,046
Other income	8,198	5,387
Net gain - equity accounted council businesses	323	441
Total Income	87,187	75,637
<u>Expenses</u>		
Employee costs	41,708	35,007
Materials, contracts and other expenses	29,862	26,337
Depreciation, amortisation and impairment	11,715	10,954
Finance costs	2,223	1,758
Total Expenses	85,508	74,056
Operating surplus / (deficit)	1,679	1,581
Adjusted Operating surplus / (deficit)	1,679	1,581
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(9,243)	(9,339)
Add back depreciation, amortisation and impairment	11,715	10,954
Add back proceeds from sale of replaced assets	528	43
	3,000	1,658
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(6,416)	(5,655)
Add back amounts received specifically for new and upgraded assets	582	1,544
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	722	31
	(5,112)	(4,080)
Annual net impact to financing activities (surplus/(deficit))	(433)	(841)

Note 17. Leases

(i) Council as a lessee

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 17. Leases (continued)

(a) Right of use assets

\$ '000	Ready to use	Total
2023		
Opening balance	—	—
Additions to right-of-use assets	35	35
Adjustments to right-of-use assets due to re-measurement of lease liability	—	—
Depreciation charge	(11)	(11)
Impairment of right-of-use assets	—	—
Other	—	—
Balance at 30 June	24	24
2022		
Opening balance	—	—
Additions to right-of-use assets	—	—
Adjustments to right-of-use assets due to re-measurement of lease liability	—	—
Depreciation charge	—	—
Impairment of right-of-use assets	—	—
Other	—	—
Balance at 30 June	—	—

(b) Lease liabilities

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

\$ '000	2023	2022
Balance at 1 July	—	—
Additions	35	—
Accretion of interest	1	—
Payments	(12)	—
Balance at 30 June	24	—
Classified as:		
Current	12	—
Non-current	12	—

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

The Group had total cash outflows for leases of \$12,243.

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	11	—
Interest expense on lease liabilities	1	—
Total amount recognised in profit or loss	12	—

Council as a lessor

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 17. Leases (continued)

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	2023	2022
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	570	538
Later than one year and not later than 5 years	1,865	1,841
Later than 5 years	614	1,286
	3,049	3,665

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

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 (10.50% in 2022/23; 10% in 2021/22). 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 2021/22) 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 2023

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	
	2023	2022	2023	2022
Council's share of net income				
Joint ventures	323	441	4,251	3,928
Total Council's share of net income	323	441	4,251	3,928

((a)i) Joint ventures, associates and joint operations

(a) Carrying amounts

\$ '000	Principal Activity	2023	2022
Southern Region Waste Resource Authority	Management of waste and waste facilities	4,251	3,928
Total carrying amounts - joint ventures and associates		4,251	3,928

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 has made provisions of \$13.7m in the accounts for landfill restoration. The measurement of the provisions requires significant estimates and assumptions. The next scheduled review of restoration costs is expected to occur in FY24. As a result, the value of the provisions may change materially in the FY24 financial statements.

(b) Relevant interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2023	2022	2023	2022	2023	2022
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	
	2023	2022
Opening Balance	3,928	3,314
Share in Operating Result	323	441
Share in Other Comprehensive Income	—	173
Council's equity share in the joint venture or associate	4,251	3,928

Note 20. Non-current assets held for sale and 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 2023

Note 21. Contingencies and 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 7 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 13 to their Financial Statements for the year ended 30 June 2023.

Note 22. Events after the balance sheet date

Events that occur after the reporting date of 30 June 2023, 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 2023

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, 31 persons were paid the following total compensation:

\$ '000	2023	2022
The compensation paid to key management personnel comprises:		
Short-term employee benefits	1,175	1,136
Post Employment Benefits	118	18
Payments to Mayor and Elected Members	370	402
Development Assessment Panel Independent Members, Alwyndor Management Committee	47	53
Total	1,710	1,609

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 24. Retrospective restatement of comparative data

Voluntary changes in accounting policies

Nature of changes in accounting policies

During the year ended 30 June 2023, the Council revised its Asset Accounting Policy and removed the asset class Library Lending Materials (Other Assets). The adoption of the change in policy has resulted in the classification of Library Lending Materials as an expense in the Statement of Comprehensive Income.

The accounting policy change identified above has been applied by restating the balances at the beginning of the earliest period presented (1 July 2021) and taking the adjustment through to accumulated surplus at that date.

Comparatives have been changed to reflect the accounting policy changes. The impact on each line item is shown in the tables below.

Statement of Financial Position

\$ '000	Original Balance 30 June, 2022	Impact Increase/ (decrease)	Restated Balance 30 June, 2022
Infrastructure, property, plant and equipment	894,636	(827)	893,809
Net assets	862,163	(827)	861,336
Accumulated surplus	185,662	(473)	185,189
Asset revaluation reserves	670,086	(354)	669,732
Total equity	862,163	(827)	861,336

Statement of Comprehensive Income

\$ '000	Original Balance 30 June, 2022	Impact Increase/ (decrease)	Restated Balance 30 June, 2022
Grants, Subsidies and Contributions	14,743	(86)	14,657
Materials, contracts and other expenses	(26,258)	(79)	(26,337)
Depreciation, amortisation and impairment	(11,104)	150	(10,954)
Net surplus / (deficit)	800	(15)	785
Changes in revaluation surplus - I,PP&E	157,837	21	157,858
Other comprehensive income	158,010	21	158,031
Total comprehensive income for the year	158,810	6	158,816

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 24. Retrospective restatement of comparative data (continued)

Adjustments to the comparative figures for the year ended 30 June 2022

Statement of Changes in Equity

\$ '000	Original Balance 30 June, 2022	Impact Increase/ (decrease)	Restated Balance 30 June, 2022
Accumulated surplus			
Balance at beginning of period	185,045	(458)	184,587
Net Surplus/(Deficit) for Year	800	(15)	785
Balance at end of period	185,662	(473)	185,189
Asset revaluation reserve			
Balance at beginning of period	511,893	(375)	511,518
Gain/(Loss) on revaluation of I,PP&E	157,837	21	157,858
Balance at end of period	670,086	(354)	669,732
Total equity	862,163	(827)	861,336

\$ '000	Original Balance 30 June, 2022	Impact Increase/ (decrease)	Restated Balance 30 June, 2022
Note 7 Infrastructure, property, plant & equipment and investment property			
Library lending materials	827	(827)	—
Total Infrastructure, property, plant & equipment	894,636	(827)	893,809

Note 9. Reserves

(a) Asset Revaluation Reserve

Library Books	354	(354)	—
Total Asset Revaluation Reserve	670,086	(354)	669,732

City of Holdfast Bay

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 25. 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 2023

\$ '000	Consolidated		Excluding Alwyndor	
	2023	2022	2023	2022
Income				
Rates	40,535	39,060	40,535	39,060
Statutory Charges	3,245	2,801	3,245	2,801
User Charges	10,577	8,882	3,992	3,401
Grants, Subsidies and Contributions	17,615	14,657	3,188	3,052
Investment Income	888	363	141	21
Reimbursements	5,806	4,046	725	520
Other income	8,198	5,387	1,318	1,347
Net Gain - Equity Accounted Council Business	323	441	323	441
Total Income	87,187	75,637	53,467	50,643
Expenses				
Employee Costs	41,708	35,007	18,953	17,892
Materials, Contracts and Other Expenses	29,862	26,337	21,039	19,521
Depreciation, Amortisation and Impairment	11,715	10,954	10,349	9,711
Finance Costs	2,223	1,758	582	641
Total Expenses	85,508	74,056	50,923	47,765
Operating Surplus/(Deficit)	1,679	1,581	2,544	2,878
Asset Disposal and Fair Value Adjustments	446	(2,340)	99	(1,476)
Amounts Received Specifically for New or Upgraded Assets	582	1,544	582	1,466
Net Surplus/(Deficit)	2,707	785	3,225	2,868
Other Comprehensive Income				
Amounts which will not be classified subsequently to operating result				
Asset Disposal and Fair Value Adjustments	3,855	157,858	3,855	154,506
Share of Other Comprehensive Income - Equity Accounted Council Business	-	173	-	173
Total Other Comprehensive Income	3,855	158,031	3,855	154,679
Total Comprehensive Income	6,562	158,816	7,080	157,547

City of Holdfast Bay

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 25. Comparative Financial Reporting (continued)

\$ '000	Consolidated		Excluding Alwyndor	
	2023	2022	2023	2022
Statement of Financial Position				
as at 30 June 2023				
ASSETS				
Current assets				
Cash and Cash Equivalents	2,715	5,079	114	842
Trade and Other Receivables	6,674	6,276	3,519	3,216
Total current assets	9,389	11,355	3,633	4,058
Non-current Assets				
Financial Assets	12,984	12,403	627	861
Equity accounted investments - Council Business	4,251	3,928	4,251	3,928
Other Non-Current Assets	3,390	2,339	3,386	2,339
Infrastructure, Property, Plant & Equipment	899,441	893,809	858,973	853,229
Total non-current assets	920,066	912,479	867,237	860,357
TOTAL ASSETS	929,455	923,834	870,870	864,415
LIABILITIES				
Current Liabilities				
Trade and Other Payables	41,461	42,372	8,813	8,795
Borrowings	1,362	1,073	1,362	1,073
Provisions	5,801	5,197	3,476	3,312
Total Current Liabilities	48,624	48,642	13,651	13,180
Non-current liabilities				
Borrowings	12,276	13,365	12,276	13,365
Provisions	657	491	275	282
Total non-current liabilities	12,933	13,856	12,551	13,647
TOTAL LIABILITIES	61,557	62,498	26,202	26,827
Net Assets	867,898	861,336	844,668	837,588
EQUITY				
Accumulated Surplus	187,896	185,189	183,504	180,279
Asset Revaluation Reserve	673,587	669,732	661,164	657,309
Other Reserves	6,415	6,415	-	-
TOTAL EQUITY	867,898	861,336	844,668	837,588

City of Holdfast Bay

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 25. Comparative Financial Reporting (continued)

\$ '000	Consolidated		Excluding Alwyndor	
	2023	2022	2023	2022
Statement of Changes in Equity for the year ended 30 June 2023				
Accumulated Surplus				
Balance at beginning of period	185,189	185,045	180,279	178,052
Net Surplus/(Deficit) for Year	2,707	785	3,225	2,868
Adjustments (due to voluntary changes in accounting policies)	-	(458)	-	(458)
Equity Accounted Council Business - asset revaluation adjustment	-	(183)	-	(183)
Balance at end of period	187,896	185,189	183,504	180,279
Asset Revaluation Reserve				
Balance at beginning of period	669,732	511,893	657,309	502,822
Gain/(Loss) on revaluation of I,PP&E	3,855	157,858	3,855	154,506
Adjustments (due to voluntary changes in accounting policies)	-	(375)	-	(375)
Equity Accounted Council Business - asset revaluation adjustment	-	356	-	356
Balance at end of period	673,587	669,732	661,164	657,309
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	867,898	861,336	844,668	837,588

	Consolidated		Excluding Alwyndor	
	2023	2022	2023	2022

Financial Indicators

for the year ended 30 June 2023

Operating Surplus Ratio	1.9%	2.1%	4.8%	5.7%
Net Financial Liabilities Ratio	45%	51%	41%	43%
Asset Renewal Funding Ratio	104%	93%	111%	90%

An error in the Excluding Alwyndor comparatives for previous years was identified. An amount of \$2,252,000 had been included in Accumulated Surplus but related to Council's Asset Revaluation Reserve. The comparatives for 2022 have been restated to correct this error. Consolidated amounts were correct and remain unchanged.

General Purpose Financial Statements
for the year ended 30 June 2023

Independent Auditor's Report - Financial Statements

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General Purpose Financial Statements
for the year ended 30 June 2023

Independent Auditor's Report - Internal Controls

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General Purpose Financial Statements

for the year ended 30 June 2023

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 2023, 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: 18 October 2023**

General Purpose Financial Statements

for the year ended 30 June 2023

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 2023, 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: 18 October 2023

Attachment 3

Alwyndor Aged Care

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2023



General Purpose Financial Statements

for the year ended 30 June 2023

Contents	Page
Alwyndor Certificate and Alwyndor Management Committee Declaration	2
Principal Financial Statements	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to and forming part of the Financial Statements	8
Independent Auditor's Report – Financial Statements	33
Certificates of Audit Independence	
Audit Certificate of Audit Independence	34

General Purpose Financial Statements

for the year ended 30 June 2023

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 2023 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

26 October 2023

Beth Davidson - Park
General Manager - Alwyndor

26 October 2023

Alwyndor Aged Care

General Purpose Financial Statements for the year ended 30 June 2023

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 2023 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.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Kim Cheater
CHAIR

Date: 26 October 2023

Statement of Comprehensive Income

for the year ended 30 June 2023

\$	Notes	2023	2022
Income			
User charges	2a	6,586,429	5,497,676
Grants, subsidies and contributions - operating	2e	14,608,501	11,980,043
Investment income	2b	746,504	343,014
Reimbursements	2c	5,382,047	3,732,897
Other income	2d	7,178,206	4,521,329
Total income		34,501,687	26,074,959
Expenses			
Employee costs	3a	22,743,777	17,127,311
Materials, contracts and other expenses	3b	9,602,799	7,898,785
Depreciation, amortisation and impairment	3c	1,366,166	1,242,514
Finance costs	3d	1,640,867	1,116,705
Total expenses		35,353,609	27,385,315
Operating surplus / (deficit)		(851,922)	(1,310,356)
Asset disposal and fair value adjustments	4	347,408	(863,815)
Amounts received specifically for new or upgraded assets	2e	–	78,225
Net surplus / (deficit)		(504,514)	(2,095,946)
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		(504,514)	1,256,686

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

Statement of Financial Position

as at 30 June 2023

\$	Notes	2023	2022
ASSETS			
Current assets			
Cash & Cash Equivalents	5a	2,601,425	4,237,540
Trade and other receivables	5b	3,155,131	3,059,413
<u>Subtotal</u>		<u>5,756,556</u>	<u>7,296,953</u>
Total current assets		<u>5,756,556</u>	<u>7,296,953</u>
Non-current assets			
Financial Assets	6	12,356,951	11,542,075
Infrastructure, property, plant and equipment	7	40,473,123	40,581,075
Total Non-Current Assets		<u>52,830,074</u>	<u>52,123,150</u>
TOTAL ASSETS		<u>58,586,630</u>	<u>59,420,103</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8a	32,647,489	33,577,363
Provisions	8b	2,325,154	1,897,822
<u>Subtotal</u>		<u>34,972,643</u>	<u>35,475,185</u>
Total current liabilities		<u>34,972,643</u>	<u>35,475,185</u>
Non-current liabilities			
Provisions	8b	382,709	209,126
Total non-current liabilities		<u>382,709</u>	<u>209,126</u>
TOTAL LIABILITIES		<u>35,355,352</u>	<u>35,684,311</u>
<u>Net assets</u>		<u>23,231,278</u>	<u>23,735,792</u>
EQUITY			
Accumulated surplus		4,393,635	4,898,149
Asset revaluation reserves	9a	12,423,289	12,423,289
Other reserves	9b	6,414,354	6,414,354
<u>Total Alwyndor Equity</u>		<u>23,231,278</u>	<u>23,735,792</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 2023

\$	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2023					
Balance at the end of previous reporting period		4,898,149	12,423,289	6,414,354	23,735,792
Net surplus / (deficit) for year		(504,514)	—	—	(504,514)
Unrealised gain/(loss) on Fair Value movements of Investment Portfolio		—	—	—	—
Other comprehensive income					
Gain (loss) on revaluation of IPP&E	7a	—	—	—	—
Other comprehensive income		—	—	—	—
Total comprehensive income		(504,514)	—	—	(504,514)
Transfers between reserves		—	—	—	—
Balance at the end of period	9	4,393,635	12,423,289	6,414,354	23,231,278
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	9	4,898,149	12,423,289	6,414,354	23,735,792

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 2023

\$	Notes	2023	2022
Cash flows from operating activities			
<u>Receipts</u>			
User charges		6,586,429	5,497,676
Grants, subsidies and contributions		14,745,862	12,136,913
Investment receipts		746,504	343,014
Reimbursements		5,382,047	3,732,897
Other receipts		7,072,400	3,464,666
<u>Payments</u>			
Payments to employees		(21,948,486)	(16,959,936)
Payments for materials, contracts and other expenses		(10,482,077)	(8,933,479)
Finance payments		(1,640,867)	(82,164)
Net cash provided by (or used in) operating activities	11b	461,812	(800,413)
Cash flows from investing activities			
<u>Receipts</u>			
Sale of surplus assets		–	1,500
Amounts received specifically for new or upgraded assets		–	78,225
Net sale of investment securities		1,371,626	–
<u>Payments</u>			
Expenditure on renewal/replacement of assets	7	(927,824)	(284,486)
Expenditure on new/upgraded assets	7	(330,390)	(330,164)
Net purchase of investment securities		(1,839,094)	(12,406,922)
Net cash provided (or used in) investing activities		(1,725,682)	(12,941,847)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from aged care facility deposits		9,840,626	7,573,425
<u>Payments</u>			
Repayment of aged care facility deposits		(10,212,871)	(8,350,662)
Net cash provided by (or used in) financing activities		(372,245)	(777,237)
Net increase (decrease) in cash held		(1,636,115)	(14,519,497)
plus: cash & cash equivalents at beginning of period		4,237,540	18,757,037
Cash and cash equivalents held at end of period	11a	2,601,425	4,237,540

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 2023

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	9
2	Income	14
3	Expenses	15
4	Asset disposal and fair value adjustments	16
5	Current assets	16
6	Non-current assets	17
7	Infrastructure, property, plant & equipment and investment property	18
8	Liabilities	21
9	Reserves	21
10	Assets subject to restrictions	22
11	Reconciliation to Statement of Cash Flows	22
12	Financial instruments	23
13	Superannuation	26
14	Interests in other entities	27
15	Non-current assets held for sale and discontinued operations	27
16	Contingencies and assets/liabilities not recognised in the balance sheet	27
17	Events after the balance sheet date	27
18	Related party transactions	27
	Additional Council disclosures (unaudited)	
19	Segment reporting	29

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

(4) Cash, cash equivalents and other financial instruments

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 12.

(5) Infrastructure, property, plant and 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 2023

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.).

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

i) 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 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

Alwyndor has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, 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 annual reporting periods beginning on or after 1 January 2023

- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current.

(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.

(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 2023, 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

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 1. Summary of Significant Accounting Policies (continued)

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 2023

Note 2. Income

\$	2023	2022
(a) User charges		
Aged Care Fees and Rentals	6,586,429	5,497,676
<u>Total user charges</u>	<u>6,586,429</u>	<u>5,497,676</u>
(b) Investment income		
Interest on investments		
- Local Government Finance Authority	84,943	99,557
- Interest on Securities	91,124	22,606
- Banks and other	5,791	—
Investment Income		
- Dividend Income and imputation credits	564,646	220,851
<u>Total investment income</u>	<u>746,504</u>	<u>343,014</u>
(c) Reimbursements		
Home Care	5,382,047	3,732,897
<u>Total reimbursements</u>	<u>5,382,047</u>	<u>3,732,897</u>
(d) Other income		
Home Care Management Fees	4,058,474	2,184,785
Residential Daily Accommodation Fees	2,392,041	1,614,211
Means Tested Care Fees	351,859	435,188
COVID-19 Grant Income	338,247	247,000
Other	37,585	40,145
<u>Total other income</u>	<u>7,178,206</u>	<u>4,521,329</u>
(e) Grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	—	78,225
Total	—	78,225
Other grants, subsidies and contributions		
Grants, Subsidies and Contributions	14,608,501	11,980,043
<u>Total grants, subsidies and contributions</u>	<u>14,608,501</u>	<u>12,058,268</u>
(i) Sources of grants		
Commonwealth Government	13,185,117	10,933,339
State Government	1,413,820	1,112,493
Other	9,564	—
Local Government	—	12,436
Total	<u>14,608,501</u>	<u>12,058,268</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 3. Expenses

\$	Notes	2023	2022
(a) Employee costs			
Salaries and wages		19,347,734	14,864,744
Employee leave expense		627,577	123,031
Superannuation - defined contribution plan contributions	13	2,042,900	1,529,304
Superannuation - defined benefit plan contributions	13	31,391	49,819
Workers' compensation insurance		694,175	560,413
Total operating employee costs		22,743,777	17,127,311
Total number of employees (full time equivalent at end of reporting period)		272	213
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		9,200	9,200
Lease expense - low value assets / short term leases		14,885	16,449
Subtotal - prescribed expenses		24,085	25,649
(ii) Other materials, contracts and expenses			
Contractors		2,684,552	3,420,996
Professional services		554,182	682,052
Sundry		2,106,358	1,923,388
Materials		4,233,622	1,846,700
Subtotal - Other material, contracts and expenses		9,578,714	7,873,136
Total materials, contracts and other expenses		9,602,799	7,898,785
(c) Depreciation, amortisation and impairment			
Depreciation and Amortisation			
Buildings and other structures		823,248	801,567
Plant and equipment		262,146	208,990
Furniture and fittings		280,772	231,957
Total depreciation, amortisation and impairment		1,366,166	1,242,514
(d) Finance costs			
Interest on Aged Care Facility Deposits		1,640,867	1,116,705
Total finance costs		1,640,867	1,116,705

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 4. Asset disposal and fair value adjustments

\$	2023	2022
Infrastructure, property, plant and equipment		
Proceeds from disposal	–	1,500
Less: Carrying Amount of Assets Sold/Disposed	–	(468)
Gain (loss) on disposal	–	1,032
Investments		
Net gain/(loss) on fair value movements	417,979	(835,604)
Net gain/(loss) on disposal of investments	(70,571)	(29,243)
Gain (loss) on disposal and fair value movement	347,408	(864,847)
<u>Net gain (loss) on disposal and fair value movements of assets and investments</u>	<u>347,408</u>	<u>(863,815)</u>

Note 5. Current assets

\$	2023	2022
(a) Cash & Cash Equivalents		
Cash on hand and at bank	83,247	113,901
Deposits at call	2,299,920	3,903,364
Cash on Hand - at Ord Minnett (Investment Manager)	218,258	220,275
Total cash and cash equivalent assets	2,601,425	4,237,540

(b) Trade and other receivables

Accrued revenues	1,795,974	1,186,447
Debtors - general	437,484	285,605
GST recoupment	104,508	96,027
Prepayments	288,761	122,725
Aged care facility deposits	300,000	1,300,000
Investment Income and Imputation Credits	228,404	79,970
Subtotal	3,155,131	3,070,774
Less: provision for doubtful debts	–	(11,361)
Total trade and other receivables	3,155,131	3,059,413

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 6. Non-current assets

\$	2023	2022
Financial Assets		
Other financial assets (investments)		
Interest Rate Securities	9,606,758	8,904,232
Equity Securities	2,750,193	2,637,843
Total other financial assets (investments)	12,356,951	11,542,075
<u>Total financial assets</u>	<u>12,356,951</u>	<u>11,542,075</u>

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property

Infrastructure, property, plant and equipment

\$	Fair Value Level	as at 30/06/22				Asset movements during the reporting period							as at 30/06/23			
		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	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		–	–	–	–	–	4,109	–	–	–	–	–	–	4,109	–	4,109
Land	2	9,630,000	–	–	9,630,000	–	–	–	–	–	–	–	9,630,000	–	–	9,630,000
Buildings and other structures	3	39,885,000	–	(11,636,467)	28,248,533	–	–	–	(823,248)	–	–	–	39,885,000	–	(12,459,715)	27,425,285
Plant and equipment		–	3,266,640	(1,619,725)	1,646,915	251,766	458,431	–	(262,146)	–	–	–	–	3,976,837	(1,881,871)	2,094,966
Furniture and fittings		–	2,391,612	(1,335,985)	1,055,627	78,624	465,285	–	(280,772)	–	–	–	–	2,935,520	(1,616,757)	1,318,763
Total infrastructure, property, plant and equipment		49,515,000	5,658,252	(14,592,177)	40,581,075	330,390	927,825	–	(1,366,166)	–	–	–	49,515,000	6,916,466	(15,958,343)	40,473,123
Comparatives		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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 7. Infrastructure, property, plant & equipment and investment property (continued)

Valuation of infrastructure, property, plant & equipment and 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 7(a) 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 2023

Note 7. Infrastructure, property, plant & equipment and 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 2023

Note 8. Liabilities

	2023 Current	2023 Non Current	2022 Current	2022 Non Current
\$				
(a) Trade and other payables				
Trade Creditors	599,187	—	365,659	—
Payments Received in Advance				
- Grants, Subsidies, Contributions	353,725	—	216,364	—
Accrued expenses - employee entitlements	621,715	—	349,016	—
Accrued expenses - other	279,913	—	225,429	—
Aged care facility deposits	29,141,338	—	30,513,583	—
Other	1,651,611	—	1,907,312	—
Total trade and other payables	32,647,489	—	33,577,363	—

(b) Provisions

Employee entitlements (including oncosts)	2,325,154	382,709	1,897,822	209,126
Total provisions	2,325,154	382,709	1,897,822	209,126

Note 9. Reserves

	as at 30/06/22				as at 30/06/23
	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
\$					
(a) Asset revaluation reserve					
Land - other	9,284,428	—	—	—	9,284,428
Buildings and other structures	3,138,861	—	—	—	3,138,861
Total asset revaluation reserve	12,423,289	—	—	—	12,423,289
Comparatives	9,070,657	3,352,632	—	—	12,423,289

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 9. Reserves (continued)

	as at 30/06/22				as at 30/06/23
\$	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other reserves					
General Reserves	6,414,354	–	–	–	6,414,354
Total other reserves	6,414,354	–	–	–	6,414,354
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.

Note 10. Assets subject to restrictions

\$	2023	2022
----	------	------

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 and financial assets

Aged Care Facility Deposits	300,000	1,300,000
Total assets subject to externally imposed restrictions	300,000	1,300,000

Note 11. Reconciliation to Statement of Cash Flows

\$	Notes	2023	2022
----	-------	------	------

(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 and equivalent assets	5	2,601,425	4,237,540
Balances per Statement of Cash Flows		2,601,425	4,237,540

(b) Reconciliation of change in net assets to cash from operating activities

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 11. Reconciliation to Statement of Cash Flows (continued)

\$	2023	2022
Net surplus/(deficit)	(504,514)	(2,095,946)
Non-cash items in income statements		
Depreciation, amortisation and impairment	1,366,166	1,242,514
Grants for capital acquisitions	–	(78,225)
Net (Gain) Loss on disposal and fair value movements on investments	(347,408)	(1,032)
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
	514,244	(66,346)
Add (less): changes in net current assets		
Net (increase)/decrease in receivables	(1,084,357)	(779,834)
Change in allowances for under-recovery of receivables	11,361	(11,361)
Net (increase)/decrease in other assets	(22,722)	–
Net increase/(decrease) in trade and other payables	442,371	(53,672)
Net increase/(decrease) in unpaid employee benefits	600,915	110,800
Net cash provided by (or used in) operations	461,812	(800,413)

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 1.05% and 4.30% (2022: 0.30% and 0.65%). Alwyndor did not have short term deposits in 2023 (2022: 65 days and 0.33%).

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 12. Financial instruments (continued)

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 and 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:

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

Terms and 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 and 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

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 12. Financial instruments (continued)

Accounting Policy:

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

LIQUIDITY ANALYSIS

\$	Due < 1 year	Due > 1 year and ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial assets and liabilities					
2023					
Financial assets					
Cash and cash equivalents	2,601,425	—	—	2,601,425	2,601,425
Receivables	3,155,131	—	—	3,155,131	3,155,131
Investments - Interest Rate Securities	1,109,246	5,915,583	2,745,040	9,769,869	9,606,758
Investments - Equity Securities	2,750,193	—	—	2,750,193	2,750,193
Total financial assets	9,615,995	5,915,583	2,745,040	18,276,618	18,113,507
Financial liabilities					
Payables	32,293,764	—	—	32,293,764	32,293,764
Total financial liabilities	32,293,764	—	—	32,293,764	32,293,764
2022					
Financial assets					
Cash and 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
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

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.

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 12. Financial instruments (continued)

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.

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 (10.5% in 2022/23; 10.0% in 2021/22). 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 2021/22) 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 2023

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 and discontinued operations

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

Note 16. Contingencies and 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:

\$	2023	2022
The compensation paid to key management personnel comprises:		
Short-term employee benefits	184,396	181,425
Post-employment benefits	19,361	18,142
Payments to Alwyndor Management Committee	35,958	31,619
Total	239,715	231,186

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 18. Related party transactions (continued)

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	2,079	0

Description of services provided:

Group class services and staff physiotherapy services for early intervention.

	Sales of goods and Services	Amounts Outstanding to Related Parties
Services received from City of Holdfast Bay	845,924	32,228

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 2023

Note 19. Segment Reporting

\$	2023	2022
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 2023		
Care Income		
Subsidies & Supplements (Commonwealth)	10,214,530	8,043,483
Resident Fees - Means Tested Care Fees	351,859	435,089
Total Residential Care Income	10,566,389	8,478,572
Accommodation Income		
Subsidies & Supplements (Commonwealth)	1,099,770	1,012,334
Resident Accommodation Payments and Charges	2,392,041	1,614,211
Total Residential Accommodation Income	3,491,811	2,626,545
Other Resident Fee Income		
Basic Daily Fee	2,983,734	3,200,318
Additional Service Fee	21,508	24,022
Total Other Residential Fee Income	3,005,243	3,224,341
Financing Income		
Interest Income	181,857	122,163
Dividend and Imputation Credit income	564,646	220,851
Total Financing Income	746,502	343,013
Other Income		
Donations and Fundraising	1,555	19,599
Gain on Sale of Assets	-	976
COVID-19 Grant Income	338,247	247,000
Other Income	94,611	39,935
Total Other Income	434,412	307,509
Total Revenue	18,244,357	14,979,980

Alwyndor Aged Care

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Note 19. Segment Reporting (continued)

\$	2023	2022
Residential Aged Care		
Income Statement (continued) for the year ended 30 June 2023		
Care Expenses		
Labour Costs	10,192,866	8,672,904
Other Expenses	372,402	340,242
Total Care Expenses	10,565,268	9,013,146
Accommodation Expenses		
Labour Costs	326,024	280,352
Property Repairs, Maintenance and Replacement	300,509	268,838
Other Accommodation Expenses	371,655	333,767
Total Accommodation Expenses	998,188	882,957
Hotel Services Expenses		
Labour Costs	1,469,454	465,854
Contracted Services - External Service Organisations	663,093	1,590,935
Other Hotel Services Expenses	778,200	153,778
Total Hotel Services Expenses	2,910,746	2,210,567
Administration Expenses		
Labour Costs	1,383,047	1,181,156
Management Fees	16,748	14,947
Other Administration Expenses	777,468	580,822
Total Administration Expenses	2,177,263	1,776,925
Capital and Financing Expenses		
Depreciation	1,200,337	1,111,245
Interest Expenses	1,548,329	1,055,655
Total Capital and Financing Expenses	2,748,666	2,166,900
Other Expenses		
Loss on Sale of Assets	-	-
Investments - Loss on disposal	66,454	29,243
Investments - Fair Value movements on unrealised losses	(393,598)	835,604
Total Other Expenses	(327,144)	864,847
Total Expenses	19,072,988	16,915,342
Net Profit (Loss)	(828,631)	(1,935,362)

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 19. Segment Reporting (continued)

\$	2023	2022
Residential Aged Care		
Statement of Financial Position		
as at 30 June 2023		
ASSETS		
Current Assets		
Cash	340,421	1,762,373
Trade & Other Receivables	2,994,243	3,059,414
Total Current Assets	3,334,665	4,821,786
Non-Current Assets		
Financial Assets	12,356,951	11,542,075
Property, Plant & Equipment	40,473,123	40,581,075
Total Non-Current Assets	52,830,074	52,123,150
TOTAL ASSETS	56,164,739	56,944,936
LIABILITIES		
Current Liabilities		
Trade & Other Payables	1,538,513	970,760
Employee Provisions	1,237,247	948,120
Accommodation Bonds	29,141,338	30,513,583
Other Current Liabilities	353,725	216,364
Total Current Liabilities	32,270,823	32,648,827
Non-Current Liabilities		
Employee Provisions	190,824	114,645
Total Non-Current Liabilities	190,824	114,645
TOTAL LIABILITIES	32,461,648	32,763,472
Net Assets	23,703,091	24,181,464

Alwyndor Aged Care

Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 19. Segment Reporting (continued)

	Rehabilitation and Support Services	Consumer Directed Care	Other Home Care	Total
\$				
2023				
Revenue	1,469,361	12,164,989	2,622,978	16,257,328
Expenses	1,838,871	11,446,531	1,638,785	14,924,186
Surplus/(Deficit)	(369,510)	718,459	984,193	1,333,141
Assets	-	2,421,891	-	2,421,891
Liabilities	279,821	2,421,891	191,991	2,893,703
Total Equity	(279,821)	-	(191,991)	(471,812)
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)

General Purpose Financial Statements

for the year ended 30 June 2023

Independent Auditor's Report - Financial Statements

General Purpose Financial Statements

for the year ended 30 June 2023

Statement by Auditor

I confirm that, for the audit of the financial statements of Alwyndor Aged Care for the year ended 30 June 2023, 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

Year Ended 30 June 2023

Alywndor Aged Care

Executive Summary

20 September 2023

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 2023 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.

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 2023 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 28th September to discuss matters raised in this report.

Your sincerely
DEAN NEWBERY



Samantha Creten
Director

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 2023.

Independence

In accordance with our professional ethical requirements, we confirm that, for the audit of the Entity for the financial year ended 30 June 2023, 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 2023 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 2023
- 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 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 not been reported and regarded as being minor in the context of the financial report as a whole.

All requested audit adjustment have been processed within the financial report appropriately modified based on audit testing completed, see Page 5 of this report for the for the Summary Corrected Misstatements.

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.

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 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 Audit and Risk Committee 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.

Summary of Misstatements

Below is a summary of adjustments and the status of matters identified. Any misstatements, either individually or in aggregate, that are considered to be immaterial, have not been adjusted. The following misstatements have been identified:

Matter No.	Description	Operating Surplus / (Deficit)	Net Surplus/(Deficit)	Assets Dr/(Cr)	Liabilities Dr/(Cr)	Equity Dr/(Cr)	Status of Matter
1.	Infrastructure, property, plant and equipment – Write off of Assets incorrectly capitalised.	(62,350)	(62,350)	(62,350)	-	-	Corrected
Summary Corrected Misstatements		(62,350)	(62,350)	(62,350)	-	-	
Summary Uncorrected Misstatements		-	-	-	-	-	

Below is a description of the issue identified with misstatement reported above:

No.	Matter	Description
1	Infrastructure, property, plant and equipment – Write off of assets incorrectly capitalised	It was found through Asset Addition testing that there were assets capitalised below the capilaisation threshold and Professional Fees incorrectly capitalised. When this was brought to the attention of the administration, they agreed to correct this and the journal to correct this was actioned immediately.

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">As there are strict budget controls and transparent reporting to the AMC on a monthly basis there were no issues noted.
Compliance with Prudential Return Requirements	<ul style="list-style-type: none">Testing of compliance with the <i>Aged Care Act 1997</i> and <i>User Rights Principles 2014</i>	<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 advance	<ul style="list-style-type: none">Our audit procedures have not identified any material misstatements
AlyaCare – Home Care Fees	<ul style="list-style-type: none">Review of process and roll over of information into the new systemPerform analytical reviews and recalculation of transactions	<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"> Adjustments have been identified and processed relating to incorrect capitalisation of expenditure as noted within this Report. No other issues were noted.
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 	<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.

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 accompanying financial report of the Alwyndor Aged Care (the Entity), which comprises the Statement of Financial Position as at 30 June 2023, the Statement of Comprehensive Income, the Statements 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, 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 2023 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 2022.

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 of Management and Those Charged with Governance 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 (Cont.)

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

Director

Signed on the day of 2023,
at 214 Melbourne Street, North Adelaide

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Dean Newbery

ABN 48 007 865 081

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Attachment 4

24 October 2023

Samantha Creten
Partner
Dean Newbery
PO Box 755
North Adelaide SA 5006

Dear Samantha

Management Representations: External Audit, Financial Year Ended 30 June 2023

This Management Representation letter is provided in connection with your audit examination of the General Purpose Financial Report (**2023 Financial Report**) of City of Holdfast Bay (**'the Council'**) for the financial year ended 30 June 2023.

We hereby confirm, at your formal request, that to the best of our knowledge and belief, the following representations relating to the 2023 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 2023 as prescribed by the *Local Government Act 1999*, for the express purpose of your expressing an opinion as to whether the 2023 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 2023. 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 2023 Financial Report and that management, as appropriate, have approved the Financial Report. Accordingly, management of the Council are of the opinion that the 2023 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 2023 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 2023.
- (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 2024 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 2022-23 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 2023 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	230	-	504,452
Buildings & Other Structures	177,080	890	(68,088)	109,882
Infrastructure	413,001	19,672	(158,012)	274,661
Right-of-Use Assets		35	(12)	23
Plant & Equipment	-	12,524	(6,011)	6,513
Furniture & Office Equipment	-	8,190	(4,280)	3,910
Total Infrastructure, Property, Plant & Equipment	1,094,303	41,541	(236,403)	899,441

- (2) The additions during the 2023 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 2023 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 2023 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 2023, 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 2023 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 2023 Statement of Comprehensive Income. Finance Leasing commitments have been fully disclosed in the notes to the 2023 Balance Sheet.
- (8) The asset revaluation of all Open Space and Coastal assets owned by Council was undertaken by independent valuers Public Private Property as at 30 June 2023 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.

- (9) The asset revaluations of all land and buildings owned by Council were undertaken by independent valuers Public Private Property as at 30 June 2022. Valuations were formally accepted by Council and recognised in the 2022 Financial Report.
- (10) Valuations of all land, buildings and infrastructure assets are reflected in the 2023 Financial Report and will be considered by Audit and Risk Committee and Council as part of the adoption of the Financial Statements.
- (11) 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 2023.
- (12) Depreciation expense reported in the 2023 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 2023 financial year have been included in the 2023 Financial Report.
- (2) All outstanding trade payables at balance date have been taken up as at the 2023 balance date.
- (3) All applicable accrued wages and salaries and accrued employee entitlements at the 2023 balance date have been taken up.
- (4) All accrued interest at the 2023 balance date have been taken up.
- (5) All revenue received in advance as at the 2023 balance date have been taken up.
- (6) Provisions for employee benefits, inclusive of on-costs, all discounted as at the 2023 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 2023 balance date.
- (8) Borrowings as at the 2023 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 2023 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 2023; which are not fully disclosed in the notes to the 2023 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 than 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 2023 Council budget purposes and have the same balances as at 30 June 2023.

2023 STATEMENT OF COMPREHENSIVE 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 2023 Statement of Comprehensive Income, compared to 2022.
- (2) During the year ended 30 June 2023, Council revised its Asset Accounting Policy and removed the asset class Library Lending Materials. The adoption of the change in policy has resulted in the classification of Library Lending Materials as an expense in the Statement of Comprehensive Income.

The accounting policy change identified above has been applied from the earliest period presented (1 July 2021) and comparatives have been changed to reflect the accounting policy changes.
- (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 2023 is in accordance with Council's asset registers and has been determined on the same basis as for 2022.
- (5) Salaries and Wages expense disclosed in the 2023 Statement of Comprehensive Income reconciles to the last budgeted salaries and wage amount approved by Council for 2023 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 2023 report to be included in the 2023 Financial Report.

OTHER REQUIRED REPRESENTATIONS

- (1) No events have occurred (or are known to occur) subsequent to the 30 June 2023 that would require any consideration for adjustment to or additional disclosure in the 2023 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 2023.
- (3) The Council has complied with all aspects of contractual arrangements and agreements that would have a material effect on the 2023 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 2023 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 2023 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 2023 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 and Risk 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 2023 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 2023 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 2023 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 2023 Financial Report has been adjusted for all agreed audit adjustments for the year ended 30 June 2023.
- (18) During the year ended 30 June 2023, Council revised its Asset Accounting Policy and removed the asset class Library Lending Materials. The adoption of the change in policy has resulted in the classification of Library Lending Materials as an expense in the Statement of Comprehensive Income. There were no other changes in accounting practices and accounting policies made for the financial year ended 30 June 2023 compared to the financial year ended 30 June 2022.
- (19) Council's Audit and Risk 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

Roberto Bria
Chief Executive Officer

Cadel Blunt
Manager Finance

Attachment

Attachment

2022-23 Statement of Comprehensive Income - Summary of material prior year variations.

Note References refer to the General Purpose Financial Statements

Note 2(b) - Statutory Charges \$3,245,000 (2021-22 \$2,801,000)

Increased by \$444,000 due to an increase in: hoarding fees \$298,000, parking fines \$72,000, development assessment fees \$54,000, and dog registration fees \$20,000.

Note 2(c) - User Charges \$10,577,000 (2021-22 \$8,882,000)

Municipal user charges increased by \$606,000 with additional Caravan Park revenue \$201,000, off-street parking ticket machine income \$206,000, ticket sales from major community event \$164,000 and an increase in cemetery fee income \$21,000.

Alwyndor user charges increased by \$1,089,000 attributed to the rise in basic daily fees to accommodate the increased cost of living for residential care and adjustment in fees and consumables for Home Care Packages.

Note 2(g) – Operating Grants, Subsidies and Contributions \$17,615,000 (2021-22 \$14,657,000)

Municipal operating grants increased by \$320,000. Local Roads and Community Infrastructure (LRCI) funding of \$500,000 received but offset by negative variances of \$120,000 for the Roads to Recovery program, \$41,000 in the timing of the payment of the Financial Assistance Grants and reduced new grants of \$20,000.

Alwyndor grants and subsidies increased by \$2,628,000 This is mainly due to an increase in government funding for residential services. Effective 1st October 2022 residents are eligible for the newly introduced funding model, Aged Care Classification (AN-ACC).

Note 2(d) - Investment Income \$888,000 (2021-22 \$363,000)

Municipal reserve fund investment increased by \$120,000 due to higher interest rates with all available cash invested with the Local Government Finance Authority (LGFA).

Alwyndor investment income increased by \$404,000 mainly due to dividend and distribution income from investing surplus funds through investments with external investment manager, Ord Minnett.

Note 2(e) – Reimbursements \$5,806,000 (2021-22 \$4,046,000)

Municipal reimbursements increased by \$111,000 mainly due to additional reimbursements received for private works and apprentice training reimbursements received through the Workers Compensation scheme.

Alwyndor reimbursements increased by \$1,649,000 due to increased direct services provided to Support at Home clients resulting from their growth in numbers.

Note 2(f) – Other Income \$8,198,000 (2021-22 \$5,387,000)

Municipal other income has increased by \$154,000 largely due to additional income raised through various events and public functions, and increased donations at the Bay Discovery Centre.

Alwyndor other income increased by \$2,657,000 due to increased direct services provided to Support at Home clients resulting from their growth in numbers.

Note 19 - Net gain – EQUITY ACCOUNTED COUNCIL BUSINESSES \$323,000 (2021-22 \$441,000)

This refers to Council's 15% share (\$323,000 surplus) in the Southern Region Waste Resource Authority (SRWRA). For 2022/23 SRWRA achieved a \$2,151,000 net surplus (\$2,941,000 in 2021/22). Major prior year variances included an increase in User Charges of \$4,749,000 offset by an increase in EPA levies of \$3,235,000 and a decrease of \$1,271,000 in its 50% equity share in the net surplus of its joint venture, Southern Materials Recycling Facility. 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 \$41,708,000 (2021-22 \$35,007,000)

Overall municipal employee costs increased by \$1,073,000 from the prior year. This is made up of an increase in direct employment costs of \$1,284,000 due to vacancies in 2021-22 being filled in 2022-23, a 1.8% wages and salaries increase, an increase in the employer superannuation contribution rate of 0.5%, and an Enterprise Agreement signing-on bonus for ASU administration staff. This is offset by a reduction of \$162,000 in the annual employee leave provision expense and an increase in capitalised employment costs of \$49,000.

Alwyndor employment costs increased by \$5,628,000. This is due to additional costs to support increased residential client needs and Support at Home and Therapy services following growth in these areas, additionally there were extra COVID wages during outbreaks, which is offset by income in Note 2f.

Note 3(b) - Materials, Contracts and Other Expenses \$29,862,000 (2021-22 \$26,337,000)

Municipal expenses in this grouping increased by \$1,570,000. 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 2021-22 due to COVID-19 \$240,000; inflationary increases in costs, including repairs and maintenance \$237,000 and electricity \$190,000; higher computer software costs \$233,000; election expenses \$187,000; and tree maintenance \$112,000.

Alwyndor expenses increased by \$1,955,000. This is due to an increase in third party costs associated with the growth of Home Care Package clients, which is offset by User Charges at Note 2(c), additional expenditure relates to agency and COVID medical costs for the residential services, as well as increased spending on gardening and maintenance for the CHSP program.

Note 3(c) - Depreciation \$11,715,000 (2021-22 \$10,954,000)

Overall municipal depreciation increased by \$638,000 reflecting revalued and new assets including buildings \$212,000, stormwater \$95,000, road related assets \$170,000 and plant and equipment \$107,000.

Alwyndor depreciation increased by \$123,000 consisting of increases for plant and equipment \$53,000, furniture and fittings \$49,000 and buildings \$21,000.

Note 3(d) - Finance Costs \$2,223,000 (2021-22 \$1,758,000)

Municipal finance charges decreased by \$59,000 as principal repayments have reduced total borrowings from \$14.4 million to \$13.6 million. There were no new borrowings in either 2021/22 or 2022/23.

Alwyndor Finance charges increased by \$524,000 due to recognition of higher rental income amount and corresponding interest expenses compared to the prior year, in accordance with the AASB 16 accounting standards.

Note 4 - Asset Disposal and Fair Value Adjustments \$446,000 gain - (2021-22 \$2,340,000 - loss)

Municipal assets were sold, or disposed of, throughout the year resulting in a \$99,000 gain. The assets are itemised as follows:

- \$825,000 – Loss - Capital renewal program. Refers to existing infrastructure assets removed or disposed as part of the annual capital program
- \$202,000 – profit on sale of vehicles
- 722,000 – profit on sale of land

Alwyndor's \$347,000 net gain represents mainly the unrealised gain on the capital value of the investment portfolio as at 30 June 2023.

Note 2(g) - Amounts Received for New/Upgraded Assets \$582,000 (2021-22 \$1,544,000)

New grants were accounted for in 2022-23 including the following major projects - Glenelg Oval Masterplan \$290,000, Stormwater upgrade \$105,000 and Dover Square Tennis Court lighting \$75,000.

Note 9(a) - Change in Revaluation Surplus – \$3,855,000 increase (2021-22 \$157,858,000 increase)

Open space and coastal assets were revalued by Public Private Property. The last revaluation on these assets was performed in 2018. Based on current replacement rates this resulted in a valuation increase of \$3,855,000. No other asset class revaluations were undertaken during 2022/23.

Attachment 5



SRWRA 
Southern Region Waste Resource Authority

ANNUAL REPORT

2022 to 2023

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

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

Our core business activity is the management of our recycling facilities and landfill. We partner with industry experts and pride ourselves in employing innovative resource recovery approaches to support the circular economy.

We are one of the State's major landfill operations currently receiving over 150,000 tonnes of waste annually with approximately 90,000 tonnes going to landfill.

Our joint venture operation with Integrated Waste Services (IWS) has continued to develop through the jointly owned Southern Recycling Centre (SRC) which is realising a significant reduction in waste to landfill and continues to work towards the targets set out in the Australian Government National Waste Policy Action Plan.

Our joint venture operation with Re.Cycle (Adelaide), a subsidiary of Re.Group, has completed its second year of operation through the jointly owned Southern Materials Recovery Facility (SMRF). The SMRF, which is the largest in South Australia, is a state-of-the-art facility that provides processing of kerbside commingled recycling and produces the highest product purity levels in Australia.

SRWRA CONSTITUENT
COUNCILS



JOINT VENTURE
PARTNERS



CONTENTS

CHAIRPERSON'S MESSAGE	4
CHIEF EXECUTIVE OFFICER'S MESSAGE	6
BOARD OF MANAGEMENT	8
FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023	9
AUDIT COMMITTEE AUDITOR INDEPENDENCE	36
AUDITOR INDEPENDENCE DECLARATION	37
INDEPENDENT AUDITOR'S REPORT	38
AUDIT REPORT	40
BOARD CHAIR - AUDITOR INDEPENDENCE	42
COUNCIL CERTIFICATES OF COMPLIANCE	43
CITY OF ONKAPARINGA	43
CITY OF MARION	44
CITY OF HOLDFAST BAY	45
ATTENDANCE AT BOARD MEETINGS	46
ATTENDANCE AT AUDIT & RISK COMMITTEE MEETINGS	47
PERFORMANCE AGAINST BUSINESS PLAN	48
WORK HEALTH AND SAFETY	50
PROCUREMENT	51



CHAIRPERSON'S MESSAGE

We all have a role to play in the management of waste.

At SRWRA this is at the very core of our mission, and I am pleased to share with you the progress we have made and our commitment to creating a sustainable future through responsible waste management practices.

At SRWRA, we take great pride in our journey towards taking increasing responsibility for the management of the waste streams produced by our Constituent Councils and our other customers. We do this from the perspective of seeking the highest and best use of recovered materials, not only for the present but for future generations as well. This is the very foundation on which we have developed an integrated waste management precinct.

While the foundation of our precinct was a modern engineered landfill, which received 90,300 tonnes of waste in the past year, in progressing the development of an integrated waste precinct, we have strategically and consciously aligned ourselves with industry experts to harness the opportunities arising in the rapidly evolving landscape of integrated waste management.

LMS and Joule continue to capture and produce green energy from landfill gas in sufficient quantities to power the equivalent of 3,600 homes.

Through our joint venture with IWS, the Southern Recycling Centre has diverted more than 38,500 tonnes of municipal material from landfill, making a tangible contribution towards the targets set out in the Australian Government National Waste Policy Action Plan which seeks to halve the organic waste sent to landfill by 2030 and to achieve an 80% average recovery rate from all waste streams.

Our Material Recovery Facility, operated with Re.Group, which stands as one of the most advanced recycling facilities in Australia received the Outstanding Facility Award at the 2022 Waste Innovation and Recycling Awards. This facility processed 37,900 tonnes of commingled recyclables from household 'yellow bins,' diverting more than 77% from landfill and extending the life of materials by turning them into valuable products. Our ambition for this facility is to ensure that the output from this facility is of the highest quality, providing a solid platform for the future development of a circular economy industry in the southern region of Adelaide. This ambition has been challenged over the past 12 months as the price of many commodities has plummeted and we are a long way from having a viable circular economy, this needs Commonwealth and State leadership in supporting new industries to develop along with procurement policies which mandate the use of recycled materials in much greater quantities.



For us to achieve the targets set out in the Australian Government National Waste Policy Action Plan, we must all accept our roles and responsibility in the management of waste.

We are making progress towards the target of achieving an 80% average recovery rate from all waste streams, nationally, we currently sit at 63.1% and we have achieved an estimated increase of 2.2 percentage points since 2016/2017. To achieve this we need the right waste in the right bin - up to 30% of all recyclables ends up in the municipal waste bin. At SRWRA we will play our part by working with our Constituent Councils to provide a greater focus on education.

On a national scale, the average waste generated per person stands at 2.95 tonnes and, according to the most recent National Waste Report (2022), this has increased by 3% since 2016/2017 against a target of a 10% reduction. Quite simply we produce too much waste and we can all do something about that.

Despite the challenges of global commodities markets, we continue to maintain highly competitive waste disposal costs and reported an Operating Surplus of \$2.15 million for the year ending June 30, 2023. These surplus funds will support our future investment in waste management activities and our post-closure costs.

None of these accomplishments would have been possible without the dedication and expertise of our outstanding team. Under the accomplished leadership of CEO Chris Adams, they have collectively contributed to SRWRA's success. On behalf of the Board, I extend my heartfelt gratitude to them. I also want to express my thanks to the Board and the Audit & Risk Committee for their unwavering commitment to ensuring that SRWRA fulfills its mission.

In closing, I encourage you to explore our Annual Report for FY2023, which demonstrates our continued dedication to meeting the objectives outlined in our Charter. Together, we can make a meaningful impact on waste management in our region and contribute to a more sustainable future for all.

Mark Booth
CHAIRPERSON



CHIEF EXECUTIVE OFFICER'S MESSAGE

SRWRA operates a world class integrated waste and recycling facility at Seaford Heights that includes South Australia's largest and most technically advanced Materials Recovery Facility.

The Southern Materials Recovery Facility (SMRF) has been recognised in the 2022 Waste Innovation and Recycling Awards, winning the Outstanding Facility Award, and was recently showcased on the 'War on Waste' Docuseries (Season 3, Episode 1). This ongoing recognition of the facility is a reflection of the vision and commitment of our Constituent Councils, SRWRA Board and Joint Venture Partner Re.Group.

SRWRA's integrated site provides processing facilities for both the kerbside waste and recycling bins, a landfill, green energy precinct and a recycled water storage dam that supports McLaren Vale. The integration of our site is unique in Australia and ensures we are leaders in delivering innovative and sustainable waste management solutions for the benefit of our southern Adelaide communities.

The Southern Recycling Centre, a Joint Venture with Integrated Waste Services, plays a significant role in the diversion of organic waste from landfill. Organic waste placed in landfill produces methane, a powerful greenhouse gas. SRWRA's strategy for the removal of methane includes diversion of organics before they enter landfill and the capture and combustion of methane via the onsite 3MW biogas plant, feeding electricity into the grid in the process.

SRWRA's green energy precinct continues to grow with the addition of an Anaerobic Digester. The digester is owned and operated by LMS Energy and is part of their ongoing innovation program. The Southern Recycling Centre is supporting this research by providing organic feed stock for the digester trial.

The Authority has continued to provide a cost-effective waste management solution for its Constituent Councils and their communities. The Authority is in a strong financial position with net assets of \$28.3 million.



Over the last 12 months, the Authority invested in the education of school children within our communities through the Les Perry Memorial Grants Program. This year, 15 schools from two Constituent Council areas took part in the Les Perry Memorial Grants Program and received a total of \$9,918 in grant funding to support learning about environmentally responsible waste management.

The commitment and 'can do' attitude of the SRWRA staff has ensured the site continues to operate for the benefit of our Constituent Councils and their communities. I congratulate our team on their strong contribution and express my sincere appreciation of their efforts.

SRWRA is fortunate to have a highly committed and capable Board, led by a highly experienced Chairperson, Mark Booth. The time commitment required of the Board is increasing as SRWRA grows and increases in complexity. I would like to recognise the strong contribution of the Board and Audit & Risk Committee in SRWRA's ongoing success.

I look forward to the next 12 months as we continue to deliver innovative and sustainable waste management solutions for the benefit of our southern Adelaide communities and the environment.

Chris Adams
CHIEF EXECUTIVE OFFICER

BOARD OF MANAGEMENT

AS AT JUNE 30TH 2023



MEMBERS



DEPUTY MEMBERS



A full-page background image featuring a kangaroo sitting in a vibrant green field. In the background, there is a vineyard with rows of grapevines, a line of trees, and a tall communication tower under a clear blue sky.

FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED **30 JUNE 2023**

SOUTHERN REGION WASTE RESOURCE AUTHORITY

General Purpose Financial Report for the financial year ended 30 June 2023

Contents

	Page Number
Certification of Financial Statements	1
Primary Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
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 2023

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 2023 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: 25/9/2023

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Statement of Comprehensive Income for the financial year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Income			
User charges	2	15,283	10,534
Investment income	2	891	656
Other	2	399	2,309
Net gain - equity accounted Joint Venture	13	1,717	2,988
Total Income		18,290	16,487
Expenses			
Employee costs	3	1,151	951
Finance costs	3	-	1
Materials, contracts & other expenses	3	13,591	11,671
Depreciation, amortisation & impairment	3	1,397	936
Total Expenses		16,139	13,559
Operating Surplus		2,151	2,928
Asset disposal & fair value adjustments	3	-	13
Amounts received specifically for new/upgraded assets		-	-
Net Surplus		2,151	2,941
Other Comprehensive Income			
Changes in revaluation surplus - property, plant & equipment		-	1,153
Total Other Comprehensive Income		-	1,153
Total Comprehensive Income		2,151	4,094

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 2023

	Notes	2023 \$'000	2022 \$'000
Assets			
Current Assets			
Cash and cash equivalents	4	7,816	5,828
Trade & other receivables	4	3,759	2,501
Loan - Related Party	11,13	400	400
Total Current Assets		11,975	8,729
Non-current Assets			
Equity accounted joint venture	13	9,508	8,808
Property, plant & equipment	5	24,868	25,693
Total Non-current Assets		34,376	34,501
Total Assets		46,351	43,230
Liabilities			
Current Liabilities			
Trade & other payables	6	4,153	3,203
Provisions	6	137	119
Total Current Liabilities		4,290	3,322
Non-Current Liabilities			
Provisions	6	13,725	13,723
Total Non-current Liabilities		13,725	13,723
Total Liabilities		18,015	17,045
Net Assets		28,336	26,185
Equity			
Accumulated surplus		25,961	23,810
Asset revaluation reserve		2,375	2,375
Total Equity		28,336	26,185

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 2023

	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
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
Balance at start of period - 1 July 2022	23,810	2,375	26,185
Net Surplus/ (Deficit) for Year	2,151	-	2,151
Other Comprehensive Income			
Gain on revaluation of property, plant & equipment	-	-	-
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
Balance at end of period - 30 June 2023	25,961	2,375	28,336

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 2023

	Notes	2023 \$'000	2022 \$'000
Cash Flows from Operating Activities			
Operating receipts from customers		14,424	13,334
Investment receipts		891	656
Operating payments to suppliers & employees		(13,772)	(12,228)
Finance payments		-	(1)
Net Cash provided by (or used in) Operating Activities	7	1,543	1,761
Cash Flows from Investing Activities			
Amounts specifically for new or upgraded assets		-	-
Sale of replaced assets	3	-	57
Distributions from equity accounted Joint Ventures	13	1,750	700
Contributions to equity accounted Joint Ventures	13	(733)	(703)
Expenditure on renewal/replacement of assets	5	(310)	-
Expenditure on new/upgraded assets	5	(262)	(1,730)
Net Cash provided by (or used in) Investing Activities		445	(1,676)
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		1,988	1,185
Cash & cash equivalents at beginning of period	4	5,828	4,643
Cash & cash equivalents at end of period	4	7,816	5,828

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 2023

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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2023

Receivables are generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 8.

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 2023

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 10.5% in 2022/23 (10.0% in 2021/22).

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 2023

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 showing 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. However - strategic decisions potentially impacting the expected remaining life and future management strategies for the landfill are currently under consideration by the Board, and as such revaluation of the provision has been intentionally delayed causing the value of the provision to be overdue for reassessment. The next scheduled review of all capping and closure liability estimates is expected to occur in FY24, by which time it is expected that decisions regarding the future management of the landfill will have been finalised. As a result, readers of these financial statements should be aware that the value of the provisions, and related impact on the statement of comprehensive income, may change materially in the FY24 financial statements, and these financial statements should be read in this context.

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
Post Closure Rehabilitation costs	30 June 2016	Katalyse Pty Ltd

9 Inventory

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

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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2023

11 Comparative Information

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

12 New Accounting Standards

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 2023.

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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2023

	2023 \$'000	2022 \$'000
Note 2 - Income		
User Charges		
Landfill Operations	15,283	10,534
	15,283	10,534
Investment Income		
Interest on investments	148	34
Rental income	743	622
	891	656
Other Income		
Other income	399	353
Joint Venture cost reimbursement	-	1,956
	399	2,309
Note 3 - Expenses		
Employee Costs		
Salaries and Wages	981	829
Employee leave expense	3	(13)
Superannuation	120	99
Workers' Compensation Insurance	47	36
Less: Capitalised and distributed costs	-	-
	1,151	951
Materials, Contracts & Other Expenses		
Auditor's Remuneration	19	39
Board Expenses	46	52
Contractors	584	403
Fuels & oils	272	199
Equipment hire	130	28
Maintenance	588	292
Legal	21	52
Levies - EPA	11,372	8,137
Professional services	177	166
Joint Venture costs*	-	1,956
Sundry	382	347
	13,591	11,671

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2023

Note 3 - Expenses (cont)

	2023 \$'000	2022 \$'000
Depreciation, Amortisation & Impairment		
Buildings & Structures	357	314
Plant & Equipment	292	310
Office Equipment	15	6
Super Cell	375	156
Super Cell Capping	316	132
Post Closure Rehabilitation	36	15
Future Restoration Costs	6	3
	1,397	936
Asset Disposals		
Proceeds from disposal	-	57
Less: Carrying amount of assets sold	-	(44)
Gain (Loss) on disposal	-	13

Note 4 - Current Assets

Cash & Cash Equivalents

Cash on Hand and at Bank	2,181	2,575
Short-term deposits	5,635	3,253
	7,816	5,828

Trade & Other Receivables

Debtors - general	3,575	2,394
Accrued Revenues	107	13
Prepayments	32	49
Sundry Debtors	45	45
	3,759	2,501

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements
for the financial year ended 30 June 2023

Note 5 - Property, Plant & Equipment

	2022 \$'000				2023 \$'000			
	At Fair Value	At Cost	Accumulated Depreciation	Carrying Amount	At Fair Value	At Cost	Accumulated Depreciation	Carrying Amount
Land	6,335	-	-	6,335	6,335	-	-	6,335
Buildings & Structures	560	11,637	(1,265)	10,932	560	11,875	(1,622)	10,813
Plant & Equipment	-	4,994	(2,950)	2,044	-	5,138	(3,242)	1,896
Office Equipment	-	122	(118)	4	-	143	(132)	11
Super Cell	-	8,988	(5,756)	3,232	-	8,988	(6,131)	2,857
Super Cell Capping	5,426	-	(2,702)	2,724	5,426	-	(3,021)	2,405
Post Closure Rehabilitation	6,143	-	(5,833)	310	6,143	-	(5,869)	274
Future Restoration Costs	4,228	-	(4,172)	56	4,228	-	(4,173)	55
Work in Progress	-	56	-	56	-	222	-	222
	22,692	25,797	(22,796)	25,693	22,692	26,366	(24,190)	24,868

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2023

Note 5 - Property, Plant & Equipment

	2022 \$'000	Movement in Property, Plant & Equipment during the Financial Year						2023 \$'000
	Carrying Value	Renewal / Replacement	Additions New/Upgrade	Disposals	Revaluation	Adjustment / Transfer	Depreciation	Carrying Value
Land	6,335	-	-	-	-	-	-	6,335
Buildings & Structures	10,932	-	238	-	-	-	(357)	10,813
Plant & Equipment	2,044	144	-	-	-	-	(292)	1,896
Office Equipment	4	-	22	-	-	-	(15)	11
Super Cell	3,232	-	-	-	-	-	(375)	2,857
Super Cell Capping	2,724	-	-	-	-	(3)	(316)	2,405
Post Closure Rehabilitation	310	-	-	-	-	-	(36)	274
Future Restoration Costs	56	-	-	-	-	5	(6)	55
Work in Progress	56	166	-	-	-	-	-	222
	25,693	310	260	-	-	2	(1,397)	24,868
2022 \$'000	25,745	-	1,730	(44)	1,153	(1,955)	(936)	25,693

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2023

Note 6 - Liabilities

	2023 \$'000		2022 \$'000	
	Current	Non-current	Current	Non-current
Trade & Other Payables				
Goods & services	4,137	-	3,186	-
Payments received in advance	16	-	17	-
	4,153	-	3,203	-

Provisions

Annual Leave	76	-	58	-
Long Service Leave	61	7	61	5
Super Cell Capping	-	7,980	-	7,980
Post Closure Rehabilitation	-	4,064	-	4,064
Future Restoration Costs	-	1,674	-	1,674
	137	13,725	119	13,723

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

Please refer to Note 1 part 8 for details regarding the valuation of landfill capping, post closure rehabilitation cost and restoration cost provisions. This information is important for the interpretation of these financial statements.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2023

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:

	2023 \$'000	2022 \$'000
Total cash & equivalent assets	7,816	5,828
Less: Short-term borrowings	-	-
Balances per Cash Flow Statement	<u>7,816</u>	<u>5,828</u>

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

Net Surplus (Deficit)	2,151	2,941
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,397	936
Transfer of Work in Progress	-	1,955
Equity adjustment - Joint Venture	-	(16)
Net (Gain) Loss on equity accounted joint ventures	(1,717)	(2,988)
Net (Gain) Loss on disposal of assets	-	(13)
	<u>1,831</u>	<u>2,815</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(1,258)	507
Net increase (decrease) in trade & other payables	950	(1,549)
Net increase (decrease) in other provisions	20	(12)
Net Cash provided by (or used in) operations	<u>1,543</u>	<u>1,761</u>

(c) Financing Arrangements

Corporate Credit Cards	20	20
Cash Advance Debenture (CAD) Facility*	500	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 2023

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 4% (2022: 0.5%).

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 2023

Note 8 - Financial Instruments

Liquidity Analysis

	2023	≤ 1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- interest bearing	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Amortised Cost						
Cash Assets		7,816	-	-	-	7,816
Receivables		-	-	-	3,759	3,759
Total		7,816	-	-	3,759	11,575
Financial Liabilities						
Payables		-	-	-	4,153	4,153
Borrowings		-	-	-	-	-
Total		-	-	-	4,153	4,153

	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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2023

Note 9 - Commitments for Expenditure

	2023 \$'000	2022 \$'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
	<u>-</u>	<u>79</u>

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	499	402
Total	499	402

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)	8,077	363	Provision of waste disposal services
City of Holdfast Bay (Member Council)	1,289	101	Provision of waste disposal services
City of Marion (Member Council)	3,576	311	Provision of waste disposal services
Southern Materials Recycling Facility (Joint Venture)	2,747	751	Provision of waste disposal services
Southern Recycling Centre (Joint venture)	7,425	893	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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2023

Note 12 - Uniform Presentation of Finances

	2023 \$'000	2022 \$'000
Income		
<i>User charges</i>	15,283	10,534
<i>Investment income</i>	891	656
<i>Other</i>	399	2,309
<i>Net gain - equity accounted Joint Venture</i>	1,717	2,988
	18,290	16,487
Expenses		
<i>Employee costs</i>	1,151	951
<i>Finance costs</i>	-	1
<i>Materials, contracts & other expenses</i>	13,591	11,671
<i>Depreciation, amortisation & impairment</i>	1,397	936
	(16,139)	(13,559)
 Operating Surplus / (Deficit)	 2,151	 2,928
Net Outlays on Existing Assets		
<i>Capital Expenditure on renewal and replacement of Existing Assets</i>	(310)	-
<i>Depreciation, Amortisation, Impairment and Movement in Landfill Provisions</i>	1,397	936
<i>Proceeds from Sale of Replaced Assets</i>	-	57
	1,087	993
Net Outlays on New and Upgraded Assets		
<i>Capital Expenditure on New and Upgraded Assets</i>	(262)	(1,730)
<i>Amounts received specifically for New and Upgraded Assets</i>	-	-
<i>Proceeds from Sale of Surplus Assets</i>	-	-
	(262)	(1,730)
 Net Lending / (Borrowing) for Financial Year	 2,976	 2,191

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2023

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.

	2023 \$'000	2022 \$'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	1,620	1,164
New Capital Contributions	-	-
Share in Operating Result	1,540	1,140
Equity Adjustment	-	16
Distributions Received	(1,750)	(700)
Share in Equity of Joint Operation	1,410	1,620

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 2023

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.

	2023 \$'000	2022 \$'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	7,188	4,637
Capital Contributions (cash contribution)	733	703
Capital Contributions (transfer of plant assets)	-	-
Capital Contribution (conversion to loan)	-	-
Share in Operating Result	177	1,848
Share in Equity of Joint Operation	8,098	7,188

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 \$0.495 million (increase) (FY22: \$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 (FY22: \$0.4 million) as at the reporting date.

Expenditure Commitments

There are no capital construction commitments as at reporting date to disclose.

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 2023

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 2023

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2023					
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

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

(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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

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 & Risk Committee – Auditor Independence

Presiding Member Certification

I, Greg Connor, the person occupying the position of Presiding Member of the Southern Region Waste Resource Authority Audit & Risk Committee, for the financial year ending, 30 June 2023, 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 the scope of the audit functions under the Local Government Act 1999.

A handwritten signature in black ink, appearing to read 'Greg Connor', is positioned above a horizontal line.

22 August 2023

Greg Connor
Presiding Member
Southern Region Waste Resource Authority
Audit & Risk Committee

Dated



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SOUTHERN REGION WASTE RESOURCE AUTHORITY

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2023

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 2023, 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

26 September 2023

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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 2023, 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 2023, 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.

Emphasis of Matter – Postponed revaluation of landfill capping and post closure liabilities

Without modifying our opinion, we draw attention to Note 1 part 8 of the financial report, which describes the postponed revaluation of landfill capping and post closure liabilities. The postponement is to allow greater clarity over the strategic direction of the landfill, which will inform the appropriate assumptions to be used for the revaluation. These circumstances impact the reliability of the reported provision balances and related amounts in the statement of comprehensive income. Our opinion is not modified in respect of this matter.

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

26 September 2023



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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 2022 to 30 June 2023 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 2022 to 30 June 2023.

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 2022 to 30 June 2023. 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.

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 2022 to 30 June 2023. 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



Tim Muhlhausler CA, Registered Company Auditor

Director

26 September 2023



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 Board, for the financial year ending, 30 June 2023, 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 the scope of the audit functions under the Local Government Act 1999.



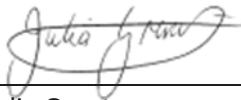
Mark Booth
Chairperson
Southern Region Waste Resource Authority

23.8.23

Dated

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

I, Julia Grant, the person occupying the position of Acting Chief Executive Officer of the City of Onkaparinga, for the financial year ending, 30 June 2023, 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 the scope of the audit functions under the Local Government Act 1999.



Julia Grant

Acting Chief Executive Officer for the 22/23 financial year
City of Onkaparinga

25/08/2023

Dated

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

I, Tony Harrison, the person occupying the position of Chief Executive Officer of the City of Marion, for the financial year ending, 30 June 2023, 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 the scope of the audit functions under the Local Government Act 1999.



Tony Harrison
Chief Executive Officer
City of Marion

23/08/2023

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.

23 August 2023

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

I, Roberto Bria, the person occupying the position of Chief Executive Officer of the City of Holdfast Bay, for the financial year ending, 30 June 2023, 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 the scope of the audit functions under the Local Government Act 1999.



Roberto Bria
Chief Executive Officer
City of Holdfast Bay

23/8/23
Dated

ATTENDANCE AT BOARD MEETINGS

BOARD MEMBERS	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
CHAIRPERSON Mark Booth	6	5
CITY OF ONKAPARINGA Kirk Richardson	6	5
CITY OF ONKAPARINGA Richard Peat <i>Term Completed November 2022</i>	3	0
CITY OF ONKAPARINGA Jordan Pritchard <i>Appointed January 2023</i>	3	2
CITY OF MARION Sorana Dinmore <i>Term completed August 2022</i>		
CITY OF MARION Angela Allison <i>Appointed December 2022</i>	3	3
CITY OF MARION Ray Barnwell	6	6
CITY OF HOLDFAST BAY Roberto Bria	6	5
CITY OF HOLDFAST BAY John Smedley	6	6
DEPUTY BOARD MEMBERS		
Please Note: Deputy Members are only required to attend a Meeting when the Member is an apology		
CITY OF ONKAPARINGA Heidi Greaves	6	3
CITY OF ONKAPARINGA Jessica Tucker	6	6
CITY OF MARION Bruce Hull <i>Term Completed November 2022</i>	3	0
CITY OF MARION Ian Crossland	6	1
CITY OF HOLDFAST BAY Clare Lindop <i>Term Completed November 2022</i>	3	2
CITY OF HOLDFAST BAY Monique O'Donohue <i>Appointed December 2022</i>	3	2
CITY OF HOLDFAST BAY Michael De Heus <i>Term completed June 2023</i>	2	1

ATTENDANCE AT AUDIT & RISK COMMITTEE MEETINGS

	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
Please Note: Deputy Members are only required to attend a Meeting when the Member is an apology		
GREG CONNOR Presiding Member	4	4
SAM SPADAVECCHIA	4	4
EMMA HINCHEY <i>Term completed December 2022</i>	2	2
MARK BOOTH	4	4
JOHN SMEDLEY Deputy SRWRA Representative	4	1

PERFORMANCE AGAINST BUSINESS PLAN

Each year SRWRA prepares an Annual Business Plan, detailing its actions and measures, that is submitted to the Constituent Councils.

AIMS, OBJECTIVES AND KEY MEASURES

RESOURCE RECOVERY ACTIONS	STATUS
Investigate markets and develop pathways for the receipt and processing of commercial and industrial products and associated reuse and commercial opportunities.	Ongoing
Investigate options and pathways for the receipt and processing of organic waste and associated reuse and commercial opportunities.	Ongoing
Investigate options to establish a Bio Pad to process green waste.	Complete
Grow the customer base for SRWRA and its Joint Venture partners	Complete
Develop business case for the construction and operation of an education facility at SRWRA.	Ongoing



AIMS, OBJECTIVES AND KEY MEASURES

OPERATIONAL EXCELLENCE ACTIONS	STATUS
Continuously review and improve workplace safety systems.	Ongoing
Maximise remaining landfill airspace.	Ongoing
Develop project scope and business case for the installation of rooftop solar power on the SMRF roof.	In progress
Maximise the compatible use of buffer land.	Ongoing
Continuous improvement of litter capture on site.	Ongoing
Governance & Risk Actions	Status
Maintain a contemporary suite of policies.	Ongoing
Work in accordance with the Risk Management Policy and Framework.	Ongoing
Review and update the Business Continuity Plan.	In progress
Review and update the Work Emergency & Evacuation Plan.	In progress
Develop a Technology Disaster Recovery Plan.	In progress
Board and Committee meetings are delivered as per the agreed timing and schedule.	Completed
The Annual Business Plan and Budget is prepared, reviewed, and reported and adopted in accordance with statutory timelines.	Completed

WORK HEALTH AND SAFETY

LOST TIME INJURIES

At SRWRA safety is part of our culture, a value considered with each decision made by management and staff. SRWRA is committed to providing a healthy and safe work environment that minimises the risk of injury or illness arising from work activities.

SRWRA recorded zero lost time injury (LTI) in 2022-2023 which presents a 100% reduction over the previous twelve months.

Annual lost time injuries:

ANNUAL LOST TIME INJURIES

(Lost time injuries represent one complete shift or more of lost time)

2020 – 2021	2021 – 2022	2022 – 2023
1	1	0

(Lost time injuries represent one complete shift or more of lost time)

INJURY MANAGEMENT

SRWRA received no worker compensation claims during 2022-2023. This is consistent with the previous twelve months, which had zero compensation claims lodged.



PROCUREMENT

SRWRA is committed to a fair, transparent and accountable process when acquiring goods and services, consistent with Section 49 of the Local Government Act 1999.

Each year goods and services are procured to support the delivery of the Annual Business Plan and Budget. The SRWRA Board has adopted the Procurement Policy to govern all procurement activities, excluding the purchase and disposal of land and other assets owned by the Authority.

In certain circumstances, the Authority may, after approval from its Board, waive application of this Policy and pursue a method which will bring the best outcome for the SRWRA. The Authority must record its reasons in writing for waiving application of this Policy.

Annual procurement performance:

ANNUAL PROCUREMENT PERFORMANCE

NUMBER OF PROCUREMENT EVENTS

538

NUMBER OF PROCUREMENT POLICY WAIVERS

2

Key reasons for the granting of Procurement Policy waivers in the last 12 months include:

- the best value for money outcome for SRWRA
- the limited size of the market and the number of credible suppliers



SRWRA CONSTITUENT COUNCILS



SRWRA

112 Bakewell Drive
Seaford Heights SA 5169

T 08 8327 0304

E info@srwra.com.au

W srwra.com.au/contact

Item No: 8.4

Subject: 2022-23 ANNUAL REPORT

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 2022-23 Annual Report has been prepared to meet all statutory requirements. The report shows that Council has continued to deliver quality and improved services and facilities to its community.

Recommendation

That the Audit and Risk Committee recommends Council adopts the 2022-23 Annual Report, which appears as Attachment 1 to this report, subject to design and minor alterations and the inclusion of the audited financial statements.

Background

Section 131 of the Local Government Act 1999 requires Council to prepare and adopt an Annual Report each year by 30 November. The Report must reflect the progress in reaching its strategic and financial goals in an appropriately governed manner.

A copy of the adopted 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 draft 2022-23 Annual Report (which appears as Attachment One) meets all the requirements of the Local Government Act 1999 and provides an overview of Council's substantial achievements.

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 Strategic Plan titled *Our Holdfast 2050+*. This Plan came into effect on 1 January 2022, so this Annual Report reflects the first full year of its implementation.

This Report records our achievements in line with the ambitious program of work outlined in our Annual Business Plan 2022-23. It reports on our performance compared to last financial year's budget and strategic aims.

Achievements

The achievements for the year include:

- Nearly 60,000 hours contributed by City of Holdfast Bay volunteers (the equivalent of \$2.76 million).
- 7,459 community transport trips are completed to enable older residents to stay in their own homes.
- 70% of waste was diverted from landfill – a first for South Australia.
- Council moved to 100% renewable electricity.
- 65,196 visits to the Bay Discovery Centre – a 35 per cent increase in pre-Covid levels.
- Over half a million items were borrowed from our libraries, including 83,509 digital content items.
- 798 trees were planted.
- 6,176 linear metres of road was resealed.
- 4,461 linear metres of kerb was renewed.
- 19 bus stops were improved.

Following the severe storms in November 2022 more than 20 staff worked throughout the weekend to clean up after flooding and fallen trees. This clean up work continued for months after the storm. This created a record for the number of work requests completed by the Field Services staff.

It is also noteworthy that on a normal day in 2022-23 in the City of Holdfast Bay:

- Nearly 1,500 items were borrowed from our libraries at Glenelg and Brighton.
- 511 people visited the libraries.
- More than 300 people attended our four Community Centres.
- 170 phone calls and nearly 100 emails were responded to by our Customer Service team.
- Our two Jetty Roads at Glenelg and Brighton were serviced by street sweepers.
- 60 separate cleaning services were conducted at council buildings.
- Each of our 31 public toilet facilities were serviced and cleaned.
- 7,200 bins lifts for residential and business waste collection were completed.
- 3,242 pages were viewed on our website.
- 4 Development Applications were processed.
- 25 linear metres of roads were resealed.
- 24 square metres of kerb were renewed.
- 3 trees were planted.

These achievements have been accomplished within tight financial controls with all indicators well within 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 statements are the subject of a separate item in this Agenda.

They will be incorporated into the draft Annual Report 2022-23 once the Audit and Risk Committee has resolved to inform Council it has reviewed the General Purpose Financial Reports for the year ending 30 June 2023, 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.

A copy of the adopted 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.

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.

Strategic Plan

The Annual Report describes progress toward achieving outcomes in Council's strategic plan *Our Holdfast 2050+*. It describes activities undertaken against the *2022-23 Annual Business Plan, Our Plan for Our Place*.

Council Policy

Not applicable

Statutory Provisions

The Annual Report is required by section 131 of the *Local Government Act 1999*.

Written By:	Corporate and Service Planning Lead
General Manager:	Strategy and Corporate, Sharon Wachtel

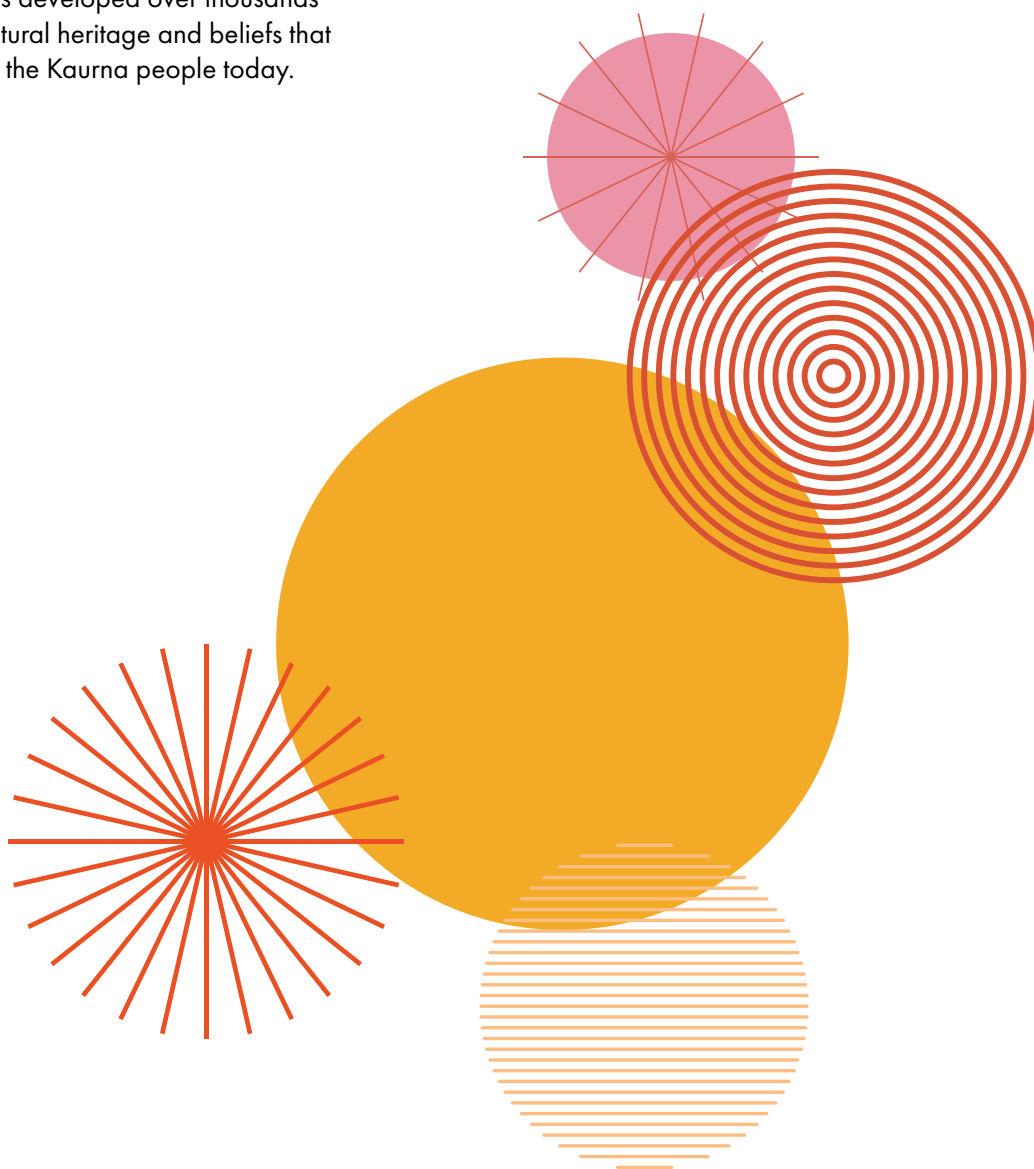
Attachment 1

Annual Report 2022–23



Traditional Custodians

The City of Holdfast Bay acknowledges the Kaurna 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 Kaurna 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 Holdfast 2050+*.

This report records our achievements in line with the ambitious program of work outlined in the *Our Plan for Our Place Annual Business Plan 2022–23*.

Our Vision

In Council's Strategic Plan *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.

Contents

Our Place	6
Our Community	7
Message From The Mayor	8
Message From The CEO	10
2022–23 Highlights	12
A Day In The Life	13
Quality Of Life Survey Results (2023)	14
Our Holdfast 2050+	15
Wellbeing	16

Sustainability	30
Innovation	44
Strategic Management	54
Council of the City of Holdfast Bay	62
Decision Making Structure	70
Transparency	80
Audited Financial Statements	90
Southern Region Waste Resource Authority Annual Report	TBA

Our Place

Adelaide's Favourite Coastal Destination

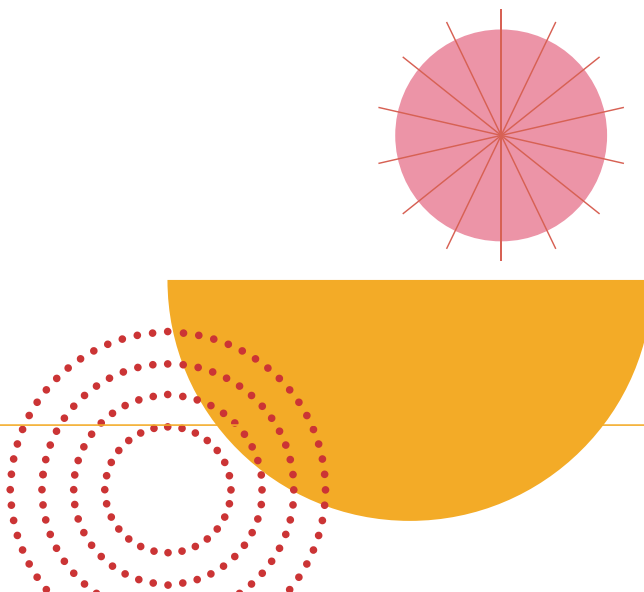
For 65,000 years, Aboriginal people have inhabited the vast lands of Australia. The coastal environment of Holdfast Bay, with its freshwater lagoons and abundant plant and animal resources, was used for millennia as a meeting place for cultural celebrations, ceremony, and trade by the local Kaurna people. It continues to be a place of significant Kaurna 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. Wituwartingga became the municipality of Brighton in 1858.

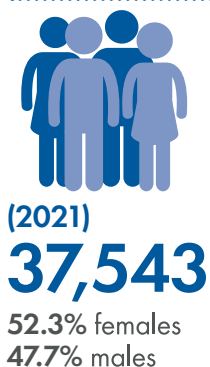
In 1997, the City of Holdfast Bay was formed through the amalgamation of the Glenelg and Brighton councils.

Located just eleven 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 age group with the greatest number is not in the labour force.

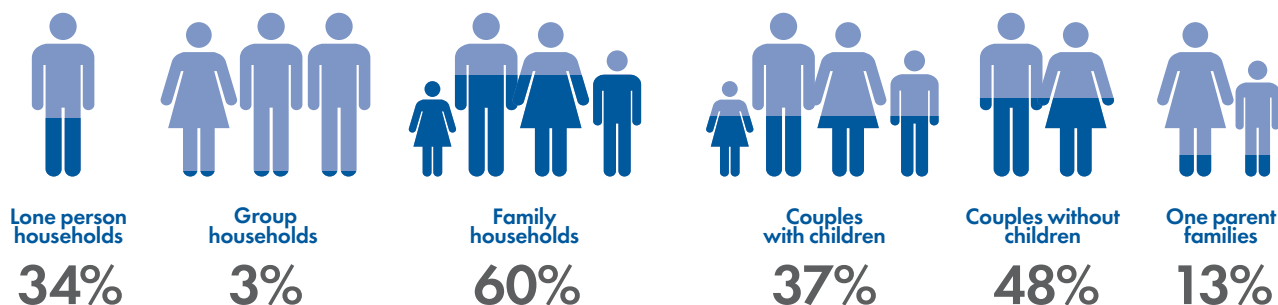
MEDIAN AGE



MOST COMMON AGE GROUP



HOUSEHOLD TYPES



OF THE 60% FAMILY HOUSEHOLDS

Source: ABS 2021

Message from the Mayor

A city, economy and community that is resilient and sustainable is one of three pillars we are guided by in all that we do, in line with our Strategic Plan, *Our Holdfast 2050+*.

In addition to this, our proximity to the coastline – 9km of which is a significant portion of our council area – means that caring for our environment has been, and will continue to be, a major area of focus in all that we do.

This Annual Report demonstrates how the City of Holdfast Bay has proven its leadership in sustainable environmental practices, in particular waste management, year on year.

We have become a member of a recently formed Adelaide Coastal Councils Network, to advocate and collaborate with other Adelaide metropolitan councils and state agencies.

In line with our *Carbon Neutral Plan*, we have been on 100 per cent renewable electricity since January this year. This has been supported with the installation of additional solar systems at the Glenelg Library, Brighton Library, Brighton Tennis Club and the William Kibby VC Veterans' Shed at Glenelg North.

We have supported Green Living workshops and offered our residents financial rebates to assist them to live greener lives.

Council staff have also worked closely with our nature volunteers who contributed more than 1,152 hours (equivalent to \$74,880), over 43 volunteer sessions, looking after our natural areas, gullies and reserves.

A two-year campaign to capture the number, status and health of our public trees across streets and reserves has been completed through the Urban Forest Tree Audit.

We have approximately 21,500 trees and in the past year, planted another 798 street trees, which all contribute to our goal of increasing the city's tree canopy.

The most significant change we introduced was weekly green-lid FOGO (Food Organics Garden Organics) bin collections, which was a first for any council in South Australia.

This change was a powerful demonstration of Council's leadership in the environmental and waste management space.

After an 18-month trial, the city-wide rollout of our new default kerbside bin collection service started in July 2022 and we have now diverted 70 per cent of waste away from landfill – another South Australian first.

This change has also achieved a reduction in greenhouse gases that are produced when food and other organic items are sent to landfill.

Our focus on the environment has also extended to future-proofing our natural assets.

The Pine Gully revitalisation project transformed the Kingston Park site, with the installation of stormwater pipes, a rock-lined channel, a new trail and stairs for community access and landscaping.

We secured a Green Adelaide grant for \$150,000 to contribute to the revegetation and trail works, which has resulted in a wonderful community asset that will be enjoyed for decades to come.

Community and sporting facilities are essential services provided by councils and we have continued a significant investment to create even more assets that are so important to our community.

The Glenelg Oval Masterplan has progressed into Stages 3 and 4, resulting in the installation of a new LED scoreboard and new behind goal netting in time for the 2023 SANFL season.

Community consultation was undertaken for the upgrades to the adjoining Margaret Messenger Reserve and detailed designs were finalised for the remaining aspects of the Masterplan including *Disability Discrimination Act* (DDA) compliant access between Glenelg Oval and the reserve and new public toilets.

At South Brighton, the Dover Square Tennis Club benefitted from court upgrades and the installation of new competition-standard lighting. This again demonstrates our commitment to supporting sports and community clubs at a grass roots level.

At our two major visitor precincts – Jetty Road, Glenelg and Jetty Road, Brighton – we've improved both our security provisions and lighting for increased safety and accessibility.

Jetty Road, Brighton has undergone a street lighting upgrade to improve the amenity and energy efficiency.

All street lighting from the Esplanade at Brighton to the train line has been replaced with energy efficient LEDs. Further to this, we installed more than 30 LED solar bollards to boost visibility and accessibility in the precinct.

The change to LED lights along the street is part of Council's overall plan, in partnership with SA Power Networks, to fit LEDs into all 2,550 streetlights across the city.

At Glenelg, we undertook a major upgrade and expansion of the CCTV network – from the Esplanade and Foreshore to the retail precinct of Jetty Road.

Almost half the existing cameras were replaced with new hardware and another 38 cameras were added to the network, taking the number to almost 80 cameras in total.

The project cost was \$630,000 and was funded by Council together with a grant from the Federal Government's Local Roads and Community Infrastructure Program.

Events have continued to play a vital role in supporting our economy, local businesses and the hospitality and tourism industries, and we welcomed more than 1,098,850 visitors to the city, with an estimated 600,000 people attending events we hosted.

A highlight was the return of the Glenelg Christmas Pageant in November 2022, after a two-year hiatus. An estimated 25,000 people lined Jetty Road to view the parade which included more than 50 floats and 1800 participants.

We also took Christmas to the suburbs by supporting 10 Christmas Street Meets, in which neighbours celebrate the spirit of Christmas together in their local street.

Of course, this is just a snapshot of the past year with many more highlighted in this document. I hope you enjoy reflecting on our achievements as I have.

I look forward to watching our community continue to prosper in the years ahead.



Amanda Wilson
Mayor
City of Holdfast Bay

Message from the CEO

Reflecting on the past 12 months is an insightful and rewarding exercise to undertake.

Not only to review and celebrate our city's achievements, of which there are many, but then to look forward to what we can further achieve in the future.

Council's focus on caring and supporting our community, from our youth to our seniors, has been outstanding.

We see the value in nurturing the younger members in our community while caring for our ageing population – while also celebrating their wisdom and acknowledging their valuable contributions.

This was demonstrated through the Seniors for Seniors project in which senior members of our community shared their tips for life and success with the 2022 year 12 seniors from our two local high schools.

The moving video was initiated by Council's Community Wellbeing team, which has also been instrumental in further promoting the achievements of young people in Holdfast Bay.

The HoldUp Youth Committee is an active group which provides opportunities for consultation and collaboration regarding youth projects and events.

More than a dozen young artists transformed the Zig Zag ramp at Seacliff, bringing to life our community asset with a bright mural.

Council also supported 65 young people with Youth Achievement Sponsorship grants, totalling \$9,250 in recognition of and to encourage their sporting goals and achievements.

Maintaining and upgrading community assets for young ones to enjoy also saw the upgrade of several playspaces and reserves, including the Patawilya Reserve bike and scooter track at Glenelg North.

At South Brighton, the Dover Square Reserve playspace was renewed with new soft fall and some new play equipment, and community consultation was undertaken for the design of Paringa Reserve playspace.

Our Community Wellbeing program is also essential in helping older people engage with their local community. We provided residents with 7,459 one-way transport trips, be it to allow people to attend medical appointments, shopping or personal business.

Council staff also worked closely with Community Centre volunteers to attract more than 8,000 visitors each month. Activities included more than 80 low-cost programs with a focus on health and fitness, education, arts and crafts, social and personal development as well as luncheons, charity events and Adelaide Fringe and Adelaide Festival shows.

Through our aged care provider Alwyndor, more than 550 people were supported to live safely and healthily at home with Alwyndor's home care packages, which increased by 45 per cent on the previous year.

Offering our senior residents the chance to continue to live independently in their own homes, while receiving the assistance or care they need, is another critical service for our community.

Alwyndor is also home to the intergenerational playgroup, Tots at Dots, which returned in 2023 after being put on hold during the pandemic.

Tots at Dots offers the unique opportunity for inter-generational play and interactions that are equally beneficial for the children, parents, guardians, and Alwyndor's residents and is endorsed by Playgroup SA.

We know that without the contribution of our volunteers, we would be unable to offer so many great experiences and services to our community.

I want to thank the 309 volunteers who worked so diligently and contributed 59,328 hours to council programs over the past year, which is equal to \$2.76 million in economic value.

We had many volunteers assist us in hosting two very successful accessible beach days at Glenelg, held in partnership with the Paraplegic and Quadriplegic Association of South Australia and with support from the Rotary Club of Holdfast Bay and Rotary Club of Glenelg.

The events were designed to give people with disabilities and others with mobility difficulties the opportunity to access the beach and go into the ocean in a safe manner.

Further to that, we identified the need to make our beaches accessible to everyone in our community and have delivered this essential service for both residents and visitors to enjoy.

A *Disability Discrimination Act* (DDA) compliant beach access ramp was constructed just north of Glenelg Jetty and now provides year-round access to the beach.

Another six access points onto Glenelg Beach were also upgraded between the jetty and Broadway Kiosk. The new stairways have greater ability to cope with fluctuating sand levels and reduce maintenance requirements for Council. There is also a ramp, located near Pier and Robert Streets, which has a non-slip surface.

Council's ongoing commitment to enhancing our city's image, safety and accessibility was undertaken by our Engineering and Field Services teams.

A total of 6,176 linear metres of road were resealed, 4,461 linear metres of kerb renewed, 102 DDA-compliant kerb ramps upgraded, with another 19 bus stops improved.

Upgrades were also undertaken at the Gordon and Augusta Streets roundabout at Glenelg and an emu crossing was installed at Margaret Avenue, North Brighton, adjacent to Paringa Park Primary School.

The volume of work undertaken by our Field Services team has also been significant in the past 12 months.

Our accelerated footpath program has seen 5849m² of footpaths repaired in addition to the regular repair program. On top of this, the team repaired 1,230m of kerbing and 366m² of bitumen (potholes).

The team maintains 56 areas – parks, reserves, sports ovals, significant verges and Partridge House - as well as daily street cleaning and routine maintenance of bins, benches, showers and drinking fountains.

The response of the team was nothing short of outstanding when, in November last year, Adelaide experienced one of the most destructive storm events seen in recent years.

More than 20 staff members gave up their weekend and worked tirelessly to help clean-up after flooding and fallen trees.

The reactive works continued for months after the storm, with a record being set for the number of work requests completed.

As detailed in this report, our list of achievements for the past year is impressive and it is thanks to the commitment of all council staff – who have shown themselves to be leaders in their fields – that this has been accomplished.



Roberto Bria
Chief Executive Officer
City of Holdfast Bay

2022–23 Highlights

In 2022–23:



7,459

community transport trips helped residents get out and about



6,171

Holdfast Hounds were registered and 57 animals were reunited with their owners



551

people were supported to live safely and healthily at home with Alwyndor's home care packages



100%

renewable electricity used by Council



3,060

immunisations were administered at our local clinics



526,376

library items were lent to 13,420 members



309

invaluable volunteers contributed 59,328 hours within council programs (\$2.76 million economic value)



43,088

phone enquiries resolved



28

Community Grants issued totalling \$42,171

65

Youth Achievement sponsorship grants totalling \$9,250



\$64,000

allocated to local businesses in shopfront grants

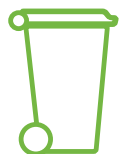


1,098,850

people visited Holdfast Bay

798

street trees were planted



70%

of waste was diverted from landfill



518

events held at Partridge House



19

bus stops improved



1,000+

local businesses can be found on the Holdfast Bay Business Directory and MyHoldfast App

600,000+

people attended Holdfast Bay hosted events



6,176

linear metres of road, 4,461 linear metres of kerb and 8,626m² of footpath were maintained or replaced



981

development applications were processed



274

new dwellings were approved (valued at \$122 million)

A Day in the Life

Did you know that on a normal day in the City of Holdfast Bay:

Nearly

1,508

items are borrowed from our libraries at Glenelg and Brighton



More than

322

people attend our four Community Centres



511

people visit the libraries



30

trips on the Community Wellbeing bus



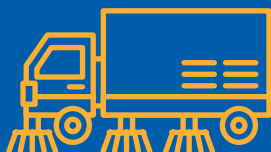
60

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



174

phone calls and

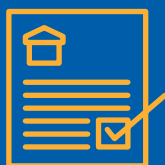
95

emails are responded to by our Customer Service team



3,242

page views on our website



4

Development Applications processed



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



25 linear metres

of roads resealed

18 linear metres

of kerb replaced



3

trees planted



24sq metres

of footpaths repaired



33

requests completed by our Field Services team

Quality of Life Survey Results (2023)

How you rated your council out of 10:



COMMUNITY



8.6

Providing library services



8.3

Providing sporting facilities



7.5

Delivering services for the elderly and people with a disability



8.1

Providing programs and services that encourage a healthy and active lifestyle



7.8

Providing arts and cultural experiences



PLACEMAKING



7.1

Maintaining roads and kerbing



7.55

Maintaining cycle networks



8.7

Access to shops, services and open space



ENVIRONMENT



8.1

Maintaining beaches and coastal areas



8.2

Providing adequate waste management services



Overall rating of Holdfast Bay as a place to live



ECONOMY



7.8

Encouraging a diverse range of businesses and services in the area



7.85

Supporting and promoting tourism and events



CULTURE



6.95

Council provides good financial management and value for rates



7.2

Overall satisfaction with the quality of service and performance of the council



8.3

Maintaining well laid out parks and reserves



7.6

Providing programs that foster social interaction and community wellbeing



8.0

Providing a sense of safety in neighbourhoods



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. This means that 2022–23 was the first full year under this new Plan.

This Strategic Plan was in direct response to changing conditions and being set up to respond to an uncertain future. 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 advancing technologies, changing needs and social values and increased expectations.

In developing *Our Holdfast 2050+*, Council considered what long-term challenges may be 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.

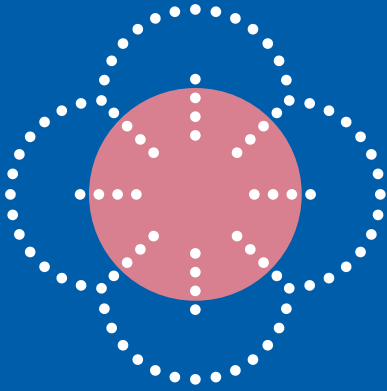
Our Holdfast 2050+ has an increased focus on community—the people of Holdfast Bay as well as important infrastructure and assets. This recognises the need for a long-term, ambitious vision while allowing sufficient flexibility to adapt as conditions change and as our knowledge improves. *Our Holdfast 2050+* captures the spirit of these aspirations for everyone who lives, works and plays in the City of Holdfast Bay. The 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:

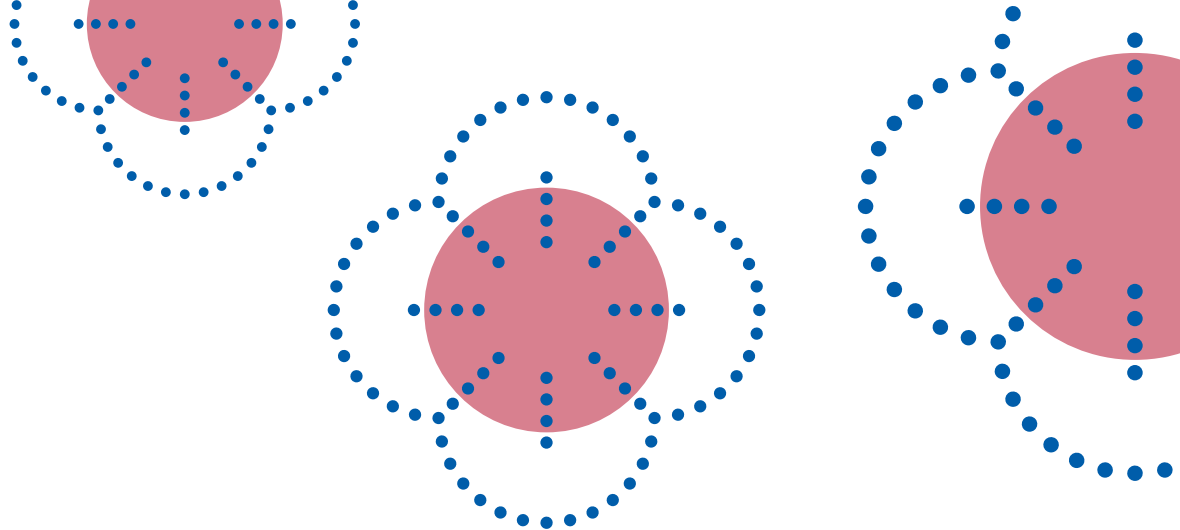
- › **Wellbeing**
Good health and economic success in an environment and a community that supports wellbeing.
- › **Sustainability**
A city, economy and community that is resilient and sustainable.
- › **Innovation**
A thriving economy and community that values life-long education, research, creativity 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 create this focus, an integrated Corporate Plan will be developed in 2023–24.



Wellbeing

Good health and economic success in an environment and a community that supports wellbeing.



Kaurna Heritage and Culture

The City of Holdfast Bay continues to foster and strengthen relationships with the Kaurna people to honour, promote and protect their culture, heritage and connection to the land. Some activities include:

- › Regular meetings were held with Kaurna Elders to discuss Council projects and cultural initiatives and deliver outcomes that strengthen our community's understanding of Kaurna culture, connection to place and our shared history.
- › Welcome to Country and/or Acknowledgement of Country continue to be embedded in community events and civic ceremonies.
- › 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.
- › In celebration of National Reconciliation Week, South Australia's History Festival and NAIDOC week, cultural workshops and tours were facilitated by Kaurna Elders and Aboriginal cultural leaders. The theme for NAIDOC week 2023 being 'For our Elders', Council worked with Senior Kaurna Elder Lynette Crocker to share a short film on some of the influential Kaurna and Aboriginal women in her life.
- › Kaurna Nation led the cultural focus of the 186th Proclamation Day ceremony at the Old Gum Tree on the 28 December, building upon the collaborative approach between Council and Kaurna to share our joint histories.

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. This is achieved through workshops that support strategic planning, volunteer management, financial management and succession planning. Council also works with individual clubs to progress grant funding opportunities for facility upgrades.

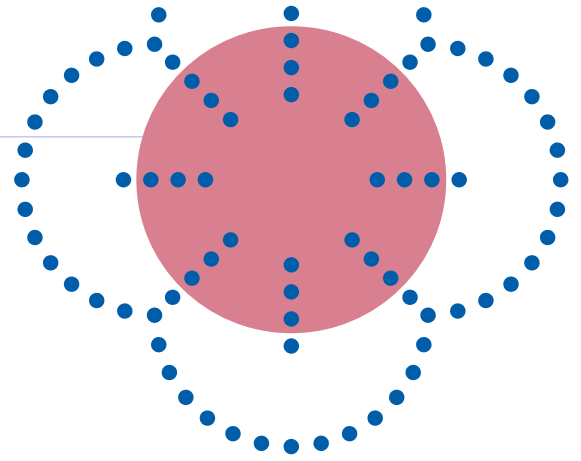
Glenelg Oval Masterplan

Construction of stages three and four of the Masterplan commenced with the installation of a new LED scoreboard and new behind goal netting in time for the 2023 SANFL season. Community consultation was also undertaken for the upgrades to Margaret Messenger Reserve and new playspace / fitness stations. Detailed designs were finalised for the remaining aspects of the Masterplan, including upgrades to Margaret Messenger Reserve and new public toilets which will start construction in September 2023.

Dover Square Tennis club

The upgrades to the Dover Square Tennis Club were undertaken and included the construction of two new courts and new competition-standard lighting for all four courts. The upgrades that were completed in February 2023 will enable the Club to host night matches, training and social tennis.

Wellbeing



Kauri Community and Sports Centre

The Kauri Community and Sport 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, the Clubs have operated under a self-management model, 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. The next 12 months will focus on Council facilitating and consolidating the new self-managed approach with the Clubs.

Playspace and Reserve improvements

In 2022–23, Council upgraded the following playspaces and reserves:

- › Patawilya Reserve bike / scooter track was upgraded and resurfaced.
- › Dover Square Reserve playspace was renewed with new soft fall and some new play equipment.
- › Community consultation was undertaken for the design of Paringa Reserve playspace to be upgraded with new equipment, shelters and seating in September 2023.
- › Wigley Reserve had new sports lighting installed for use by community groups and personal trainers for after-dark use of a section of the reserve.

Glenelg Beach entry points upgrades

Seven existing beach access points between the Glenelg Jetty and Broadway kiosk have been upgraded. This includes new infrastructure such as non-slip steps, handrails, seating, shelter and a *Disability Discrimination Act* (DDA) compliant beach access ramp north of Glenelg Jetty.

Community Wellbeing

The Community Wellbeing Program provided residents with 7,459 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.

Volunteers

Across the City of Holdfast Bay, 309 volunteers contributed 59,328 hours of support, equating to \$2.76 million in economic value. This is an increase of 31 per cent from 2021–22.

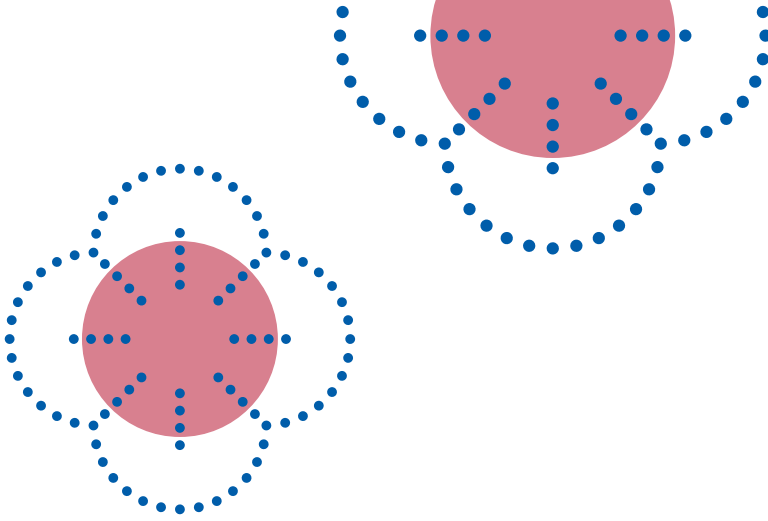
Volunteer Services have referred 35 volunteers to local service organisations and supported special interest groups. We have supported inclusion by developing programs for more members of the community with disabilities.

New volunteer programs were introduced, these include:

- › Veterans' Shed volunteering
- › Millie Dorsch Sisterhood Support Program
- › Wednesday Gardening Group
- › Hove Kitchen Program
- › Library IT Program.

We have been able to place volunteers across the organisation with new placements in:

- › Youth Programs – two people
- › Environmental programs – nine people
- › The Bay Discovery Centre – 16 people
- › Library programs – five people



- › Alwyndor programs – three people
- › Community bus – 12 people
- › Poo bag refill (PBR) – two people
- › Justice of the Peace – one person
- › Arts programs – two people
- › The History Centre – nine people
- › Social Support – two people
- › Veterans’ Shed volunteering – seven people
- › Millie Dorsch Sisterhood Support Program – five people
- › Wednesday Gardening Group – six people
- › Hove Kitchen Program – four people
- › Library IT Program – three people
- › Advanced Care Directive Program – two 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. Activities included over 80 low-cost programs such as health and fitness, education, arts and crafts, social and personal development as well as luncheons, charity events, and 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 Development Projects

There are several community partnerships with local organisations which support programs to address disadvantage, loneliness and homelessness. Others support lifelong learning, good neighbours, health and nutrition, sensory and invisible disabilities. Support for each service organisation varies dependent upon gaps. Support 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 and initiatives targeting children and young people included:

- › An active HoldUp Youth Committee regularly providing opportunities for consultation and collaboration regarding youth projects and events.
- › Grant recipient for DHS (Dept Human Services) Youth Week initiative, involving 15 young people in collectively designing and facilitating a public art mural.

Council was also awarded a South Australian Commissioner for Children and Young People Period Poverty Grant to address period poverty in the local area.

Wellbeing

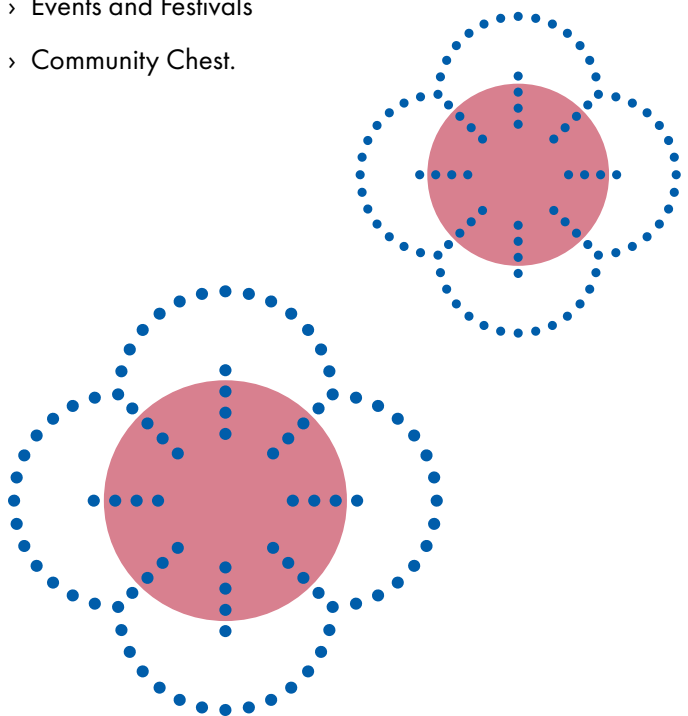
- › Supported 10 Street Meets local events, as a wider partner of Play Street Australia in their 1,000 Play Streets campaign.
- › Expanded and re-branded the quarterly Play at the Bay school holiday program, engaging over 1,500 children and young people.
- › Facilitated an innovation opportunity through the establishment of a Youth Maker Market community event, supporting 23 young makers and encouraging entrepreneurial opportunities.
- › Launched an intergenerational community project targeting young adults in partnership with local schools.
- › Worked in partnership with a local high school supporting education opportunities to connect with community learning.
- › Facilitated the co-design of a youth environmental project in partnership with local business.
- › Supported a partnership event with Carclew Youth Arts, the state's leading art and cultural organisation, raising awareness of opportunities for young artists.
- › Collaborated cross departmentally for the inclusion of designated children's activation spaces within larger community events.
- › Seasonal placemaking activation of public spaces (Brighton Library).
- › Administered 65 successful Youth Achievement Sponsorship grants, totalling \$9,250, recognising and encouraging the achievements of young people within the community.

- › Facilitated a local business partnership targeting employability skills through the provision of four youth barista workshops.
- › Active representation in various youth network committees including Local Government Youth Development Network, Western Workers with Youth Network and Southern Youth Collective Network.

Community Grants

Council supports a range of organisations with the provision of targeted grants. In 2022–23, 28 Community Grants totalling \$42,171 were made in the following categories:

- › Arts and Culture
- › Recreation and Wellbeing
- › Events and Festivals
- › Community Chest.







Alwyndor

Alwyndor aims 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.

Delivery of our Strategic Plan progressed to completion this year. The plan was based on four themes:

- › Customer experience
- › Connecting communities
- › Growth
- › Sustainability.

A new Strategic Plan for the next stages of Alwyndor's business will commence in the new year.

Alwyndor's residential care includes 144 residential, respite, transitional care and care awaiting placement beds. In 2022–23 our residential care occupancy rate remained steady with an average of 96.9 per cent.

Community Connections

Our Support at Home Service grew by 45 per cent during the year to 551 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. Home and social support services increased with the City of Holdfast Bay social support services transferring to Alwyndor, increasing our presence to the Kauri Community and Sports Centre as well as the Brighton Sports and Social Club.

Therapy and wellness programs are offered as one-on-one and group settings at Alwyndor, as well as in client homes and online. New services introduced this year include Balance and Core at the Barre and Dance Fusion. Our services and classes also include:

- › Podiatry
- › Physiotherapy
- › Occupational therapy
- › Speech therapy
- › Exercise physiology
- › Yoga
- › Fit ball drumming
- › Circuit
- › Weights
- › Tai chi.

Day Respite

Our Day Respite Program has continued to grow in demand and 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 with any required clinical care and supports.

Project Delivery

We are committed to providing the best possible services and experiences and recognise the importance of food, nutrition and the dining experience. We have completed a review and implemented an in-house catering model, dining room and kitchen upgrades, and seasonal menus. We have also increased resident involvement in their health and nutrition as well as the broader dining experience and have increased our food expenditure.

AlyayaCare, our new online platform for managing our Support at Home and Therapy and Wellness services has been successfully implemented.

Our phone system upgrade has been completed and provides a more user-friendly experience for clients and staff.

Tots at Dots – intergenerational playgroup

This popular activity that was put on hold during the pandemic, returned to Alwyndor in 2023. Held on Monday mornings during school terms, Tots at Dots offers the unique opportunity for intergenerational play and interactions that are equally beneficial for the children, parents, guardians and our residents. Tots at Dots participants enjoy a range of interactive activities within a relaxed, fun semi-structured environment.

Palliative Care

Our commitment to ensuring the best possible end of life care in both community and residential settings was further enhanced this year through 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. Alwyndor supports both residents and clients to work with their medical practitioner to utilise the Voluntary Assisted Dying legislation if they wish.

Accreditation

Alwyndor has full accreditation in all business areas.

Customer Experience

As a part of our commitment to the very best customer experience we monitor the quality and consistency of care and service delivery in our 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, well above the benchmark for aged care of +44.
- › A customer effort score assesses the ease of client entry into our services. Entry into the aged care system can be confusing and lengthy and we are proud of our score of 4.8 out of 5. This demonstrates that our systems are as simple as possible in welcoming new clients.
- › Support at Home care and Therapy and Wellness services scored an average satisfaction rating of 95 per cent. This rated performance



in 'creating a welcoming environment with caring staff who provide responsive services which promote independence'.

Aged Care Sector Reform

Alwyndor continues to implement the aged care reforms arising from the myriad of outcomes of the Royal Commission into Aged Care Quality and Safety. This year Alwyndor complied with all requirements including the new Code of Conduct, commenced reporting on the new National Quality Indicators, implemented the revised Support at Home funding model, the mandated Serious Incident reporting in all areas, and commenced monitoring new satisfaction surveys in residential care, which was rated 4 stars on 30 June 2023.

The recent survey told us that residents feel safe and are treated with respect by staff, things are explained well, residents are encouraged to remain as independent as possible and they would be very likely to recommend Alwyndor as a place of residence to others.

Our next focus is to implement the mandated Governance reforms.



Community Safety

CCTV upgrades Glenelg

The Glenelg CCTV expansion project involved upgrading and expanding the precinct-based CCTV infrastructure in the area. This included upgrading existing cameras and network, which brought the total locations covered to 39. The project cost was \$630,000 and was funded by a Local Roads and Community Infrastructure (LRCI) grant and council. The main area of focus for the project was improving coverage of Jetty Road, Glenelg, and the Glenelg foreshore from Broadway Kiosk to the Breakwater. Upgrades included the installation of new cameras, as well as the replacement of some existing cameras to improve frame rate and low light performance. A new video management platform was also installed.

Lighting Upgrades

Public lighting upgrades were delivered in sections of the Glenelg Foreshore along the pathways and around Brian Nadilo Reserve, at a cost of \$34,982.

Health and 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 of highlights of the year were:

- › Providing 3,060 immunisations
- › Registering 6,171 dogs
- › Reuniting 57 animals with their owners
- › 485 investigations for litter and local nuisance issues
- › Undertaking 428 food business inspections
- › Patrolling traffic safety at schools up to twice a day during school days.

Beach Patrols

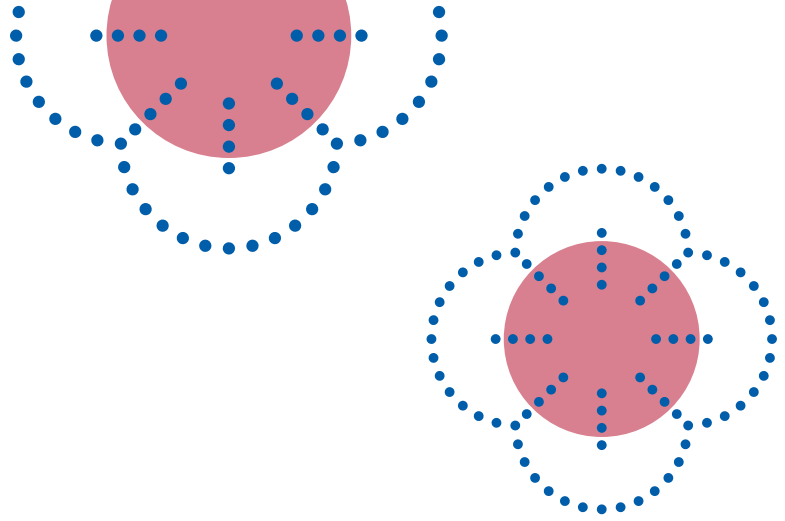
Regular beach patrols have continued this year, to protect native wildlife (especially the hooded plovers) and encourage responsible dog ownership. As a result, there was a significant improvement in compliance with local laws.

Rough Sleepers

The Community Safety Officers have continued working closely with community and government agencies providing support for rough sleepers.

Immunisation

The Health team have managed additional school vaccinations with the addition of year 7s in the high school program.



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 981 development applications and approved 274 new dwellings with a construction value of \$122 million.

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 grounds 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 manages the seaside stone memorials, which are granite sculptures by the Glenelg and Brighton jetties, with names engraved. We also manage the plaques affixed on public benches. 212 benches currently have a commemorative plaque, most of them located on the beachfront. These programs have enabled the public to commemorate their loved ones.

Buildings and Facilities

The Buildings and Facilities team provided maintenance and operational support for the City of Holdfast Bay's building assets. As part of the building portfolio, we operate 31 public toilet facilities that are available 17 hours every day of the year, with each serviced daily.

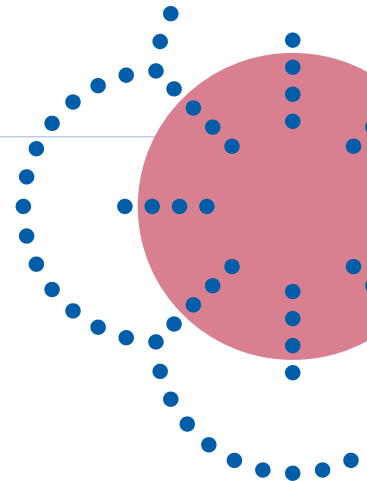
Buildings and Facilities developed and tendered a revised cleaning specification. Some of the key deliverables under this revised specification will be:

- › Over 21,400 cleaning services this year across a range of building 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.

These included:

- › Solar system installations at Brighton and Glenelg Libraries, Brighton Tennis Club, William Kibby VC Veterans' Shed
- › Somerton Park Yacht Club refurbishment
- › Brighton Civic Centre air conditioning renewal
- › Public lighting upgrades for Cygnet Court, Glenelg Foreshore and Nadilo Reserve
- › Brighton Oval sports field netting installation
- › Brighton Oval Rotary Club building renewal



Wellbeing

- › Kingston House storage shed replacement
- › Works Depot fire system compliance upgrades
- › Renewal of beach access and safety signage.

Brighton Rotary Club Shed replacement

The Brighton Rotary Club's old storage facility, located at Brighton Oval, reached the end of its useful life, and was demolished. In its place a new facility was constructed, which includes storage space for the Club's equipment, as well as a small office and kitchenette. The project cost \$132,328 and was fully funded by the City of Holdfast Bay.

Renewal Works Program

Council invested \$201,847 in renewal works to maintain community and sporting facilities at the following locations:

- › Seacliff Youth Centre southern hall roof replacement
- › Somerton Bowls Club roof replacement
- › Holdfast Bowls Club toilet repairs
- › Holdfast Dog Training Centre exterior fencing
- › Bowker Oval Clubroom switchboard upgrades
- › Kingston House shed replacement.

Community Amenities and Services

Council invested \$222,829 in enhancing and upgrading public amenities at the following location:

- › Glenelg Foreshore public toilets
- › Glenelg Beachouse exterior public toilets
- › Kauri Community and Sports Centre exterior public toilet
- › Partridge House toilets.

Communications

We are committed to communicating to and with our community in a clear and open way. This includes communicating via a range of traditional and digital media.

Our Place magazine

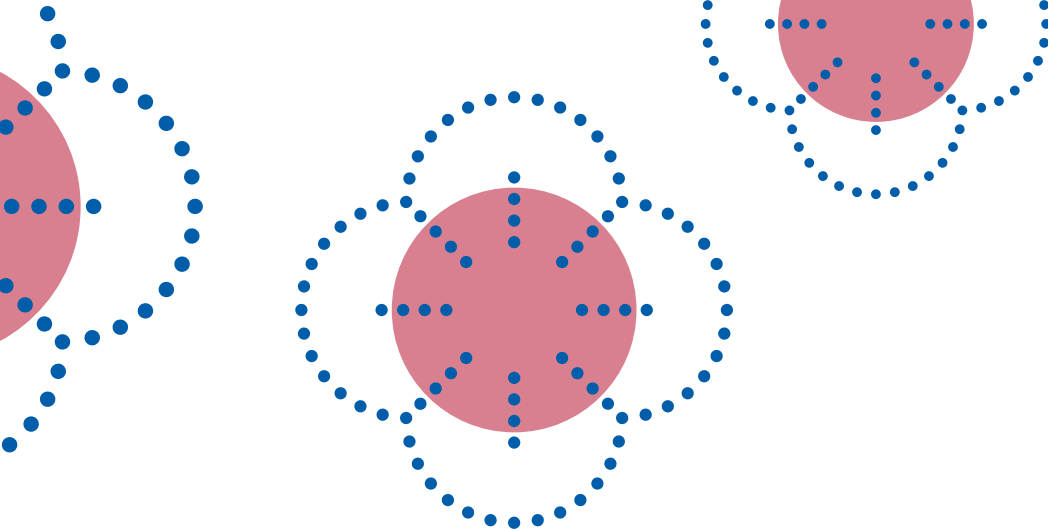
A quarterly Council magazine, *Our Place*, is distributed to all ratepayers in Holdfast Bay and made available in the wider community. The magazine provides an overview of major projects, a comprehensive what's on listing, tourism experiences, environmental initiatives and other council projects and activities.

Newsletters

More than 5,700 people subscribe to receive our regular e-newsletters, including the fortnightly *Holdfast News* which features the latest council news, project updates and forthcoming events. There are 2,661 subscribers to *Holdfast News* which has an average open rate of 54.2 per cent. There are also newsletters for our libraries, Alwyndor and a *Creative Holdfast* newsletter that focuses on arts, culture and history information.

Website

We have five websites to provide information on our services to the community and are a primary place for the community to access information and services from council. Holdfast.sa.gov.au has more than 650 pages of up-to-date information, around 300 events listed each year, and we receive more than 3,000 online requests a month via the website alone. We also collaborate with three other councils (the Western Alliance) to manage the tourism website, Adelaide Beaches.



Website	Users	Page views
City of Holdfast Bay	315,318	851,620
YourHoldfast	11,245	16,087
Jetty Road, Glenelg	20,449	94,183
Alwyndor	25,015	105,848
Partridge House	10,124	28,964
Adelaide Beaches (Western Alliance)	41,330	86,494

Social Media

Social media and online platforms continue to be important tools to enable communication and engagement with our local community.

Facebook

Facebook is a staple social media platform used by a large proportion of the population. In 2022–23:

- › Council Facebook followers grew to 15,963 by the end of June 2022
- › We posted 334 times on Facebook which includes photos, videos and events
- › An average 19,749 people were reached each week

- › Our Facebook posts were shared 2,055 times by our followers
- › A total of 112,746 likes or reactions, comments and shares.

The Facebook post which informed the community of the relocation of Tram 361 in April 2023 reached 216,800 accounts, which was the highest number for the year.

Instagram

Instagram is a growing social media avenue for communication and engagement with our community, with a greater focus on tourism, arts, culture, history and events.

In the 2022–23 year we:

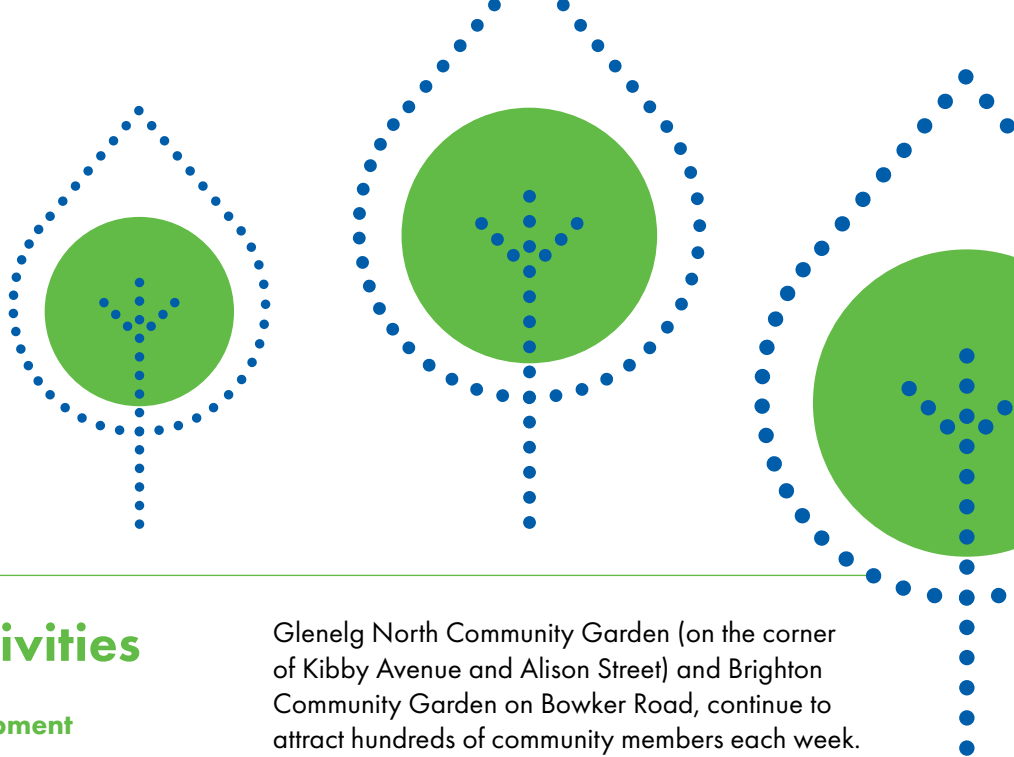
- › Gained 517 more followers in the 12-month period, with 3,666 followers on Instagram to end of June 2023
- › Posted 130 times
- › Published 332 Instagram stories
- › Published 50 Reel videos, which are short-form videos with music, which were viewed 64,006 times
- › Reached an average of 1,997 accounts a week.

Our most successful post was in November with a Reel video capturing highlights from the Glenelg Christmas Pageant. It reached 3,708 accounts.



Sustainability

A city, economy and community
that is resilient and sustainable.



Projects and Activities

Former Buffalo site redevelopment

Following further site investigations regarding constructability of the original concept designs, detailed designs commenced in mid-2023. These revised plans will be implemented with \$2.2 million allocated to construction in the 2023–24 budget. Construction is scheduled to commence in early 2024.

Sturt River Linear Path

The detailed design process was commenced and further targeted community consultation undertaken to refine the final alignment of the path. Designs are progressing with anticipated completion in late 2023. Council will then be seeking external funding partners to assist in the path construction.

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 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.

Kingston Park Kiosk

Construction of the Kingston Park Kiosk adjoining the Brighton Beachfront Holiday Park commenced in mid-2023 and is progressing on time for completion in late 2023.

Brighton Beachfront Holiday Park upgrades

Three new ensuite site structures have been constructed at the northern end of the Holiday Park providing more accommodation options for park guests. A new maintenance shed and storage facility is also being constructed to consolidate 'back-of-house' functions and provide flexibility in the park for future cabin developments.

Sustainability

Seacliff Plaza Amenities Block

Designs were approved for the new Seacliff Plaza amenities block, and the tender for construction was issued in mid-2023 and is awaiting assessment. Construction is due to commence in late 2023.

Shopfront Character and Heritage Grants

During 2022–23 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. The grants supported conservation work for 26 heritage listed buildings, and shopfront enhancements to 17 business premises in 2022–23.

Southern Material Recycling Facility (SMRF)

The \$23 million Southern Material Recycling Facility (SMRF) was launched in November 2021. This makes 2022–23 its first full financial year of operation. 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 4,400 square metre, 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 seven 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. This 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

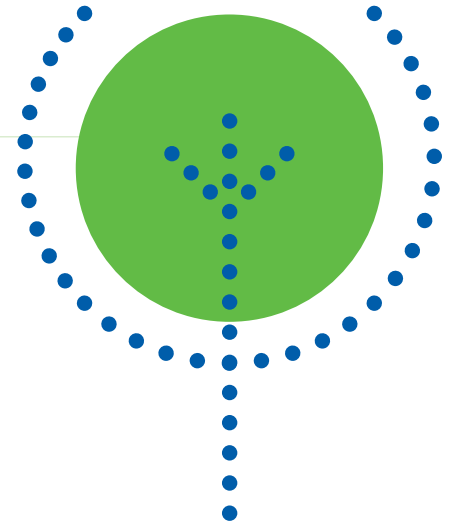
Environment and Community: Thriving Together

As a part of Council’s Environment Strategy, staff worked 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. Activities 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 dunes
- › Providing workshops and rebates for sustainable living
- › Holding Clean Up Australia Day and National Tree Day community activities
- › Managing and improving waste collection services



Sustainability



- › Improving the diversion rate of household waste from landfill
- › Planting more than 700 street trees
- › Continuing our participation in the Resilient South Regional Climate Partnership
- › Installing new water sensitive urban design installations.

Our Climate

Carbon Neutral Plan

In 2019, Council recognised that the world is in a state of climate emergency. As part of its commitment to becoming a carbon neutral organisation by 2030, Council endorsed the *City of Holdfast Bay Carbon Neutral Plan*. This Plan provides a roadmap towards our target through undertaking greenhouse gas reduction activities between now and 2030. This includes changing our fleet to electric vehicles, purchasing 100 per cent renewable energy and holding carbon neutral events. Council has used 100 per cent renewable electricity since January 2023.

Fleet Transition Plan

Development of an *Electric Vehicle Transition Plan* for council's operational fleet was completed in line with Council's *Carbon Neutral Plan 2030*.

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 become a member of the newly formed Adelaide Coastal Councils Network to advocate and collaborate with other Adelaide metropolitan councils and state agencies.

Our Nature

Hooded Plovers

Holdfast Bay's hooded plover family once again returned to Seacliff this year and laid five nests, each with three eggs. Most of the eggs were taken by foxes but one clutch did hatch successfully, with one chick surviving to adulthood. The Green Adelaide conservation dog swept through the dunes three times to search for fox dens, but none were found.

Urban Forest Tree Audit

It has taken two years to fully survey all our public trees across our streets and reserves. They have been mapped spatially so that we know exactly where they are. Each tree had a range of information collected about it including its species, size, health, age and risk status. We now have access to new information on the demographics of our urban forest, such as the most common species, an age profile for our trees and we know we have approximately 21,500 trees. All this information will feed into a new *Urban Forest Plan* to increase our tree canopy.

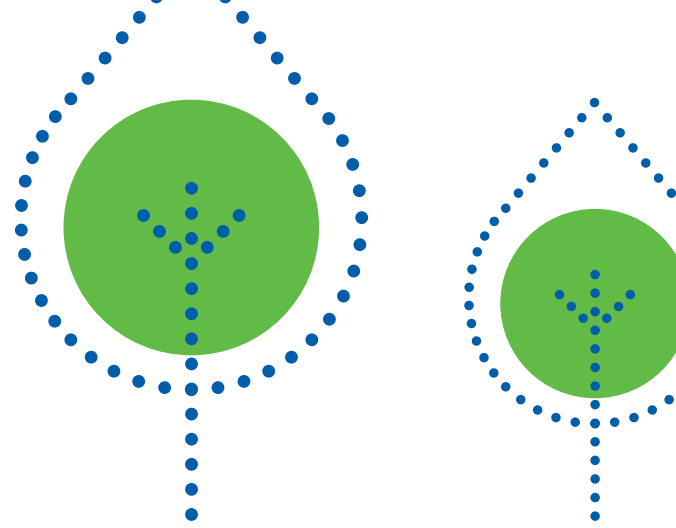
Natural Areas Rehabilitation and Maintenance

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 13,097 new plantings at the following locations:

- › Barton Gully: 1,312 plants



- › Pine Gully: 2,500 plants
- › Gilbertson Gully: 805 plants
- › Dunes and coast: 2,180 plants
- › Minda Dunes: 150 plants
- › Kingston House Garden: 840 plants
- › Cedar Avenue Reserve: 145 plants
- › Gazania Free Gardens Giveaway: 800 plants
- › Native Plant Giveaway: 800 plants
- › Good Neighbour Garden: 215 plants
- › Warriparri Reserves in-fill: 270 plants
- › Hove Greening Project (new initiative): 3,080 plants.

This year we gave away a total of 1,370 native plants to our community.

We also received \$17,000 worth of weed control funding from Green Adelaide for the Kingston Cliff Face and our dunes. Green Adelaide also provided \$10,000 for pest animal and weed control, which we used to remove the remaining high priority coastal tea trees along the Brighton to Seacliff section of the Esplanade.

Pine Gully Masterplan

The Pine Gully revitalisation project provided significant stormwater, revegetation, access and amenity improvements to create an enhanced natural space for the community to enjoy. The project included stormwater pipe installation, a rock-lined channel, a new trail and stairs for community access, and landscaping. This included planting 2,500 new native plants with volunteer input. We secured a Green Adelaide grant for \$150,000 to contribute to the revegetation and trail works.

Sustainable Resources

Weekly Food Organics Garden Organics (FOGO) Trial Phase 2

The City of Holdfast Bay has become the first Council in South Australia to change its bin collection frequencies so that red landfill bins are only collected fortnightly and green FOGO bins are collected weekly. This has enabled our community to reach an outstanding 70 per cent diversion of waste away from landfill – a South Australian first. It has also achieved a reduction in greenhouse gases that are produced when food and other organic items are sent to landfill. Residents can now also choose from some flexible bin options if they need to choose an upsize or stay with the old service.

Working Together

Holdfast Habitat Heroes

We work closely with our nature volunteers who contributed more than 1,152 hours (equivalent to \$74,880), over 43 volunteer sessions, looking after our natural areas. We also provided our volunteers, residents and partner groups with four learning opportunities, including grass identification, Planting for Success, Bush For Life introductory training and Coastal Gardens.

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 Surf Life Saving Club (SLSC), Brighton and Seacliff Yacht Club, McAuley Community School and Sacred Heart College.

Sustainability

Seacliff and Hove Rail Care Projects

Together with the Seacliff Rail Care Group and the Department of Infrastructure and Transport, we removed several old shrubs and weeds and planted 930 local native plants. We also built a new trail next to the 'To Adelaide' platform of the Seacliff Railway Station. 36 volunteers were involved, working a total of 72 hours at this site.

Along the Hove railway section on Railway Terrace, Caroon Avenue and Addison Road, we worked with 37 local residents and Holdfast Habitat Heroes to plant 2,100 local native plants.

Green Living

We held a range of Green Living workshops and events:

- › Six Nature Festival events
- › Two Green Living workshops
- › Three free compost giveaway events
- › Clean Up Australia Day
- › National Tree Day
- › Meet the Machines
- › OzHarvest NEST six week training course.

We also provided Green Living rebates to 70 residents.

Solar installation and energy reduction works

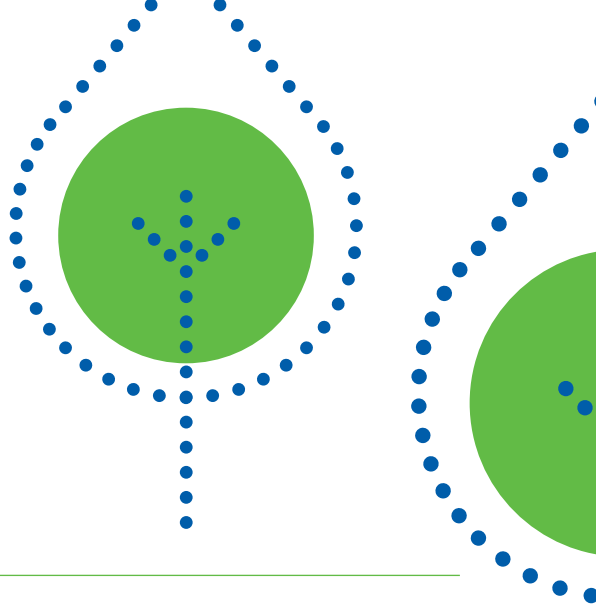
The Council will reduce energy consumption and costs through the installation of additional solar systems at the Glenelg Library, Brighton Library, Brighton Tennis Club and the William Kirby Veterans Shed. These installations cost \$62,535 and aim to provide both the Council and the users with reduced electricity costs. Additionally, the Council reviewed the lighting at the Brighton Civic Centre and replaced some of the existing lights with more energy-efficient units.

Economic Activation Plan

The *Economic Activation Plan 2018–23* (EAP) is in its final year. It continues to focus on five key strategic areas and support prioritisation of projects and programs that enhance our competitive advantage into the future.

The EAP fosters a whole of city approach to economic development, building on the objectives under the focus areas of the *Our Holdfast 2050+*. It also has broader alignment with regional and state objectives.

The latest business count data from the ABS conducted in June 2021 estimates that there were 3,513 actively trading businesses registered in Holdfast Bay. This trends positively in comparison to previous business counts with an increase of 4.1 per cent over the previous two years. Growth over this time has proven strong in the Professional, Scientific and Technical Services industry, growing by 37 businesses (7.1 per cent) in the last two years. The Rental Hiring and Real Estate Services industry is another sector that has grown, with an additional 27 businesses (5.3 per cent).



The top six industries make up 69.2 per cent of total businesses, with the leading industries being Construction (565), Professional, Scientific and Technical Services (561) as well as Rental, Hiring and Real Estate Services (532).

Most of these businesses (98.4 per cent) are small businesses, employing fewer than 20 people, and 84.9 per cent have a turnover of less than \$200,000.

Achievements in 2022–23

In supporting businesses some of Council's achievements were:

- › 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. Following an over subscription in 2021–22 the program saw a drop in businesses seeking individual mentoring and many requesting that the program offer more intense lengthier sessions. Additional industry support was added to the program offering mentors specialising in sustainability and tourism. Most subscribed support has been for general business advice, social and digital marketing and retail. In June 2023 the program was successful in gaining a State Government grant to extend the offering for more intense advisory sessions.
- › 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.
- › The Shopfront Grant continues to assist commercial property owners and businesses across the city to enhance their exterior appearances. This adds to the character and charm of our premier seaside destination. Council provided more than \$64,000 to businesses through this scheme in 2022–23.
- › Business precinct activation continues to bring the community together with the success of the Brighton Jetty Road Street Party and Winter Solstice Festival. The street parties are a much loved and welcomed addition to the precinct with the community, businesses and visitors embracing the festivities and reporting it creates a real sense of community and vibrancy not experienced in many other event locations. Event specific data indicated that the three sectors of hospitality, retail and specialised goods experienced a significant increase in spend by visitors to the precinct.

Glenelg Town Hall Pop Up space

The ground floor area of Glenelg Town Hall formerly occupied by Boomers Café was transformed into a commercial pop-up space in time for summer. This served as an incubator space for businesses to venture from home-based and market stall operations in a supported environment. As at the end of the 2022–23 financial year, all four stores had been let until January 2024.

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25

ROAD
WORK
AHEAD

ATTITUDES

Tourism and Marketing

Over the past financial year, the South Australian visitor economy has grown considerably, outstripping the projected targets to reach \$9.365 billion statewide (Tourism Research Australia results – year ending March 2023).

Visitation and visitor spend in Adelaide has increased during this time. Adelaide now gets 52 per cent of the overall State visitor expenditure (\$4.897 billion) and the regions now get 48 per cent (\$4.468 billion). This has changed markedly from a 45 per cent Adelaide/55 per cent regions split in the previous 12 months.

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 (servicing 24,390 visitor information enquiries).
- › Supporting the operations of 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, with a new *Tourism Destination Action Plan 2024* written and accepted by all four Councils (Cities of Holdfast Bay, Charles Sturt, West Torrens and Port Adelaide Enfield).

- › Latest tourism figures for Holdfast Bay show that overall visitation to the area has increased by 9 per cent to 1,098,850 visitors, our visitor economy has grown to \$171.76 million (up by 16 per cent) and overnight stays has increased slightly to 555,500 nights (up by 1 per cent).

Visitation:

- › International – 17,290
- › Domestic – 90,160
- › Day Trips – 991,400
- › **Total Visitors – 1,098,850**
(up 9 per cent from 2022)

Nights:

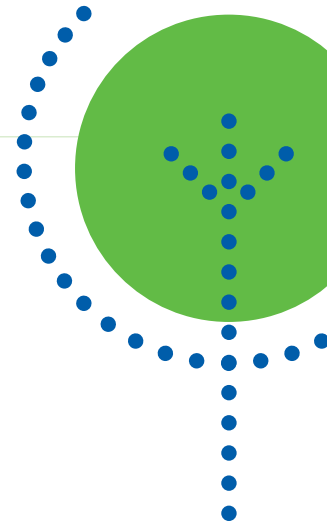
- › International – 158,400
- › Domestic – 397,100
- › **Total Nights – 555,500**
(up 1 per cent from 2022)

Visitor Expenditure:

- › International – \$16.8 million
- › Domestic – \$96.72 million
- › Day Trips – \$58.24 million
- › **Total Visitor Expenditure – \$171.76 million**
(up 16 per cent from 2022)

The *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 to go and aims to build and restore the overall tourism figures for Holdfast Bay to pre COVID-19 levels.

Sustainability



Events

Community events remain the heartbeat of Holdfast Bay, echoing our commitment to the Tourism Plan and the Events Strategy. This year, the City of Holdfast Bay was alive with a plethora of events, fostering community connections, and attracting over 600,000 event-specific visitors. Council ensured success in many of these events, offering expert advice, meticulous event planning, sponsorship and in-kind support.

Sea to Shore: Glenelg Seafood Festival

On 29 October 2022 the inaugural Sea to Shore event showcased some of Australia's finest seafood. This was brought fresh to visitors from top South Australian producers and chefs. The Glenelg Foreshore came alive with seafood stalls selling carefully curated dishes, accompanied by a bar selling South Australian wine, beers, spritzers and gin. Later in the afternoon restaurants and businesses took over Jetty Road Glenelg with the street closed to create a piazza-style activation running into the evening. An estimated 25,000 people experienced Sea to Shore on the Foreshore and Jetty Road.

Glenelg Christmas Pageant

On 27 November 2022, the Christmas Pageant returned to Glenelg for the first time since 2019. An estimated 25,000 people lined Jetty Road to view the parade of 50+ floats featuring more than 1,800 participants. Floats represented a number of community groups as well as local traders. At the conclusion of the Pageant, Moseley Square came alive with the Children's Christmas village featuring a range of children's activities such as letter writing to Santa. There was also the opportunity for children and families to have their photo taken with Santa and Mrs Claus in the Glenelg Town Hall.

Christmas Street Meets

Ten Christmas Street Meets were organised across various streets in Holdfast Bay. From Rutland Avenue, Brighton to Giles Avenue, Glenelg, these Street Meets created festive atmospheres, fostering community bonds and celebrating the spirit of Christmas.

Proclamation Day

The City of Holdfast Bay plans its annual Proclamation commemorations in close consultation with representatives of the Kurna Nation. Formalities were led by a Welcome to Country and smoking ceremony, followed by a speech by senior Aboriginal man Michael Kumatpi O'Brien on behalf of Kurna Traditional Owners. 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 Mayor Amanda Wilson, the Honourable Peter Malinauskas MP, Premier of South Australia, and the Governor.

New Year's Eve Celebrations

Brighton and Glenelg both hosted grand celebrations to bid adieu to 2022 and welcome 2023. With fireworks lighting up the night sky and jubilant crowds of 100,000 across the evening, it was a night to remember.

Glenelg Ice Cream Festival

The Glenelg Ice Cream Festival was held on 14 January 2023 on Jetty Road, Glenelg comprising a number of pop-up bars, retail activations and an ice cream zone. An extensive marketing campaign was undertaken to drive both visitation and brand awareness. The overarching strategy of this campaign was to position Glenelg top of mind as Adelaide's key summer and ice cream destination.

Tour Down Under

The City of Holdfast Bay hosted two race stage starts for the 2023 Santos Tour Down Under: the Ziptrak® Women's Stage 1 (Glenelg to Aldinga) on Sunday 15 January; and the Oakley Men's Stage 2 (Brighton to Victor Harbor) on Thursday 19 January. This was the first time a race stage was hosted in Brighton, and the first time Holdfast Bay hosted a women's race stage. An estimated total of 17,000 people attended (5,000 in Glenelg and 12,000 in Brighton). Brighton was awarded the Best Dressed Town for the Men's Stage 2 event.

Australia Day

On Council's Australia Day Ceremony held on the Glenelg Foreshore Lawns, 70 new citizens from 22 countries made their citizenship pledge and Mayor Wilson announced the City of Holdfast Bay Australia Day Award winners:

- › Citizen of the Year – Cheryle Pinkess.
- › Young Citizen of the Year – Hayley Hosking.
- › Community Event of the Year – Rotary Youth Photographic Exhibition, Somerton Park Rotary Club.
- › Award for Active Citizenship – Rotary Club of Holdfast Bay.
- › Local Hero – Bronwyn Watt.

Brighton Street Parties

The Street Party and Winter Solstice, held on 18 June 2022 and 24 June 2023 on Jetty Road, Brighton, saw the community come together to celebrate with fervour and warmth. As a testament to its growing popularity, the solstice is swiftly becoming an anticipated annual event in our Brighton calendar.

Moseley Beach Club

The Moseley Beach Club, an iconic destination situated on the Glenelg beach in South Australia, successfully completed its sixth season from 3 December 2022 to 16 April 2023. The season saw an impressive turnout of over 65,000 attendees over 19 weeks, with a significant 21.84 per cent being international visitors from 47 nationalities. The Club also enjoyed media coverage with appearances on national television and features in renowned magazines.

MIX 102.3 Giant Wheel

The MIX 102.3 Giant Wheel, returned for another successful year, marking its continued presence as a summer favourite in Adelaide. From 28 October 2022 to 30 April 2023, the Giant Wheel, standing 35 metres tall, attracted a total of 96,533 riders. It offered panoramic views of the beach and Adelaide cityscape, cementing its status as a staple of summer fun for families and individuals alike.

Sustainability

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 Patowalonga River boat lock.
- › Inspecting and resolving damage caused by developers and utility companies.

Traffic and Transport

In 2022–23 the Engineering team delivered these transport works across the city:

- › 6,176 linear metres of road reseal.
- › 4,461 linear metres of kerb renewal.
- › 166 linear metres of spoon drain renewal.
- › 102 DDA compliant kerb ramps upgrades.
- › Improvements to 19 bus stops.

Gordon Street / Augusta Street Roundabout upgrade

Upgrade and landscaping improvements of the Gordon Street / Augusta Street Roundabout in Glenelg North were undertaken.

Paringa Primary Pedestrian Crossing

An emu crossing (flagged school crossing) was constructed on Margaret Avenue adjacent the Paringa Park Primary School through a funding partnership via the Department of Infrastructure and Transport's Way2Go program.

Jetty Road Brighton Lighting Upgrades

Jetty Road, Brighton has undergone a street lighting upgrade to improve the amenity and energy efficiency. All street lighting from the Esplanade to the train line has been replaced with energy efficient LEDs. In addition to the street lighting upgrade, solar LED lighting bollards have been installed throughout the commercial precinct to increase ambient lighting at the footpath level to improve visibility and accessibility.

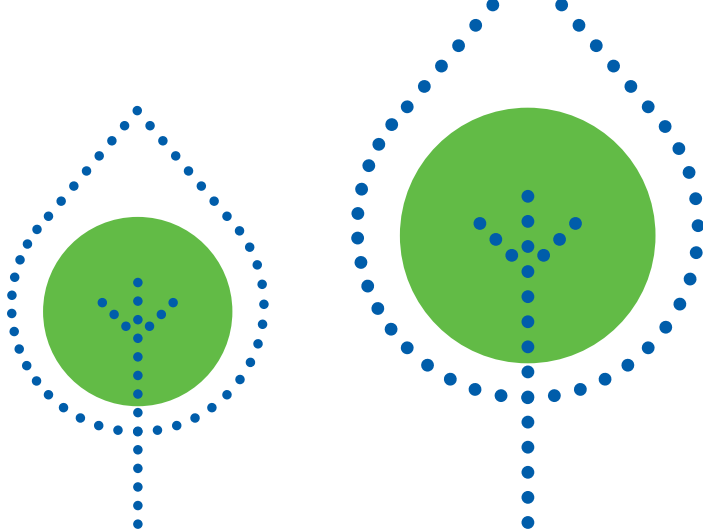
Asset Management

Resilient 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 to identify opportunities to fund climate-resilient approaches.

Stormwater Data Collection

Year one of three for data collection across the city's underground stormwater network was completed.



Open Space Audit

As part of the annual condition assessment program, the Asset Management team undertook a comprehensive condition assessment of all open space assets across the council area. This data collection is critical for asset management planning to inform our renewal and upgrade programs across our reserves, parks, playgrounds, sporting facilities and public realm to ensure we continue to provide quality places for the community to enjoy.

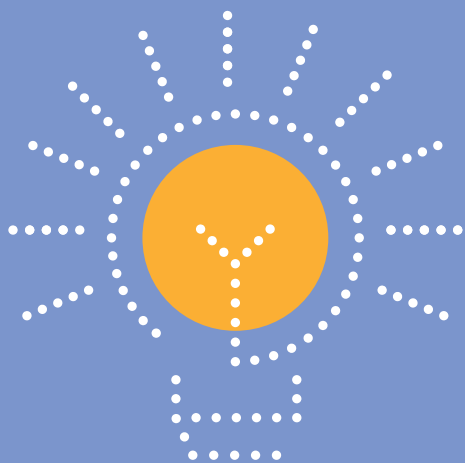
Field Services

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 and City Clean and Rapid Response who are responsible for maintaining this city and its pristine coastline, shopping precincts and open spaces.

During 2022–23 our Field Services team:

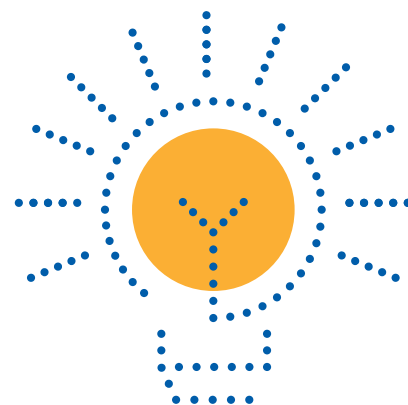
- › Continued to revise and develop our routine maintenance, open space and cleansing schedules to better meet community expectations.
- › Maintained 56 areas – parks, reserves, sports ovals, significant verges (Jetty Road, Brighton – Anzac Highway), Partridge House and Lighthouse Church.
- › Maintained services and facilities along our premier coastline to improve amenity for residents and visitors.
- › Continued the development of a 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 798 new trees.
- › Completed 3,664 customer requests.
- › Completed 4,520 internal requests for work.
- › Completed 7,158 maintenance schedules.
- › Repaired 5,849 square metres of footpath.
- › Repaired 1,230 metres of kerbing.
- › Repaired 366 square metres of bitumen (potholes).
- › Swept all streets at a minimum of every four weeks.

On Saturday the 12 November 2022 a storm front rolled through Adelaide and was one of the most destructive seen in years especially for Holdfast Bay's urban forest. The Field Services' response was outstanding with 20 staff members coming in on their weekend to help with the responses to flooding and clean-up of fallen trees. The team worked tirelessly on the Saturday and Sunday with urgent clean-ups. The reactive works continued for months after the actual event with a record being set for work orders completed.



Innovation

A thriving economy and community that values life-long education, research, creativity and entrepreneurialism.



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

In February 2023, a mural was installed on Hove Pumping Station by Pitjantjatjara and Yankunytjatjara artist Elizabeth Close.

As part of a SA Youth Week event, 15 young artists mentored by local artist Sair Bean, painted a mural on the Seaclyff Zig-zag ramp.

Foreshore Fridays

Held every second Friday over the summer months, Foreshore Fridays are a series of free, family friendly pop-up events showcasing local live music.

Fringe at Partridge

This was an event held at Partridge House, Glenelg in collaboration with the Youth team as part of Adelaide Fringe. This was aimed at families with young children and featured a range of Fringe performances, roving acts, creative activities, Youth Maker Markets, live music and more.

Holdfast Bay History

Bay Discovery Centre

The Bay Discovery Centre welcomed a total of 65,196 visitors during 2022–23 financial year, representing an increase of 24,390, or 35 per cent from 2018–19, the last year unaffected by COVID and building works.

The Centre's Gallery space featured a full and diverse calendar of exhibitions that attracted 26,389 visitors:

- › Palindrome by Adelaide visual artist John Whitney (part of SALA 2022)
- › Little Picassos, a display of spring-themed art by local children
- › Rotary Youth Photographic Prize, a collaboration between Council and the Somerton Rotary Club
- › Living Memory National Photographic Portrait Prize, on tour from the National Portrait Gallery
- › Summer Fun for Everyone: interactive artworks by David Archer.

Volunteer Program

The Bay Discovery Centre operations for both the Visitor Information Outlet (VIO), Museum and Gallery were supported by a team of 33 volunteers contributing 3,573 hours of service (an average of 108 hours per volunteer).

Public Programs and School Holidays

Public programs for the Bay Discovery Centre are run throughout the year and are designed to offer a range of further opportunities for temporary exhibitions. During 2022–23, public programs attracted 704 attendees. A range of school holiday programs, often free, are offered throughout the year.

Innovation

The Bay Discovery Centre collaborates with artists, local businesses and multiple Council departments to deliver this program.

School and Community Group Tours

A total of 16 school groups visited the Bay Discovery Centre throughout 2022–23. In total, 585 students visited the BDC, with 245 of these students being from local schools, including Glenelg Primary and Brighton Secondary School. The remainder visited from schools across South Australia and as far as Murray Bridge, Balaklava and Mylor.

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 to make it accessible to our community and ensure its safe keeping. During the 2022–23 financial year volunteers dedicated over 935 hours to help deliver the Centre's extensive program.

Enquiry Program

The History Centre received 190 enquiries from members of the public including general research enquiries, family history enquiries, donation enquiries and burial enquiries. In total, 22 House History reports were completed, raising \$660 in donations.

History Festival

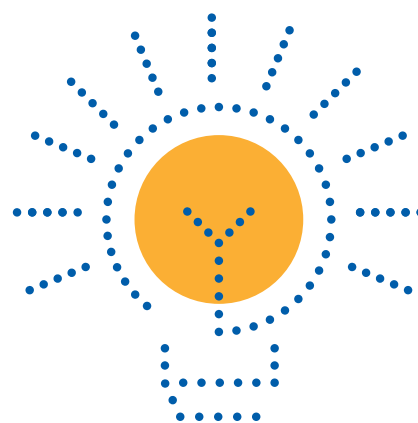
The South Australia History Festival ran from 1 to 31 May 2023, with Holdfast Bay offering nine tours and/or workshops in collaboration with Holdfast Bay Libraries, Sacred Heart College, Kurna Nation and community members who opened their private residence. 361 people attended events throughout May, with 32 per cent of attendees being local residents, 61 per cent from Metropolitan Adelaide and 7 per cent from regional South Australia.

Collection Donation Highlights

Donations remain predominantly driven by the generosity of the South Australian community. The following donations were made via the public:

- › English Pembroke Mahogany table, donated via the Abbott family whose descendants transported the table via the Buffalo in 1836.
- › Somerton House photographic collection, Glenelg Lock Master collection.

Acquisitions are funded by revenue secured via the House History program and History Festival.



Libraries

Our accessible and welcoming library service contributes to community wellbeing, sustainability and innovation through reading, literacy development and supporting lifelong learning. Libraries at Brighton and Glenelg are valued and consistently rated highly by the community receiving 8.6 in the annual Quality of Life survey. The focus this year has encouraged the community to reconnect with the library achieving a 25 per cent increase in new members joining the library and borrowing 526,376 items. This included 18 per cent of loans being digital items being borrowed from Borrow Box, Libby and Hoopla, new Japanese titles and the express loan collection for popular titles.

The library was successful in obtaining two SA Libraries Board innovation grants in collaboration with neighbouring councils. The funding created Lit for Life, a literary program with the Adelaide Symphony Orchestra, Windmill and Patch Theatres and OnTrack, an interactive STEM program. A Science Week grant supported a popular astronomy session run at Kauri Community and Sports Centre. The need for larger spaces to deliver programs has encouraged use of other venues including the Brighton Sports and Social Club for events like Cycling through France and Introduction to AI author events. Over 18,392 adults and children attended library programs, an increase of 47 per cent.

Children and families welcomed the relaxing of restrictions on group numbers at regular early literacy sessions, Wriggle and Rhyme, Toddler Time and Play and Stay reaching 8,877 children. Digital hub and STEM programs, Lego Club and online story time sessions were also well used.

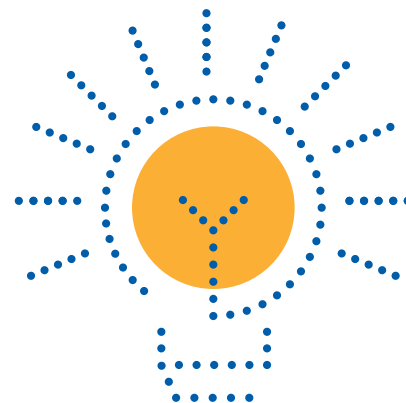
Being Digital programs, digital one-to-one support to use phones, laptops and other devices, digital hub sessions exploring 3D printing, circuit design and photo digitisation to preserve family collections reached 1,483 adults.

Learning programs saw 2,250 adults engage in Saturday sessions on worm farming and sustainability topics. NAIDOC Week and Reconciliation reading promotion, regular movie Mondays, book clubs, Shut Up and Write and Holdfast Crafts were all positive ways for the community to connect, learn and create.

This year's highlights include:

- › 526,376 items borrowed, including 442,867 items and 83,509 digital content
- › 12,418 members, with a 25 per cent increase in new borrowers of 1,403
- › 178,381 physical visits to libraries, an 8 per cent increase
- › 18,392 total attendees to library sessions. 1,417 attended sessions for adults including author talks, book clubs, writing and poetry groups
- › 1,483 attended digital one-on-one learning sessions and digital hub STEM sessions
- › 8,877 attended Wriggle and Rhyme, Toddler Time, story time and Stay and Play sessions
- › 404 children enjoyed holiday programs Little Bang science and summer reading programs
- › 565 online story times viewed through Facebook and Story Box viewed
- › Regular kindy visits seeing 652 children





- › School visits seeing children 943 children
- › Lit for Life saw 676 attendees for Holdfast events
- › Science Week attracted over 900 participants
- › Library activation at City Activation events
Brighton Street parties and Youth Fringe
at Partridge with 3,940 attendees.

Brighton Beachfront Holiday Park

With its absolute beachfront location and its stunning views over the Gulf St Vincent, the Brighton Beachfront Holiday Park continues to be a significant tourist asset for the City of Holdfast Bay. For the full year, site occupancy averaged 79.5 per cent and cabins just below 87 per cent. This is well above State averages of 54 per cent for powered sites and 64 per cent for cabins, highlighting the site's popularity.

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. Partridge House hosted a total of 518 events in 2022–23, including 303 community group events, 120 funerals, 22 weddings and 73 other events.

Business Services

Council staff deliver services in an accountable, transparent way that meet legislative requirements and provide 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 2022–23 Council undertook a range of strategy and governance activities to support the efficient and effective delivery of its roles and functions.

Achievements include:

- › Commencing the development of a Corporate Plan to enable the Strategic Plan to be operationalised. It will also improve mid-range forecasting and project prioritisation and pipeline management.
- › Negotiating agreements to install electric vehicle charging stations in two locations in the city.

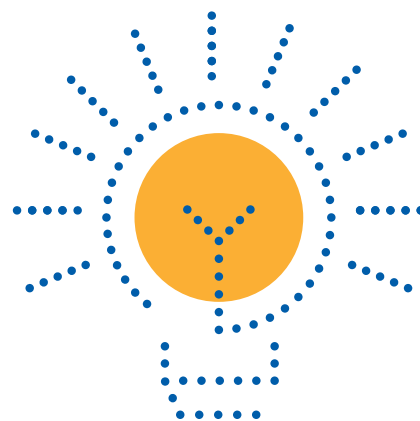
- › Developing and testing a Service Review Framework.
- › Commencing development of an Economic Strategy, to replace the *Economic Activation Plan*, which expires in 2023.
- › Continuing the development of the *Integrated Transport and Movement Strategy*. This will provide a strategic framework and high-level implementation plan for safe and efficient movement throughout the city, including a strong focus on healthy transport choices.
- › Commencing a trial of a car-sharing service in Glenelg in collaboration with the RAA and Flexicar. This will support the development of a greater range of transport options for residents and visitors.
- › Developing a Strategic Planning Framework, a Strategy Development Service Model, and commencing development of a Strategy and Policy Framework.
- › Continuing to refresh policies and procedures, including the development of a new Risk Policy and Procedure.
- › Continuing the review of delegations, including developing a new delegations framework.
- › Assuring accountability by managing the Internal Audit program, which included four internal audits across the organisation.
- › Participated in risk forums such as the National Local Government Vulnerability Program and both climate adaptation and asset risk programs with Resilient South.
- › Completed a review of Business Continuity Plans and made practical improvements through the creation of 'go boxes' for each location.

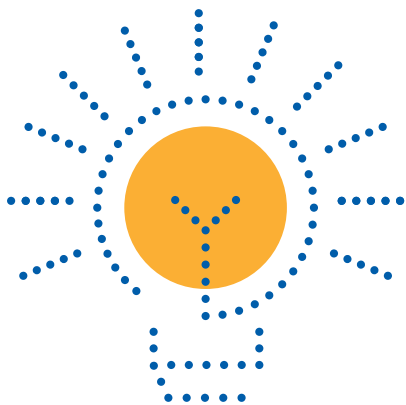
Financial Services

The Finance 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 2022–23 include:

- › Refining and using the *Municipal Long-Term Financial Plan* for developing the 2023–24 draft budget, including presentation of funding scenarios through a series of budget workshops.
- › Budget revisions (2022–23) and budget adoption (2023–24).
- › Rate modelling, notice generation and distribution.
- › Annual financial statements, audit finalisation and adoption for 2021–22.
- › Contribution to organisational management software testing and implementation.
- › Contribution to internal audits in areas of Fraud Detection and Internal Financial Controls.





Innovation and Technology

The council's commitment to innovation and technology is instrumental in advancing its mission. Through strategic information technology investments, the council has achieved remarkable improvements in service delivery to the community, enabling more efficient monitoring of work processes. These investments have greatly enhanced customer support and helped better organisational decision-making.

We will continue to bolster core business systems and technology to ensure seamless service delivery, enhanced security measures, and customer interactions anytime, anywhere.

We prioritise the security and accessibility of council information systems for our staff, ratepayers, and visitors. Embracing a diverse range of initiatives, we aim to provide improved information, safety, and security and greater flexibility to align our activities and programs with the ever-evolving needs of our customers.

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 a week phone service. From July to September as the Food Organics Green Organics (FOGO) waste program was introduced, the customer experience team handled 6,479 green living and waste calls. This was a 50 per cent increase in calls providing waste information to residents.

In the 2022–23 year:

- › Customer experience staff answered 43,088 phone calls with an average of 3 minutes 27 seconds talk time.
- › Calls on hold were answered within 23 seconds and abandoned calls reduced by 24 per cent.
- › Phone call responses were resolved on the first call 94 per cent of the time.
- › One hundred per cent of WebChat enquiries were rated as positive.
- › 23,536 mail@holdfast.sa.gov.au requests were received and allocated for resolution.

To continuously improve customer experience, we will:

- › Design services with our customers
- › Reduce customer effort
- › Keep customers informed
- › Focus our investment on channels our customers prefer
- › Ensure accessibility and inclusion for all.

Council's new customer request management system commenced in May 2023 across all service areas. The system provides greater information on customer request tracking, timeliness and resolution of requests and greater integration of data across council. A portal is being developed for customers to add and track their requests. It will provide real time information to residents on the progress of requests and assist council teams to manage responses.

Innovation

Customer Experience Plan

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 Plan*. The focus has been to develop and commence use of the request management system. The data the system is providing is guiding the development of the *Customer Experience Plan* including:

- › Seeking ways to improve our service to customers
- › Ensuring council is easy to do business with
- › Two-way engagement through listening and informing
- › Creating positive experiences for customers.

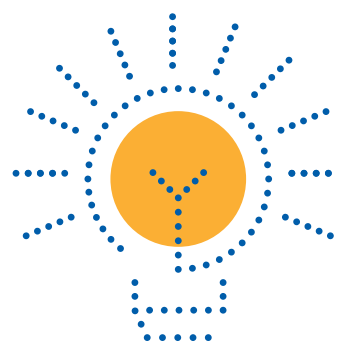
People and Culture

The People and Culture team provide an advisory, support and education service across council. This assists teams 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.

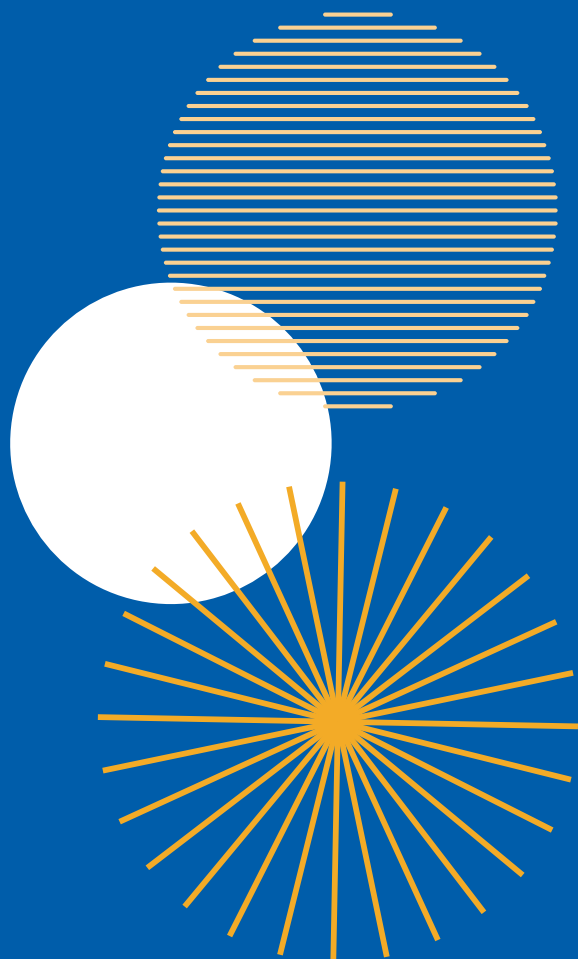
Highlights for 2022–23 include:

- › A 100 per cent completion rate for *WHS Risk Evaluation Action Plan*.
- › The successful completion of WHS Audit with achievable actions to address non-conformances.
- › Continuation of the Early Intervention Program for Field Services.
- › The successful launch of a mental health and wellbeing program in Field Services – “Any Time Mate”.
- › Receiving a WHS Merit Award for the “Any Time Mate” Program, from the Local Government Association Workers Compensation Scheme.
- › The 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.
- › *Disability Access and Inclusion Plan* requirements met.
- › The successful development and implementation of Leadership That Heals program.
- › Refreshing a culture video to support recruitment processes.





Strategic Management



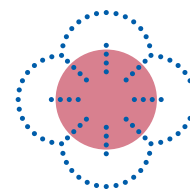
How We Measure Our Performance

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.

Council's strategic plan, *Our Holdfast 2050+* includes three focus areas. In 2022–23 progress against the objectives in each of these focus areas was gathered as shown in these tables:

Wellbeing



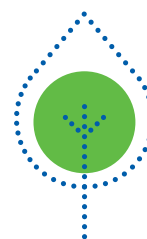
Progress towards 2050+

- › Nearly 60,000 hours contributed by City of Holdfast Bay volunteers (equivalent to \$2.76 million).
- › 7,459 one-way community transport trips to support older residents to remain in their own homes.

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	A joint Council-Alwyndor program is being 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	In 2022–23 686 people provided submissions in formal community engagements (compared to 970 in 2021–22) A further 3,312 people viewed material for a total of 3,998 total people involved in community engagement.
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	11 new businesses have been approved to operate in mixed use neighbourhoods in 2022–23, compared to 17 for 2021–22 and nine for the 2020–21 year.
Establish community hubs that integrate community support, recreational, and commercial services in multi-purposes 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 2023–24 year.

Strategic Management

Sustainability



Progress towards 2050+

- › 70 per cent of waste diverted from landfill.
- › 100 per cent renewable electricity used by Council.

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 endorsed 23 August 2022, which includes a plan for council operations to be carbon neutral for Scope 1 (direct) and Scope 2 (indirect from energy use) emissions by 2030.

Council started purchasing 100 per cent renewable electricity from 1 January 2023. This completely eliminates our Scope 2 emissions.

We also developed a *Fleet Transition Plan* in 2022–23, to understand more about transitioning our fleet to electric vehicles.

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. This Strategy will provide guidance for appropriate streets to target for active transport.

Objectives 2020–2030

Measures

Baseline / Notes

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 2022–23, Council was active in lobbying for increased police presence in the city, particularly in Glenelg. Council staff are in very regular contact with SAPOL to resolve issues.

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 Kaurua people as well as innovation

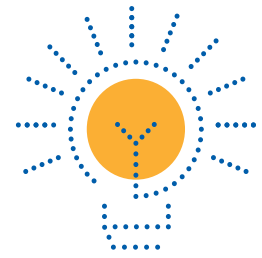
Number of community gardening spaces increases each year

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.

Council's Adopt a Tree program continued in 2022–23.



Innovation



Progress towards 2050+

- › 65,196 visitors to the Bay Discovery Centre – a 35 per cent increase on pre-COVID levels.
- › Over half a million items borrowed from our libraries including 83,509 digital content.

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:
In line with ABS data nationally, businesses have increased by 7 per cent eclipsing what occurred in 2020 and 2021.

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 2022–23 one council facility had been identified as having capacity to provide 'maker spaces' for commercial activity. Opportunities for other council facilities for such use are always being investigated.

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

A 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

In line with ABS data nationally, businesses have increased by 7 per cent eclipsing what occurred in 2020 and 2021.

Strategic Management

2023–24 Projects

In 2023–24, council will fund and undertake several major projects to support the vision and objectives outlined in its strategic plan, *Our Holdfast 2050+*. These include:

Stormwater upgrades – Tarlton Street \$1,000,000

This stormwater infrastructure upgrade will decrease the likelihood of flooding in a high-risk flood zone. It was identified as priority from the *Stormwater Management Plan* and *Stormwater Implementation Plan* and is part funded by the Federal Government.

Glenelg Oval upgrade Stages 3 and 4 \$1,847,000

Continuing the upgrade of this important community asset the work for 2023–24 includes upgrades to the spectator mound including playspace, elevated *Disability Discrimination Act* (DDA) viewing area and tiered seating. Other improvements will include rebuilding cricket practice pitches and netting, as well as upgrading the curator facility and adjoining public toilet block.

Brighton Beachfront Holiday Park \$673,000

Works will continue with capital improvements to the Brighton Beachfront Holiday Park in line with the Masterplan for the site. This includes installation of a new maintenance and storage shed, stage 2 retaining wall construction and improvements for the guest experience including upgrades to powered sites and cabin accommodation.

Former Buffalo Site – Amenity Improvements \$2,200,000

Undertake important remediation work and amenity improvements at the former Buffalo site. This includes rock revetment walls and fill to ground level. Fencing at the water's edge and improvements to walking paths and landscaping will be completed.

Public Toilets, Patawalonga Lake \$220,000

Install public toilets around the Patawalonga Lake to help attract more people to use the facilities in the area.

Brighton and Seacliff Yacht Club to upgrade change rooms \$500,000

Subject to Club, grant or other partner funding. This amount would cover improvements to the showers, toilets, change rooms and *Disability Discrimination Act* (DDA) compliant toilets, enabling better quality facilities that are appropriate for mixed ages as well as the public.

Glenelg Library upgrade \$200,000

Refresh the Glenelg Library ground floor as an innovative and creative community space with accessible meeting rooms, learning and maker spaces, attractive collections and updated staff workspaces.

Economic Development Strategy Implementation \$30,000

The *Economic Development Strategy* (EDS) is currently under development. This is an indicative allocation to fund initiatives in this Strategy. Allocation of funding this financial year will enable prompt implementation of actions and outcomes from the *Economic Development Strategy* in an agile way.

Community Wellbeing Strategy \$25,000

Development of a *Community Wellbeing Strategy* and action plans for focus areas, in partnership with the Holdfast Bay community. The *Community Wellbeing Strategy* will guide the efficient and effective development of multiple council strategies and action plans within the Community Wellbeing space that are due to expire in 2023 (e.g., *Volunteering Strategy 2018–2023*; *Youth Action Plan 2018–2023*).

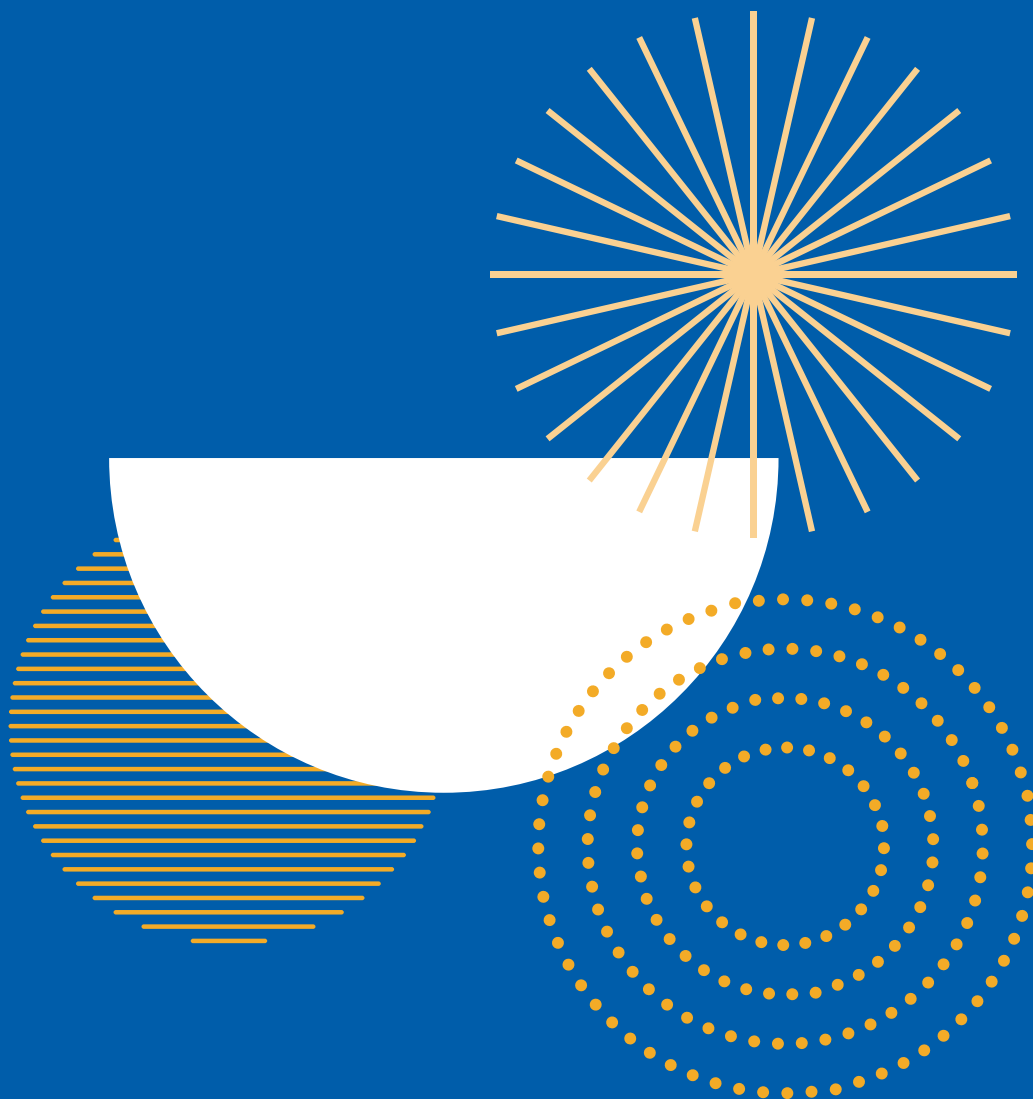
Climate Change Adaptation \$60,000

As a result of a recent Climate Change Adaption Governance Assessment, this will provide an additional position who will work across council in such areas as climate, adaption and climate neutral planning.

Innovation Projects \$800,000

Delivery of request management, contractor management, corporate planning and reporting, data and information knowledge management and asset management systems.

Council of the City of Holdfast Bay



Elected Members

July – November 2022



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

Council of the City of Holdfast Bay

Local Government Elections 2022

The South Australian 2022 Local Government elections were held from September to November 2022. The scrutiny and count was conducted by the Electoral Commission of South Australia on 12–13 November 2022 at the Brighton Civic Centre.

Three out of the four wards within the City of Holdfast Bay were highly contested, with Brighton Wards' candidates duly elected uncontested.

- › Two candidates stood for the position of Mayor (one position available)
- › Three for Brighton Ward uncontested
- › Eight for Glenelg Ward (three positions available)
- › Five for Seacliff Ward (three positions available)
- › Six for Somerton Ward (three positions available).

City of Holdfast Bay had a very good participation rate of 32 per cent of electors returning their ballot material. In the Brighton Ward there was no need for a local Elected Member return, so all returns for that Ward were solely for the Mayoral election.

Ward	Electors On Roll	Ballots Returned	Percentage Returned
Glenelg	7,032	2,150	30.57
Somerton	7,216	2,365	32.77
Brighton	7,197	2,336	32.46
Seacliff	7,218	2,320	32.14
Total	28,663	9,171	32.00

Ten members of the former Council were re-elected, and three new members elected.

Notably, Holdfast Bay's Mayor and seven of our twelve elected members are women.

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 2026.

Elected Members

Elected in November 2022



Mayor
Amanda Wilson

Brighton Ward



Jane Fleming

Glenelg Ward



Rebecca Abley

Seacliff Ward



Annette Bradshaw

Somerton Ward



William Miller



Robert Snewin



Allison Kane



Clare Lindop



Monique O'Donohue



Anthony Venning



Bob Patton



Susan Lonie



John Smedley

Elected Member Attendance at Council Meetings

Number of General Council Meetings held:	21
Number of Special Meetings of Council held:	0
Total	21

Elected Member	Notes	Meetings Attended
Mayor		
Amanda Wilson		17
Seacliff Ward		
Annette Bradshaw		20
Clare Lindop		20
Susan Lonie		18
Brighton Ward		
Jane Fleming		21
Robert Snewin	Approved Leave of Absence 17 October – 31 October 2022	17
Anthony Venning ²		10
Rosemary Clancy ¹	Approved Leave of Absence 10 August 2022 – 10 September 2022	5
Somerton Ward		
William Miller	Approved Leave of Absence for the 14 February 2023 and 28 February 2023 meetings	17
Monique O'Donohue ²		12
John Smedley		18
Janet Fletcher ¹		8
Glenelg Ward		
Rebecca Abley		18
Allison Kane ²		11
Bob Patton		21
Phillip Chabrel ¹		7

1. Non returning member. Role concluded 10 November 2022.

2. New member. Role commenced 29 November 2022.

Allowances

Elected Member	Allowances 1 July 22 – 30 June 23	Allowance from Council Committees	IT Allowance	Total
Mayor				
Amanda Wilson	\$82,814.64		\$1,700.00	\$88,130.17
Seacliff Ward				
Annette Bradshaw	\$20,703.64		\$1,700.00	\$22,403.64
Clare Lindop ¹	\$24,032.71		\$1,700.00	\$25,732.71
Susan Lonie	\$20,703.64		\$1,700.00	\$22,403.64
Brighton Ward				
Jane Fleming	\$20,703.64	\$3,644.00	\$1,700.00	\$26,047.64
Robert Snewin	\$20,703.64	\$926.00	\$1,700.00	\$23,329.64
Anthony Venning ³	\$13,316.32		\$1,700.00	\$15,016.32
Rosemary Clancy ²	\$7,387.32			\$7,387.32
Somerton Ward				
William Miller	\$20,703.64	\$448.00	\$1,700.00	\$22,851.64
Monique O'Donohue ³	\$13,316.32		\$1,700.00	\$16,976.32
John Smedley ⁴	\$22,088.76	\$1,279.50	\$1,700.00	\$25,068.26
Janet Fletcher ²	\$7,387.32			\$7,387.32
Glenelg Ward				
Rebecca Abley	\$20,703.64		\$1,700.00	\$22,403.64
Allison Kane ³	\$13,316.32		\$1,700.00	\$15,100.73
Bob Patton	\$20,703.64		\$1,700.00	\$22,403.64
Philip Chabrel ²	\$7,387.32			\$7,387.32

1. Deputy Mayor from November 2022.
2. Non returning member following November Local Government Election.
3. New member elected following November Local Government Election.
4. Deputy Mayor prior to November 2022 Local Government Election.

Training and Development

All Elected Members

All of Council

Kelley Jones: Caring about Caretaker: Navigating the Caretaker period (August 2022)	\$1,200
Kelley Jones: Induction Program – Mandatory Training New Council (November 2022)	\$2,250
Kelley Jones: Mandatory Training Civic Module 2 (January 2023)	\$2,321
Jeff Tate Consulting: Mandatory Training Finance & Strategy Module 4 (January 2023)	\$2,090
Kelley Jones: Mandatory Training Legal Module 3 (March 2023)	\$2,321
Kelley Jones: Mandatory Training Behaviours Module 1 – Part 1 (April 2023)	\$1,045
Jeff Tate Consulting: Mandatory Training Behaviours Module 1 – Part 2 (April 2023)	\$1,045
Kelley Jones/Ball Public Relations: Media Interactions and Social Media Utilisation (May 2023)	\$2,200

Workshop training only provided in house and provided by Leadership Team

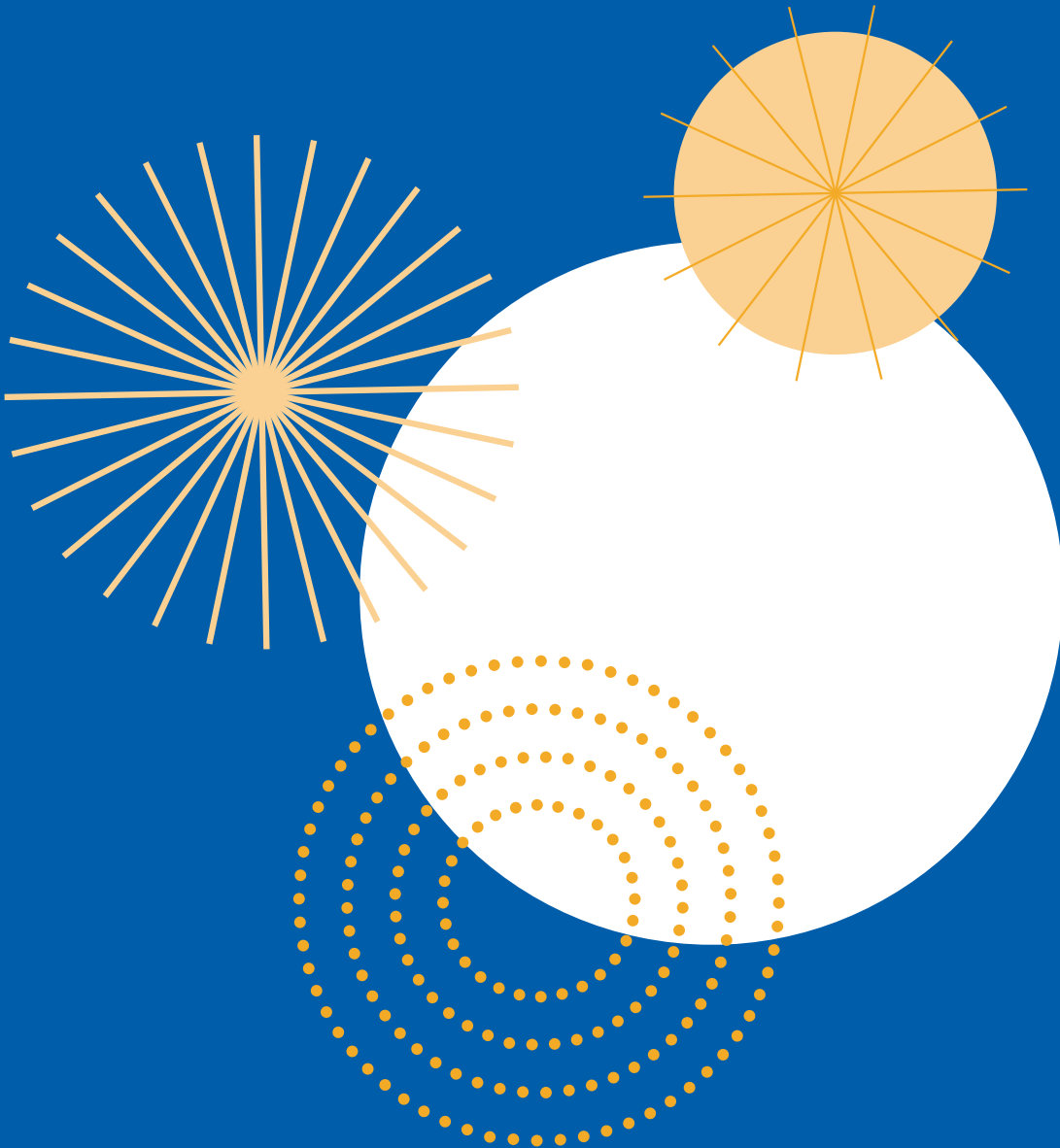
Nil additional cost

Total (All Elected Members) **\$14,472**

	Mayor Wilson	Deputy Mayor Lindop	Cr Miller	Cr Snewin	Cr Kane	Total
Council Delegate Activities						
Australian Local Government Association, National General Assembly (June 2023)	\$1,070				\$1,070	
Reimbursements from LGA Conference	\$119				\$84	
Elected Member Training						
National Parks and Leisure Australia Gala Dinner and Awards Ceremony (October 2022)			\$210			
Audit and Risk Committee Forum 2022 (October 2022)				\$480		
Local Government Association SA OGM (13–14 April 2023)	\$275	\$275				
Deputy Mayor Forum (14 May 2023)		\$605				
Total training and development expenditure	\$1,464	\$880	\$210	\$480	\$1,154	\$18,457



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*.

Decision Making Structure

Council Committees

Council is supported by a number of committees. These are:

1. One management committee:

- › Alwyndor Management Committee.

2. Two statutory committees:

- › Audit and Risk Committee.
- › Strategic Planning and Development Policy Committee.

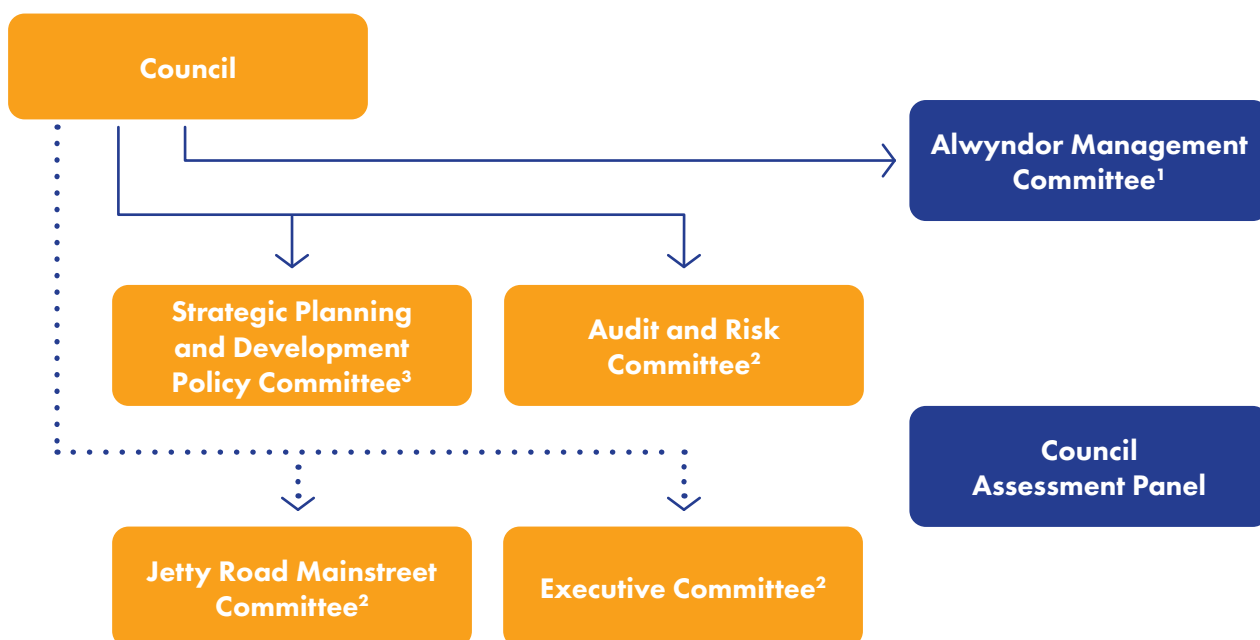
3. Two advisory committees:

- › 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:



1. Delegated authority from Council to make decisions within budget and terms of reference.

2. Advisory only, with no delegations.

3. The Strategic Planning and Development Policy Committee was dissolved in July 2022.

Council

Throughout 2022–23, Council met on the second and fourth Tuesdays of the month, except in December 2022 and January 2023. They also did not meet in November due to the Election. The new Council was sworn in on 29 November.

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 and Risk Committee

The Audit and Risk 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 the Council on a regular basis to confirm that these frameworks are in place and operating effectively. The Committee also reviews the annual financial statements, *Annual Business Plan* and *Long-Term Financial Plan*.

The Committee comprises of two Elected Members and three independent members. The independent members each received an allowance of \$448 per meeting (July 2022 – November 2022) and then \$486 per meeting (November 2022 – June 2023).

The Committee Members from July 2022 to June 2023 were:

- › Councillor John Smedley (Presiding Member)
- › Councillor Bob Snewin
- › Mr David Powell – Independent Member
- › Ms Paula Davis – Independent Member
- › Mr Sean Tu – Independent Member (to 21 May 2023)
- › Ms Corinne Garrett – Independent Member (from 13 May 2023).

Strategic Policy and Development Policy Committee

The Strategic Policy and Development Policy Committee was dissolved in July 2022 by a resolution of Council. It was formed under section 41 of the *Local Government Act 1999* and was a requirement of the *Development Act 1993*. The Committee provided advice to Council on strategic planning and development policy issues. The Committee comprised all members of Council and was convened 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.

Decision Making Structure

The 2022–23 Committee comprised two Elected Members and nine independent members.

The independent members represent traders and property owners in the precinct, with no allowances paid. Members are appointed on a two-year term. The member term concluded on 31 March 2023 with the current term commencing 1 April 2023. Three new members joined the Committee with six returning members. With the Council elections in November 2022, there was also a change in Elected Member representation. The Committee Members for 2022–23 were:

- › Gilia Martin, Attitudes Boutique (Chair)
- › Angus Warren, Beach Burrito (Deputy Chair from April 2023)
- › Tony Beatrice, Cibo Espresso
- › Adoni Fotopoulos, Ikos Holdings Trust
- › Chris Morley, Echelon Studio – Architecture and Design
- › Damien Murphy, Glenelg Finance
- › Anthony Chhoy, Chatime (from April 2023)
- › Bayley Millard, Yo-Chi (from April 2023)
- › Shannon Smith, Royal Copenhagen Glenelg and Brighton (from April 2023)
- › Brock Meuris, Terra & Sol (until 31 March 2023)
- › Jason Rayment, Smart Hearing Solutions (until 31 March 2023)
- › Gina Britton, Daisy & Hen, (Deputy Chair) (until 31 March 2023)
- › Councillor Rebecca Abley
- › Councillor Allison Kane (from December 2022)
- › Councillor William Miller (until November 2022).

Executive Committee

The Executive Committee is established under section 41 of the *Local Government Act 1999*. The Committee meets as required to:

- › recommend to Council the form and process of the Chief Executive Officer’s annual performance appraisal
- › undertake the annual performance appraisal
- › provide a report and to make recommendations to Council on any matters arising from the annual performance appraisal.

The Committee Members in 2022–23 were:

- › Mayor Amanda Wilson – Chair
- › Deputy Mayor Clare Lindop (Deputy Mayor from November 2022)
- › Councillor John Smedley (Deputy Mayor until November 2022)
- › Councillor Susan Lonie – Seacliff Ward
- › Councillor Robert Snewin – Brighton Ward (until November 2022)
- › Councillor Jane Fleming – Brighton Ward (from November 2022)
- › Councillor Rebecca Abley – Glenelg Ward (until November 2022)
- › Councillor Bob Patton – Glenelg Ward (from November 2022)
- › Councillor William Miller – Somerton Ward (until November 2022)
- › Councillor Monique O’Donohue – Somerton Ward (from November 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 substantive and one deputy 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 2022–23, the Panel met each month. The Presiding Member received \$582 per meeting from July – October 2022 and \$601 per meeting from November 2022 – June 2023. Ordinary independent Panel members (including Council member) received \$448 per meeting from July – October 2022 and \$463 per meeting from November 2022 – June 2023.

In 2022–23, the Panel comprised:

- › Councillor Jane Fleming (Substantive member)
- › Councillor William Miller (Deputy member to October 2022)
- › Councillor Robert Snewin (Deputy member from December 2022)
- › David Bailey (Presiding Member July 2022 to March 2023)
- › Yvonne Svensson (Independent Member from July 2022 to March 2023, then Presiding Member from April 2023)
- › Sarah Reachill
- › Terry Sutcliffe (from April 2023)
- › Colleen Dunn (from April 2023).

Alwyndor Management Committee

The Alwyndor Management Committee oversees the governance of Alwyndor. In 2022–23 the Committee consisted of two Elected Members and seven independent members. Independent members received \$448 per meeting from July – October 2022, and \$486 per meeting from November 2022 – June 2023. The Chair received \$560 per meeting from July – October 2022 and \$607 per meeting from November 2022 – June 2023.

- › Mr Kim Cheater – Chair
- › Ms Julie Bonnici – Deputy Chair
- › Cr Susan Lonie – CoHB Member
- › Cr Robert Snewin – CoHB Member
- › Ms Trudy Sutton – Member
- › Prof Judy Searle – Member
- › Prof Lorraine Sheppard – Member
- › Mr Kevin Whitford – Member
- › Ms Joanne Cottle – Member.

Organisational Structure (as at 30 June 2023)



Roberto Bria
CEO

Assets and Delivery



James Mitchell
General Manager Assets
and Delivery (Acting)



Muni Krishna
Manager
Engineering (Acting)



Bill Blyth
Manager Field
Services



Mathew Walsh
Building and Facilities
Manager

Community and Business



Marnie Lock
General Manager
Community
and Business



**Regan
Forrest**
Manager City
Activation



Brendan Kelly
Manager
Community
Wellbeing



Tania Paull
Manager Customer
Experience and
Library Services



Adrian Hill
Manager
Community
Safety



Michelle Logie
Manager
Communications and
Engagement

Strategy and Corporate



Pamela Jackson
General Manager
Strategy and
Corporate



Cadel Blunt
Manager
Finance



**Sharon
Somerville**
Manager
People and
Culture



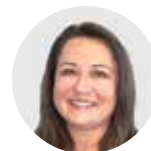
Robert Zanin
Manager
Innovation and
Technology



**Matthew
Rechner**
Manager Public
Realm and
Urban Design



**Anthony
Marroncelli**
Manager
Development
Services



Ania Karzek
Manager
Strategy and
Governance

Alwyndor



Beth Davidson-Park
General Manager
Alwyndor



Rafa Mirzaev
Chief Financial
Officer



Natasha Stone
Residential Services
Manager



Molly Salt
Manager Community
Connections



Lisa Hall
Manager People
and Culture

Our Values

Our ARISE values and behaviours 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.

Decision Making Structure

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, Beth Davidson Park
- › General Manager Assets and Delivery, Michael de Heus (until 28 May 2023)
- › Acting General Manager Assets and Delivery, James Mitchell (from 29 May to 30 June 2023)
- › 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
- › Employer-sponsored superannuation contributions
- › Membership of professional associations.

	Female	Male	Salary Range
CEO		1	\$272,103
General Manager	3	1	\$185,091 – \$202,250

Staff Profile

Number of Employees as at 30 June 2023	Male	Female	Total
Municipal Employees	97	108	205
Alwyndor Employees	90	327	417
Total	187	435	622

Work Health and Safety

In 2022–23 the following key measures were realised for work health and safety:

- › Total Hazards 46
- › Total Incidents 137
- › Total Injuries 73.

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

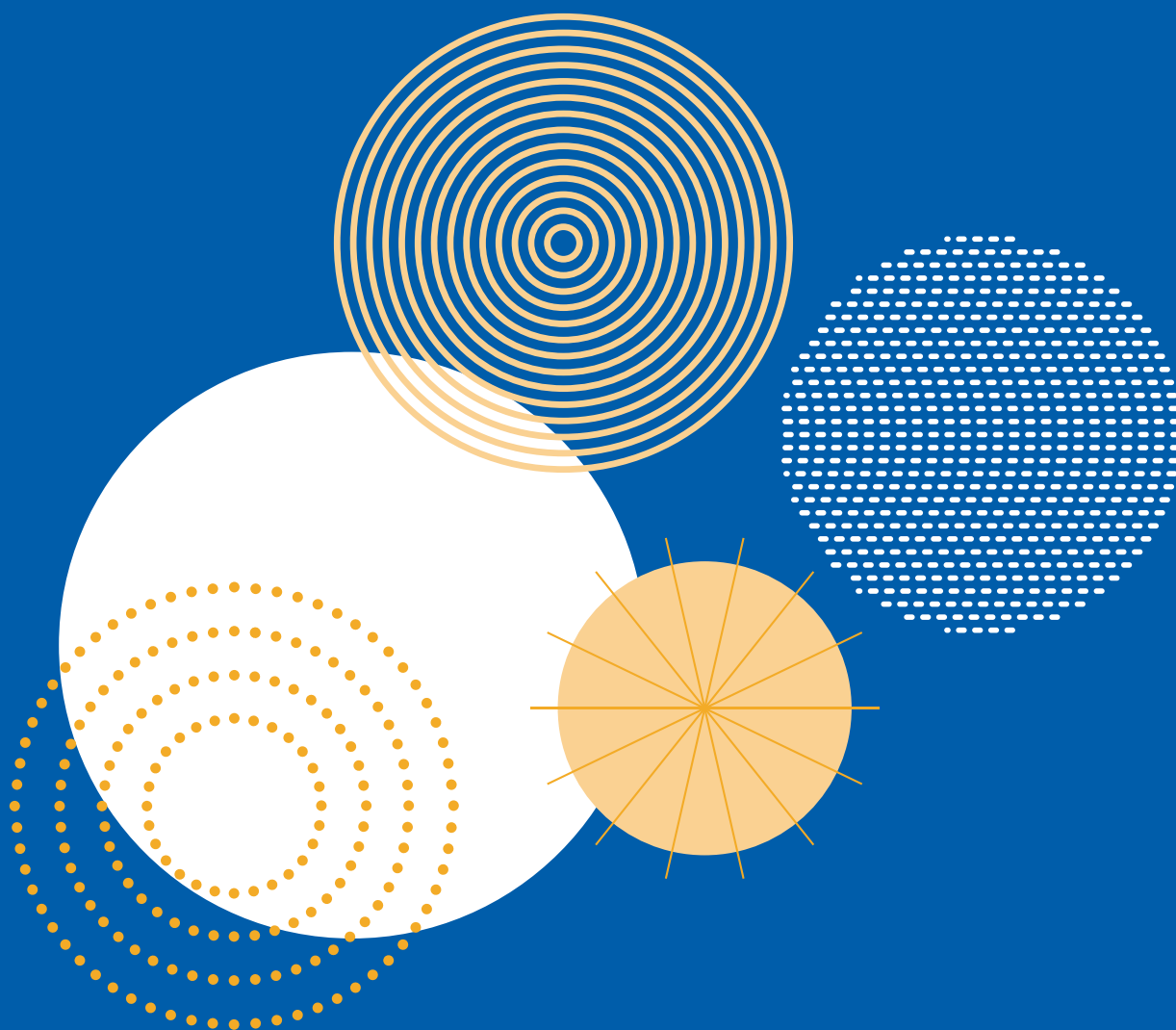
Work continues building skills and capability across our workforce to provide excellent customer experience and provide flexibility in times of changing service demands and technology. Recruitment focuses not only on required experience and skills, but also on behaviours in line with our organisational values and customer experience requirements. Staff benefits, including flexible working arrangements, continue to be offered to ensure the attraction of high-quality candidates and retention of staff.

Voluntary employee turnover for Council was 17.22 per cent. Alwyndor's turnover was 33.9 per cent.

Training and Development

\$231,063 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 (WHS) and governance obligations. Council's training needs analysis was assessed to ensure legislative obligations were being met in line with the *WHS Training Plan*. Council also undertook a review of its cultural wellbeing and designed and implemented a comprehensive leadership training program.

Transparency



Community Engagement

We value the involvement of our community and we are committed to ensuring the community's views help inform 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 the community's vision for the City of Holdfast Bay.

There were four targeted community engagements held throughout the year, which was lower than the previous year as no engagements were held during the Election caretaker period. 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 or to follow projects of interest visit www.yourholdfast.com.

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 licences and leases were resolved by Council in 2022–23, including those for the Glenelg District Cricket Club at Glenelg Oval, and the Tramside Kiosk at Wigley Reserve. The terms and conditions for new leases were also progressed, including those for the new Kingston Park Kiosk and Glenelg Football Club.

Transparency

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 which includes the Register of Training and Development (Elected Members)
- › Register of Conflicts of Interest (Elected Members)
- › Register of Remuneration, Salaries and Benefits (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 Facilities
- › Record of Delegation.

Codes

- › Behavioural Standards (Code of Conduct) (Council Members)
- › Code of Practice – Meeting Procedures
- › Code of Practice – Access to Meetings and Documents
- › Code of Conduct (Employees).

The Register of Interest for Employees (Prescribed Officers) is maintained but not made publicly available.

Gifts Funded By Council

Schedule 4 of the *Local Government Act 1999* requires the Annual Report to provide a summary of the details (including the cost) of any gifts above the value of \$50 provided to Elected Members or employees that were funded in whole or in part by the Council. The following table provides details of such gifts:

Description of gift	Recipients of gift	Value of gift for each individual
10, 20 and 30 year service and retirement recognition glassware	13 Employees	\$76.00
Farewell Gifts	Cr Clancy	\$350.00
	Cr Chabrel	\$128.91

Legal Fees

In the 2022–23 financial year Council incurred legal costs totalling \$227,309. This was made up of:

- › Appeals \$90,058
- › Enforcement \$7,678
- › Advice \$129,573.

In the same period, legal fees for Alwyndor were \$39,085.

Credit Card Use

In the 2022–23 financial year the total expenditure via credit cards was \$197,157.73. This expenditure is tightly controlled and in accordance with relevant legislation, regulation and Council policies and procedures.

Interstate Travel

Mayor Wilson and Councillor Kane travelled interstate for the Australian Local Government Association National General Assembly along with the Chief Executive Officer. Interstate travel and accommodation costs were as follows:

- › Mayor Wilson – \$2,256.93
- › Councillor Kane – \$2,256.93
- › Chief Executive Officer Roberto Bria – \$1,424.22

Councillor Miller travelled interstate for the National Parks and Leisure Australia Gala Dinner and Awards Ceremony. Interstate travel and accommodation costs were \$725.20.

Three other staff members travelled interstate in 2022–23:

- › The Environmental Officer attended the International Conference on Assessing Waste and Recycling in Melbourne on 14 November 2022. Interstate travel and accommodation costs were \$1,510.00.
- › Two staff from the Innovation and Technology Services team attended the Technology One Showcase. The Showcase was held in Melbourne on 28 October 2022. Flights and accommodation were provided by TechnologyOne. There was a cost of \$300.00 for transport in Melbourne.

Internal Review of Council Actions

We received no requests in 2022–23 to review Council decisions in line with section 270 of the *Local Government Act 1999* – *Internal Review of Council Decisions*.

Year	Number of Reviews
2022–23	0
2021–22	1
2020–21	1
2019–20	3
2018–19	4
2017–18	5
2016–17	1
2015–16	3
2014–15	3

Transparency

Freedom of Information

During 2022–23, Council processed 15 Freedom of Information (FOI) requests.

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 FOI information and application forms are available from council in person and on the council and State Records websites.

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.

Independent Auditors

The *Local Government Act 1999* stipulates that auditors be appointed on the recommendation of the Audit Committee for no longer than five years.

From 1 July 2020, Dean Newbery were appointed as council's external auditors for a period of five years. For both Municipal and Alwyndor operations in 2022–23, Dean Newbery were paid \$30,500 (excluding GST) for the annual audit of council's financial statements, and \$600 (excluding GST) for additional grant acquittals audits.

Local Nuisance and Litter Control

In 2022–23 in accordance the *Local Nuisance and Litter Control Act 2017*, 486 complaints were registered, three abatement notices were provided and seven expiation notices were issued.

	Dust	Noise	Smoke	Odour	Animals	Litter	Litter (Asbestos)	Insanitary Conditions	Unsightly	Bill Posting	Total
Complaints	6	25	8	0	22	378	0	16	30	1	486
Abatement Notices								1	2		3
Expiations						5			1	1	7

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. It 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 2022–23 council continued to maintain the following significant business activities:

- › **Category One**

- › Alwyndor

- › **Category Two**

- › Brighton Beachfront Holiday Park
- › Partridge House
- › Kauri Parade Community and Sports Centre
- › The Glenelg Visitor Information Centre
- › Partridge Street Car Parks.

Competitive Tendering

Tenders are called for contracts above \$100,000 ex GST, provided council is of the reasonable opinion that a competitive process is practicable and will deliver greater benefit than other methods. Tenders are also used for contracts of a lesser amount where the process is 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.

Transparency

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 alongside comparative data for similar councils.

Council	Members (including Mayor)	Total Electors	Representation Quota*
Norwood Payneham and St Peters	14	26,147	1:1,867
Unley	13	28,092	1:2,160
Holdfast Bay	13	28,533	1:2,194
Burnside	13	32,295	1:2,484
West Torrens	15	43,195	1:2,879
Campbelltown	11	37,038	1:3,367
Mitcham	13	49,411	1:3,800
Average			1:2,679

*Representation quota for the purposes of Schedule 4 of the *Local Government Act 1999*. Data derived from information provided by the Electoral Commission of SA.

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.

Council was required by the Minister for Local Government to undertake a Representation Review in October 2020 and October 2021. The review process involved two stages of public consultation as prescribed by the *Local Government Act* allowing the opportunity for public submissions.

Number of Items Discussed in Confidence

The *Local Government Act 1999* requires that Council meetings be held in a public place. The Act provides for occasions where the need to keep information or discussion confidential outweighs the need for public access.

In 2022–23, Council was satisfied of the necessity to consider items in confidence under section 90(2) of the *Local Government Act 1999* on 56 occasions.

The grounds for these matters to be heard in confidence are detailed in the table below. There can be multiple grounds for each confidential item.

Grounds of Confidential Orders	Grounds for Confidential Orders
A Personal Affairs	5
B Commercial Advantage	14
C Trade Secret	0
D Commercial Information not a trade secret	21
E Security/safety	0
F Maintenance of Law	0
G Breach of Law	2
H Legal Advice	3
I Litigation	4
J Minister of the Crown	1
K Tenders for the supply of goods	4
M Amendment to the Development Plan	0
N <i>Freedom of Information Act 1982</i>	0
O Proposed Award Recipient before the presentation of the award	2
Total	56

Transparency

Confidential Orders From Previous Years Released – 2022–23

In 2022–23 some items held in confidence from previous years were publicly released. The grounds of each confidential order that was released appears in the table. This table does not include items discussed in confidence in 2022–23 and released from confidence in the same year.

44 confidential reports were released in 2022–2023, noting that there can be multiple grounds for each confidential order.

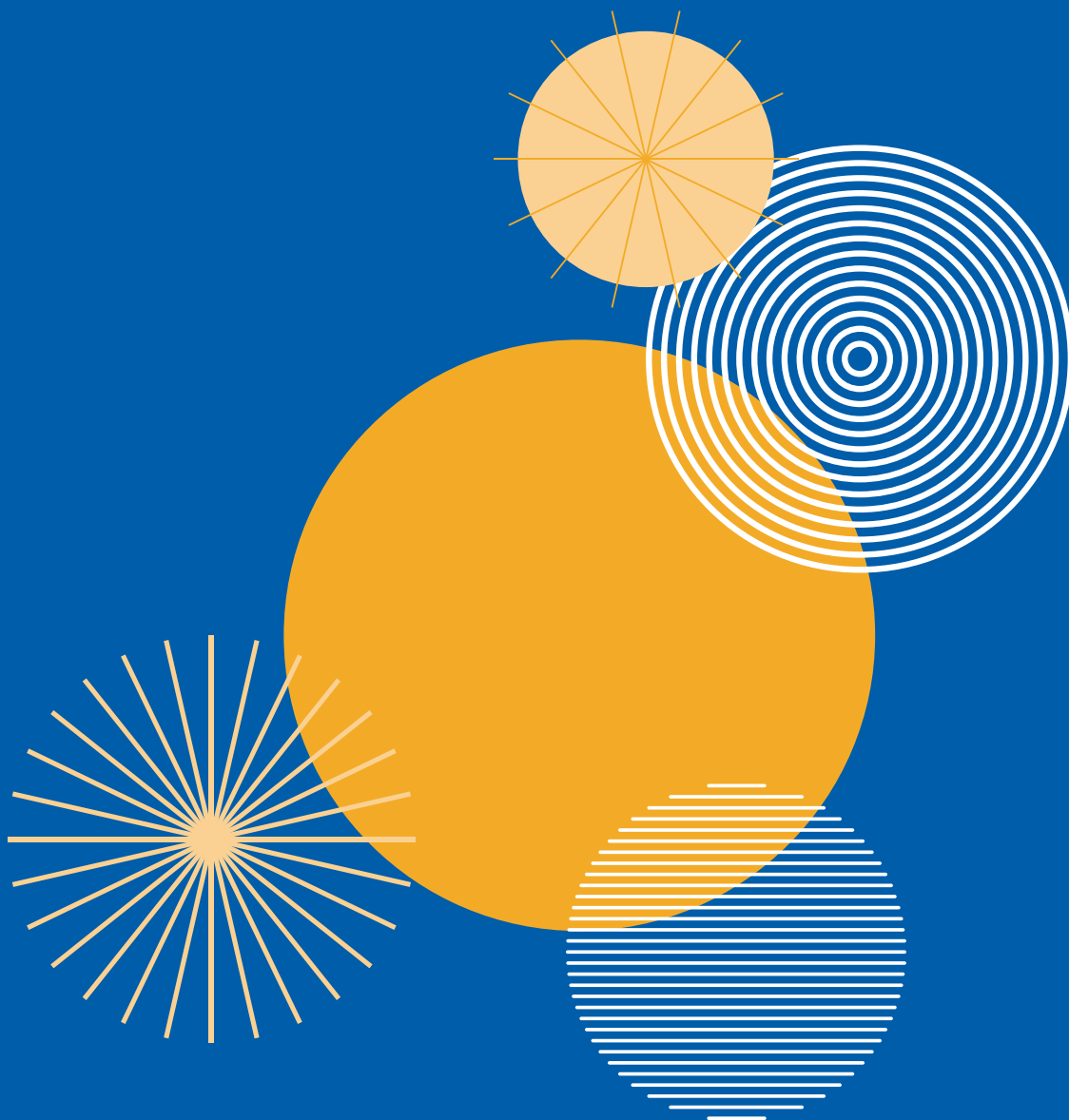
Confidential Order Categories	Number of grounds under each confidential order
A Personal affairs	7
B Commercial advantage	19
C Trade secret	0
D Commercial information not a trade secret	16
E Security – safety	2
F Maintenance of law	0
G Breach of law	0
H Legal advice	3
I Litigation	3
J Minister of the Crown	2
K Tenders for the supply of goods	0
M Amendment to the Development Plan	0
N <i>Freedom of Information Act 1982</i>	0
O Proposed award recipient before the presentation of the award	0
Total	52

Items Retained in Confidence

The table adjacent reflects those items from previous years that remain in confidence. The total for 2022–23 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.

Year	Number of Items
2012–2013	2
2013–2014	0
2014–2015	1
2015–2016	3
2016–2017	7
2017–2018	23
2018–2019	15
2019–2020	11
2020–2021	27
2021–2022	42
2022–2023	50

Audited Financial Statements



TO BE SUPPLIED

Southern Region Waste Resource Authority Annual Report



TO BE SUPPLIED

TO BE SUPPLIED





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Brighton SA 5048

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F (08) 8298 4561
mail@holdfast.sa.gov.au

holdfast.sa.gov.au

Item No: 8.5

Subject: MUNICIPAL LONG-TERM FINANCIAL PLAN 2023 - 2033

Summary

The Long Term Financial Plan (LTFP) was developed on the assumptions and parameters discussed at Council workshops held during the year and following public consultation in May and June 2023 on Council's Annual Business Plan. The Audit and Risk Committee received updates on the development of the LTFP at its meetings on 15 March 2023 and 7 June 2023.

A completed LTFP document covering the financial years 2023-24 to 2032-33 is presented to the Audit and Risk Committee for further comment and support, noting that it satisfies Council's financial sustainability and performance measures.

Recommendation

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

Background

The Audit and Risk Committee at its meetings on 15 March and 7 June 2023 received updates on the Municipal LTFP. During that period of time the LTFP was reviewed and updated to include budget updates for 2022-23 and the original 2023-24 budget then adopted by Council on 27 June 2023.

Alwyndor has been excluded from the LTFP as it is managed as a financially self-sustaining operation.

Report

The annual LTFP update reviewed existing assumptions, taking into consideration economic conditions, and applied financial information and forecasts that were available at the time. It should be noted that the LTFP is not a static document and its purpose is to provide broad financial projections to assist in making key decisions.

A public document has been prepared to both meet regulatory requirements and, more importantly, to communicate often complex financial data in a format that will be informative to the community.

Refer Attachment 1

Financial Principles and Targets

In preparing the LTFP, Council's key financial principles were considered, including the following:

- Deliver a balanced budget that fully funds the costs of its services including depreciation.
- Develop sound infrastructure and asset management planning by creating, enhancing, and using long-term infrastructure and asset management plans.
- Provide the community with a reasonable degree of predictability for rates over the medium term.
- Create intergenerational equity by spreading the cost of new infrastructure across the generations that will benefit from those assets.

To determine Council's financial sustainability a number of key financial performance measures and targets are used, including the following:

- Operating Surplus Ratio - operating result as a percentage of rate revenue to be between 0% - 10% over a rolling five-year period.
- Net Financial Liabilities Ratio – net financial liabilities as a percentage of operating revenue to be less than 75%.
- Interest Cover Ratio - net interest expense as a percentage of operating revenue to be less than 5%.

Long-term Financial Position

There are different ways in which Council can achieve its objectives. This plan balances the funding needs of asset renewal, new infrastructure and existing services against rating expectations, reasonable fees, and debt leverage.

The current 10-year projection indicates a degree of financial capacity to respond to unexpected events, and undertake major new initiatives, without adversely affecting the continued provision of services to the community. The plan has been set against economic uncertainty but will be reviewed every 12 months to reflect the prevailing economic conditions and changing community demands placed on the City of Holdfast Bay.

Over the life of this plan, it is projected that Council will not only maintain a strong financial position but will meet, or even exceed, all its financial targets.

- Operating Surplus Ratio - Council forecasts operational surpluses for all years, thus meeting its target. These small surpluses can be used to repay existing debt, or fund new initiatives, identified through community consultation.
- Net Financial Liabilities Ratio - over the life of the plan, Council is forecast to remain under the 75% target. The declining ratio indicates that Council will have a corresponding increase in its capacity to fund future initiatives.
- Interest Cover Ratio - Council forecasts a ratio under 5% in all years, thus meeting its target. As with the Net Financial Liabilities Ratio, the declining Interest Cover Ratio over the timeframe of the plan indicates that Council will have a corresponding increase in its capacity to fund future initiatives.

The LTFP assumes a continuation of existing services and programs, however, as Council responds to changing community expectations it may make decisions to change services and

invest in new and improved infrastructure, such as community facilities, that will be funded from the projected strong financial capacity.

Budget

The LTFP informs the budget and is used as a tool in financial decisions making.

Life Cycle Costs

This report does not have any direct full life cycle cost implications.

Strategic Plan

Statutory requirement

Council Policy

Not applicable

Statutory Provisions

Local Government Act 1999, Section 122

Local Government (Financial Management) Regulations 2011, Regulation 5

Written By: Manager Finance

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

Long Term Financial Plan

2023/24 –
2032/33



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



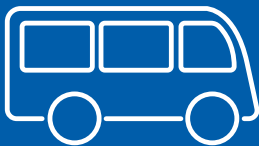
More than
300

people attend our four Community Centres



747

people visit the libraries



20

trips on the Community Wellbeing bus



Everyday, maintenance and other works are carried out at Glenelg Oval by our Open Spaces team

7,200

bin 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
100

phone calls & 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

Contents

The Long Term Financial Plan and its Purpose	4
CEO Statement on Financial Sustainability	6
Financial Principles	8
Assumptions	12
Long-Term Financial Position	16
Key Financial Indicators	20
Financial Statements	25

The Long Term Financial Plan and its purpose

The City of Holdfast Bay Long Term Financial Plan is a planning tool developed to map the financial sustainability of the city into the future, while meeting the needs and expectations of our community.

By applying key principles and underlying assumptions to each year of the plan, financial projections have been determined for a 10-year period between 2023–24 to 2032–33. These projections help inform day-to-day and longer-term decision making about the affordability, timing and combination of future outlays on Council's operations, renewal of existing assets and construction of new assets. They also allow early identification of potential financial issues and their longer-term impacts.

Long-term financial estimates are an integral part of Council's strategic planning process. It provides the ability to plan how it can deliver short, medium and long-term community priorities, based on its resourcing capabilities. These priorities are identified in Council's Strategic Plan, *Our Holdfast 2050+*, which through the Long Term Financial Plan informs the Annual Business Plan and Budget each year.

We look forward to delivering on this plan for our community.

Within *Our Holdfast 2050+*, three key focus areas of Wellbeing, Sustainability, and Innovation have been identified to support Council in achieving its vision over the next 10 years. The objectives and aspirations which underpin these strategies have informed this plan.

Vision: Protecting our heritage and beautiful coast, while creating a welcoming and healthy place for all in South Australia's most sustainable city.

Another important suite of documents which inform this plan are Council's Asset Management Plans. These provide financial projections for the future cost of maintaining, renewing and replacing Council's assets and infrastructure. With an asset portfolio valued in 2022 at \$854 million, it is critical to have the ability to forecast when future funding is required to maintain these community assets.

Due to the nature of the estimates and assumptions made, and the uncertainty of changes within the economy, the Long Term Financial Plan requires regular review and updating. If key assumptions such as inflation, interest rates or scale of capital investment vary, then this may drive changes in the annual budget.



INFORMATION, PLANS & STRATEGIES

PLANS & STRATEGIES FOR:

Environment
Open Space
Economic
Integrated Movement
Wellbeing

RESOURCING PLANS

LONG TERM FINANCIAL PLAN

ASSET MANAGEMENT PLANS

WORKFORCE PLAN

STRATEGIC & CORPORATE PLANS

STRATEGIC OUR HOLDFAST 2050+ PLAN

Community and council
vision, objectives
& strategies

10 year plan

CORPORATE BUSINESS PLAN

Strategies and plans.
Four year priorities,
services and projects

4 year plan

ANNUAL BUSINESS PLAN

Detailed operational
services, activities
and projects

ANNUAL BUDGET

MEASUREMENT AND REPORTING

COMMUNITY SATISFACTION

ANNUAL REPORT

CORPORATE PERFORMANCE MEASURES

QUARTERLY REPORTS

CEO Statement on Financial Sustainability

I am pleased to present the *Long Term Financial Plan 2023–24 to 2032–33*, which demonstrates how the City of Holdfast Bay will remain financially sustainable in the medium to long term.

Financial sustainability is essential to the success of any local government organisation when planning future activities, services and major projects. And this can only be achieved when services and infrastructure standards are maintained, without the need to significantly increase rates or substantially reduce public services.

This plan also allows us to achieve the objectives identified in our Strategic Plan—*Our Holdfast 2050+*—and informs the Annual Business Plan and budget each year.

The following principles guided the plan to ensure we have the financial capacity to continue to provide service levels that meet the needs of our community, in a financially sustainable way:

- › An operating surplus over the 10-year plan
- › Meet key financial indicators
- › Renew obsolete infrastructure assets with funding sourced from operational revenue
- › Keep rate increases within the forecast Consumer Price Index (CPI)
- › Increase revenue streams from sources other than rates.

Another key component of the plan is the use of debt to achieve intergenerational equity. This means the cost of creating a new community asset is shared by both current and future ratepayers.

A measure of the sustainability of our debt level is the Net Financial Liabilities Ratio which averages 64% over the life of the plan.

This indicator measures the significance of what is owed compared to the annual revenue generated and is well within the Local Government Association's recommended range of 0% to 100%.

We also need to understand the risks and external factors which may affect our forecast financial position, including:

- › The unpredictability of current inflation rates and price pressures
- › The cost of borrowing as interest rates have risen along with uncertainty on when, or if, those rates will be lowered in the future
- › The imminent review of Council's Asset Management Plans, which may impact future funding requirements.

Council's long-term financial planning, and the assumptions applied, is continually updated to reflect the ever-changing environment we operate in. This is to ensure that we remain focused on maintaining long-term financial sustainability for the City of Holdfast Bay.

Over the life of this plan, it's projected that we will not only maintain a strong financial position but will meet, or even exceed, all our financial targets.



Roberto Bria
Chief Executive Officer



Financial Principles

The *Long Term Financial Plan* has been prepared to support the strategic planning process for the City of Holdfast Bay while ensuring future financial sustainability. To that end, the key principles of the plan are fundamental to providing direction for future financial decisions including the development of the annual budget.

Balanced Budget

Council aims to fully fund the cost of its services, including depreciation of its infrastructure and assets, to ensure an equitable sharing between current and future users. Insufficient funding shifts the cost burden of today's services on to future users in the form of higher rates or reduced services.



Adopted Council Commitment:
"Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services."



Rate Predictability

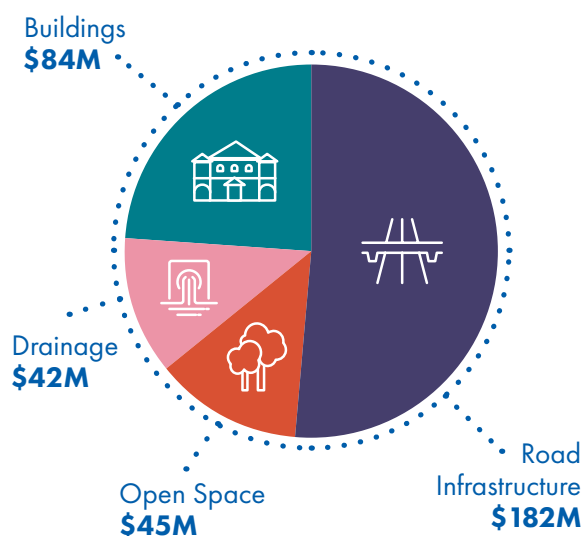
As specified in its Annual Business Plan, Council aims to minimise rate increase spikes to provide a degree of predictability for ratepayers.



Annual Business Plan Commitment:
“We aim to provide our community with a reasonable degree of predictability for rates over the medium term. We will keep ratepayers fully informed about future rates and the corresponding services provided.”

Efficient Infrastructure and Asset Management

Council aims to maintain its infrastructure and assets to the requisite standard to ensure continued delivery of services to agreed levels. This involves developing and using long term infrastructure and asset management plans to manage Council’s asset portfolio efficiently along with continued investment in its renewal and replacement as our asset stock ages.



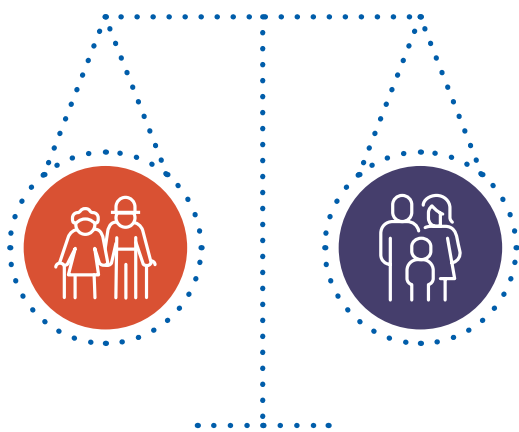
Asset Management Plans:
“Assets are the foundation stones of the City of Holdfast Bay and include the streets we drive on, the parks and reserves our family play on, the stormwater network we rely on, and the community and sporting facilities we enjoy across Holdfast Bay. The plans ensure we maintain and renew assets in a cost-effective and sustainable manner which meets community expectations.”

Financial Principles

Intergenerational Equity and Debt

Borrowing money to pay for things over time means that current and future ratepayers are contributing to the costs of the services and facilities they are using and benefiting from.

Borrowing money also means that Council can deliver some projects that might otherwise be unaffordable. However, as debt is repaid through rates revenue, the amount Council borrows must be considered. A long-term view of debt has been taken, but with a limit on the borrowings required to fund the plan.







Intergenerational equity occurs when the costs of an asset are spread over the lifetime of that asset and paid for by the generations that benefit from, or consume, that asset.

Council debt can:

- › **be crucial to the timely delivery of key community infrastructure projects**
- › **enable Council to deliver infrastructure earlier than otherwise would have been possible**
- › **spread the costs among future generations who will enjoy the benefit of the investments**
- › **avoid asking today's generation to pay the full cost of building assets that last for 50 to 100 years.**

Financial Levers

When considering the funding of new projects, whether the creation of new community assets or the provision of additional services, several financial levers are available to Council. All levers should be considered as each opportunity to generate additional funding can also have potential negative effects.

	Lever	Factors to Consider
 Borrowings	Increase current cap on borrowing	<ul style="list-style-type: none"> › Risk of interest rate rises › Community expectation on debt levels › Increased debt levels may limit future capacity to borrow
 Rates	Increase amount of rates revenue raised	<ul style="list-style-type: none"> › Community expectation on acceptable rate increases
 Capital	Minimise new capital expenditure or reschedule asset renewal program	<ul style="list-style-type: none"> › Community expectations on delivery of key initiatives › Reduction in asset renewal will delay the delivery of the Asset Management Plans
 Services	Decrease operational expenditure by reducing services or level of service	<ul style="list-style-type: none"> › Community expectation on the services Council should deliver and the level provided › Potential long-term impact on community wellbeing

Assumptions

The Long Term Financial Plan includes a number of inputs and assumptions over which Council has varying levels of control. It reflects the most recent economic data and forecasts available, and includes allowances for known pressures, opportunities and risks.

It is important that the plan reflects the most recent economic data and forecasts available as the information generated is used to guide decisions on Council's operations into the future. To minimise the inherent risks of long-term planning, Council reviews and updates its Long Term Financial Plan on a regular basis, to ensure that the underlying parameters and assumptions are reasonable given the current economic conditions and expectations.

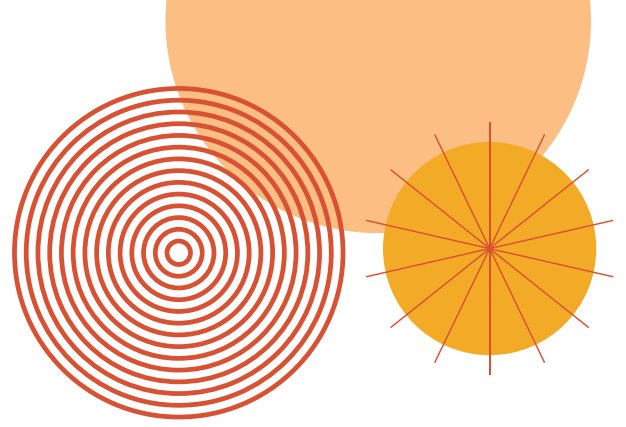
Key Assumptions

Inflation: To estimate the future rate at which prices for goods and services will rise, various economic forecasts have been sourced:

- › The December 2022 Local Government Price Index (LGPI) formed the basis of the 2023–24 forecast as this index specifically measures price changes in the South Australian local government sector. However, LGPI is an historical measure and as such does not have forecast data available.
- › The Reserve Bank of Australia provides regular quarterly updates on its projections for Consumer Price Index (CPI) movements over the next few years. As the most up-to-date information available on future estimated trends, their May 2023 forecast has been used for years 2024–25 to 2026–27 of the plan.
- › From 2027–28 onwards, CPI forecasting sourced from Deloitte Access Economics, which is an independent economic advisory service, has been applied.

These forecasts of future inflationary pressures were used to estimate Council's required expenditure in future years for all external outlays, including waste disposal, energy consumption and construction costs.

Annually, the best indicator for the increase in revenue required to fund Council's operations is LGPI. In recent years this has, on average, been close to CPI so the above forecasts have also been applied to future rate revenue, grant funding and other sources of income.



Employment costs: Employment costs have been revised in accordance with current enterprise agreements along with estimations for wage growth in future years. As per the Federal Government's determination to progressively increase Super Guarantee rates, it is assumed Council's obligation will rise from 11% in 2023–24 to 12% in 2025 and beyond.

Funding and borrowings: In line with Council's Treasury Management Policy, borrowings are a mixture of short-term and long-term loans designed to manage liquidity and interest rate risk. Borrowings are only provided for when cash is required.

Existing loans are with the Local Government Finance Authority (LGFA) which is guaranteed by the South Australian Government and is Council's preferred financial institution. New loans have been forecast on a 15 year repayment basis at LGFA interest rates of 5.5%. According to Reserve Bank of Australia projections, these rates are expected to fall from 2025–26.

Asset renewal and replacement: Forecast capital renewal expenditure has been taken directly from Council's Asset Management Plans which detail the scheduled replacement of assets due over the years 2020 to 2030. A provision has been made for the years 2031 to 2033 based on average expenditure in previous years.

The Asset Management Plans are due to be updated in 2024. Any changes to the capital renewal works required, or their cost, has the potential to impact the plan and Council's financial position.

Asset valuations: There is a requirement for Council assets to be valued at least every five years to ensure accurate financial reporting. These values inevitably rise over time, which has a direct and proportional effect on the annual depreciation charge. Within the plan, an allowance has been made for this impact based on average valuation rises in preceding years.

New assets and strategic projects: To enable Council, in consultation with the community, to fund new strategic projects it might identify, an annual amount of \$1 million for new capital projects and \$500,000 for new operational projects has been provided for. These amounts have been increased annually in line with forecast inflation.

Alwyndor Aged Care: Though Council owns and operates this facility, it is excluded from the plan as it is managed as a self-operating business with all revenue sourced from its residents, government funding and investments. Alwyndor does not rely on funding from Council's rate revenue.



Assumptions

Key Economic Drivers

	Driver	2024	2025	2026	2027
Rate revenue – existing properties	Inflation	LGPI 6.9%	RBA 4.5%	RBA 3.2%	RBA 2.8%
Rate revenue – new properties (growth)	Council modelled	0.4%	0.4%	0.4%	0.4%
Other revenue	Inflation	LGPI 6.9%	RBA 4.5%	RBA 3.2%	RBA 2.8%
Employee costs	EA / Council modelled	EA 5.0%	EA 4.0%	EA 4.0%	2.5%
Depreciation	Revaluations – Council modelled	Average 2.81%	Average 3.13%	Average 2.81%	Average 2.81%
Loan Interest Rate (15 year – fixed rate)	LGFA Rates – Council modelled	5.5%	5.5%	3.7%	3.0%
Other expenditure	Inflation	LGPI 6.9%	RBA 4.5%	RBA 3.2%	RBA 2.8%

GLOSSARY

LGPI:	Local Government Price Index (December 2022)
RBA:	Reserve Bank of Australia (forecast)
Deloitte:	Deloitte Access Economics (forecast)
EA:	Enterprise Agreement
LGFA:	Local Government Finance Authority



2028	2029	2030	2031	2032	2033
Deloitte 2.52%	Deloitte 2.43%	Deloitte 2.28%	Deloitte 2.28%	Deloitte 2.38%	Deloitte 2.38%
0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
Deloitte 2.52%	Deloitte 2.43%	Deloitte 2.28%	Deloitte 2.28%	Deloitte 2.38%	Deloitte 2.38%
2.5%	2.5%	2.0%	2.0%	2.0%	2.0%
Average 3.44%	Average 3.13%	Average 3.13%	Average 2.81%	Average 2.81%	Average 3.44%
3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Deloitte 2.52%	Deloitte 2.43%	Deloitte 2.28%	Deloitte 2.28%	Deloitte 2.38%	Deloitte 2.38%

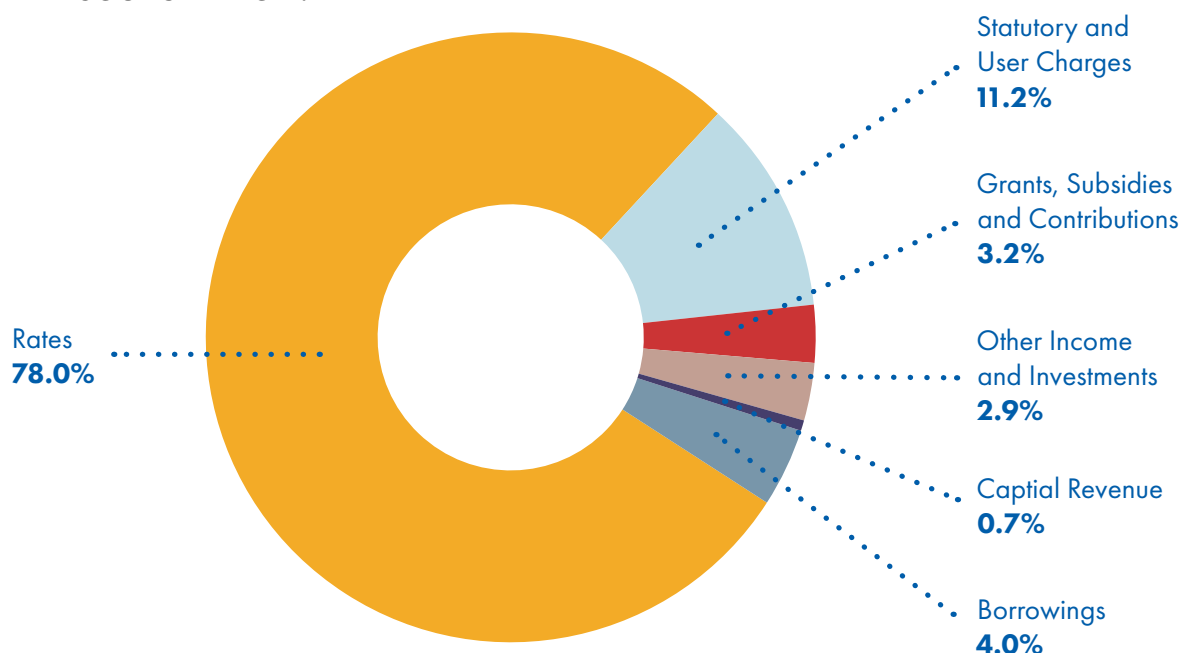
Long-Term Financial Position

The current 10-year projection indicates a degree of financial capacity to respond to unexpected events, and undertake major new initiatives, without adversely affecting the continued provision of services to the community. The plan has been set against economic uncertainty but will be reviewed every 12 months to reflect the prevailing economic conditions and changing community demands placed on the City of Holdfast Bay.

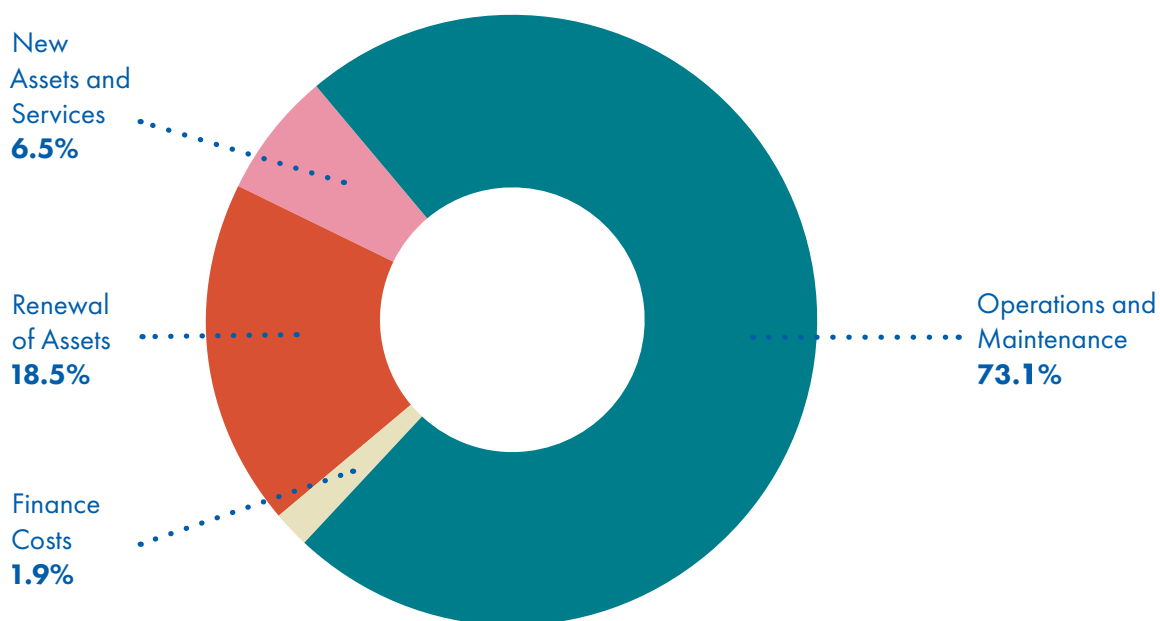
There are different ways in which Council can achieve its objectives. This plan balances the funding needs of asset renewal, new infrastructure and existing services against rating expectations, reasonable fees and debt leverage.

Consideration has also been given to the economic drivers that will influence the future cost of providing the infrastructure, facilities and services for the period 2023–24 to 2032–33. The values disclosed in this plan represent estimated future prices and costs.

**OVER THE 10-YEAR YEAR PLAN,
TOTAL REVENUE OF \$649 MILLION
WILL BE SOURCED FROM:**



**OVER THE 10-YEAR PLAN, TOTAL
EXPENDITURE OF \$629 MILLION WILL FUND:**



Long-Term Financial Position

Operational Result

Operating surpluses are forecast in every year, ranging from \$0.4 million to \$2 million. Any additional revenue raised is first allocated to fund approved capital projects, thus reducing the need to borrow, and secondly to repay existing debt obligations.

However, there is still a high reliance on rate revenue (82%) to fund operational expenditure despite increased revenue streams from the development of the Brighton Beachfront Holiday Park and car parking.

Capital Projects

This plan provides for a total capital investment of \$151 million over the 10-year period, split between asset renewal of \$116 million and new capital projects of \$35 million. New and upgraded assets will also result in additional maintenance and depreciation costs that increase Council's existing operational expenditure. Additional amounts to allow for these new charges have been included in the *Long Term Financial Plan*.

Major projects relating to the creation of new, or upgraded assets include:

Stormwater Upgrades

Stormwater infrastructure upgrades will decrease the likelihood of flooding in high-risk areas. Part funded by the Federal Government, this was identified as a priority in the *Stormwater Management Plan*.

Brighton Beachfront Holiday Park

Capital improvement works will continue in the holiday park in line with the masterplan for this site. This is an important revenue generating asset for Council that provides an income stream separate to rates.

Glenelg Oval upgrade Stages 3 and 4

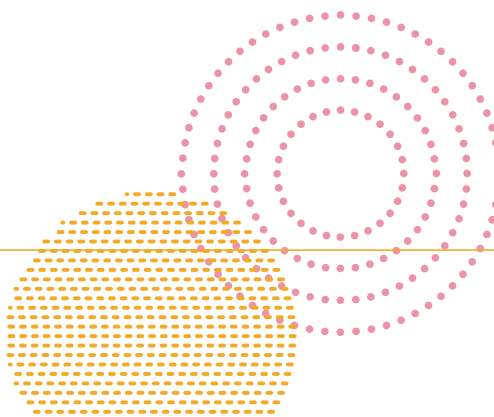
Part funded by the South Australian Government, this is a continuation of current programmed upgrade works to this important community asset.

Seacliff Amenity Building and Beach Access Redevelopment

A new amenity building at Seacliff Beach with continuous widened footpaths to improve access to the amenities area and beach. Part funded by the South Australian Government.

Former Buffalo Site – Amenity Improvements

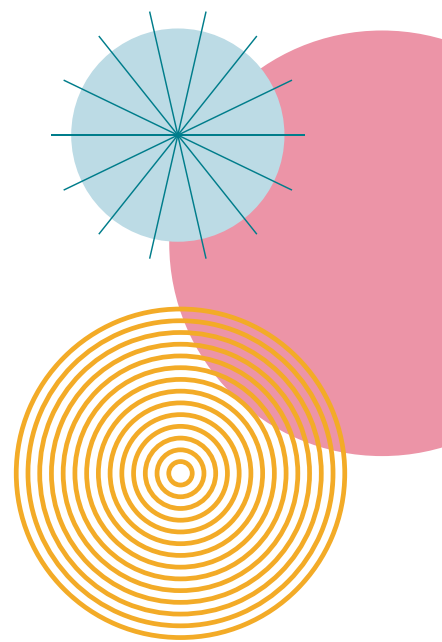
To undertake important remediation work and amenity improvements at the former Buffalo site.



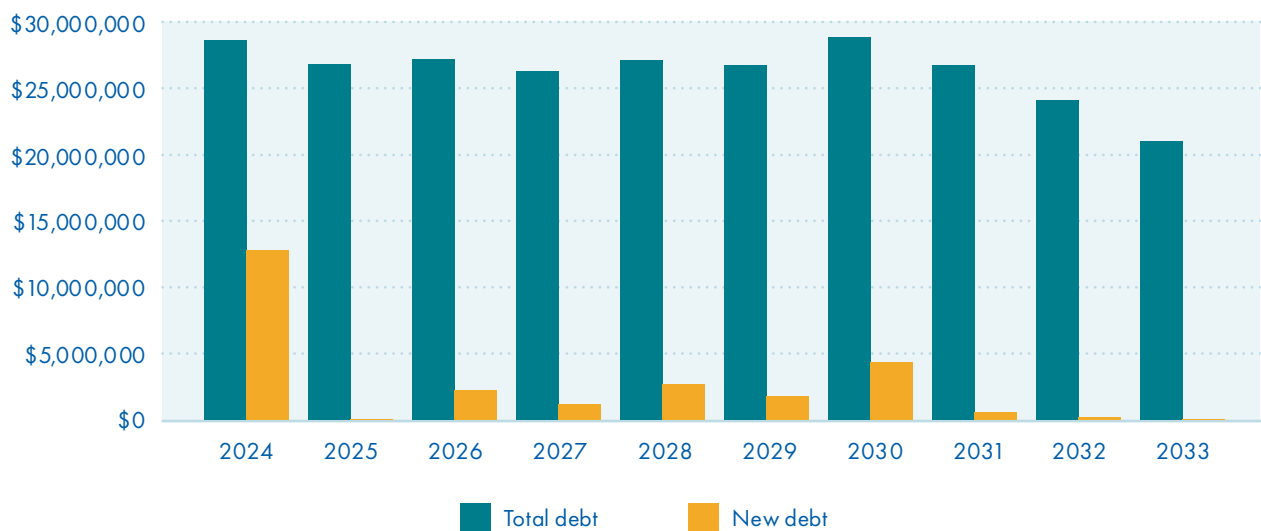
Debt Management

The lifespan of many of these new assets will range between 20 and 60 years. Certain assets, like stormwater infrastructure, may even last more than 100 years. Debt helps to spread the cost between those using the assets now and those using them in the future.

It is anticipated that new borrowings totalling \$26 million will be required to fund much of the \$35 million new and upgraded construction program. However, over the life of the plan, debt remains contained and within Council's set limits.



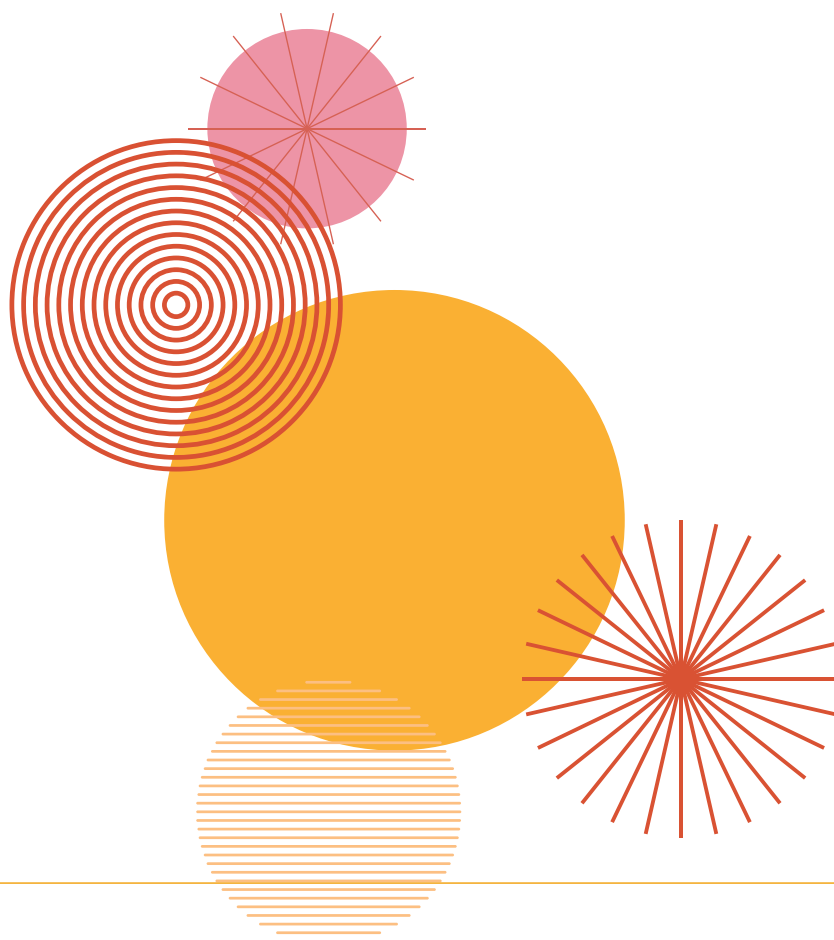
BORROWINGS



Key Financial Indicators

Key Financial Indicators specifically designed for the local government sector enable Council to measure its financial sustainability in any one year, or over a period of time.

The following graphs and commentary provide an analysis of the City of Holdfast Bay's projected financial performance over the period of the plan. These are measured against targets set and endorsed by Council, which when viewed over multiple years, provide a valuable health-check on its long-term sustainability.



Operating Surplus Ratio

What it measures

This indicator measures the difference between day-to-day income and expenditure.

A positive ratio denotes a council's income is greater than its expenditure (sustainable) and indicates the percentage of rates available to fund current and future capital expenditure. If the ratio is negative, then a council is spending more than the income it receives (unsustainable in the long-term) and could indicate the community is not being rated appropriately to cover the services provided.

How it's calculated

Operating surplus, or deficit, as a percentage of total operating revenue.

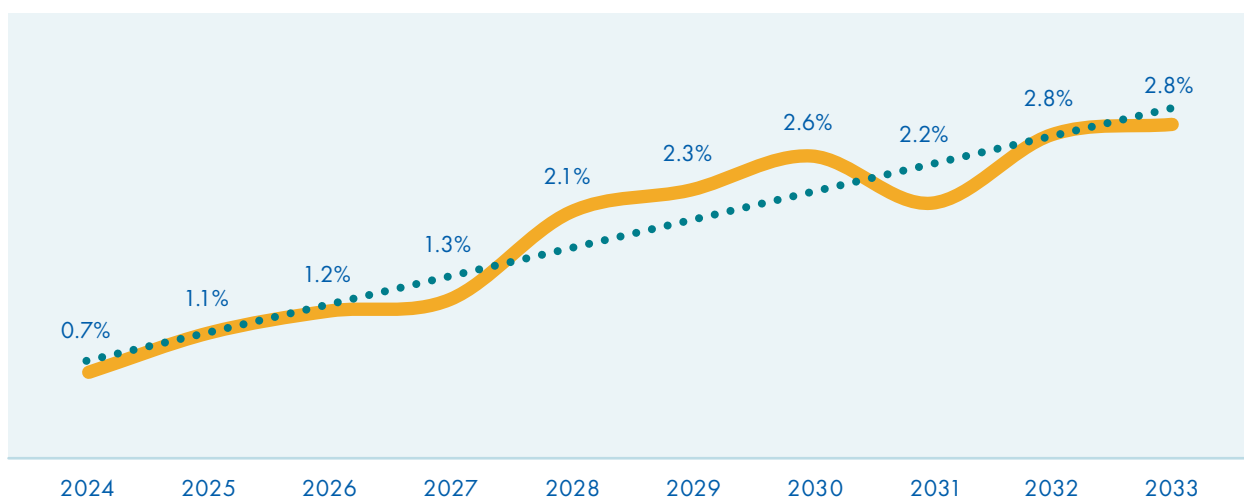
Council target

0% to 10% over a rolling five-year period.

Current projection

Council forecasts operational surpluses for all years, thus meeting its target. These small surpluses can be used to repay existing debt, or fund new initiatives identified through community consultation.

OPERATING SURPLUS RATIO



Key Financial Indicators

Net Financial Liabilities Ratio

What it measures

This indicator reflects the level of debt compared to annual revenue by expressing the percentage of Council's revenue that would be required to pay off total debts.

If used appropriately, debt can be a beneficial source of financing the construction of infrastructure that has a long life, as it spreads the cost across the generations that will benefit from it. This is called intergenerational equity.

If total debt is too low, it can indicate that current ratepayers are contributing a higher share compared to future generations. Conversely if debt is too high, it could indicate the burden is being left for future ratepayers. Debt incurred to pay for day-to-day expenditure, over a period of time, is unsustainable.

How it's calculated

Net financial liabilities as a percentage of total operating revenue.

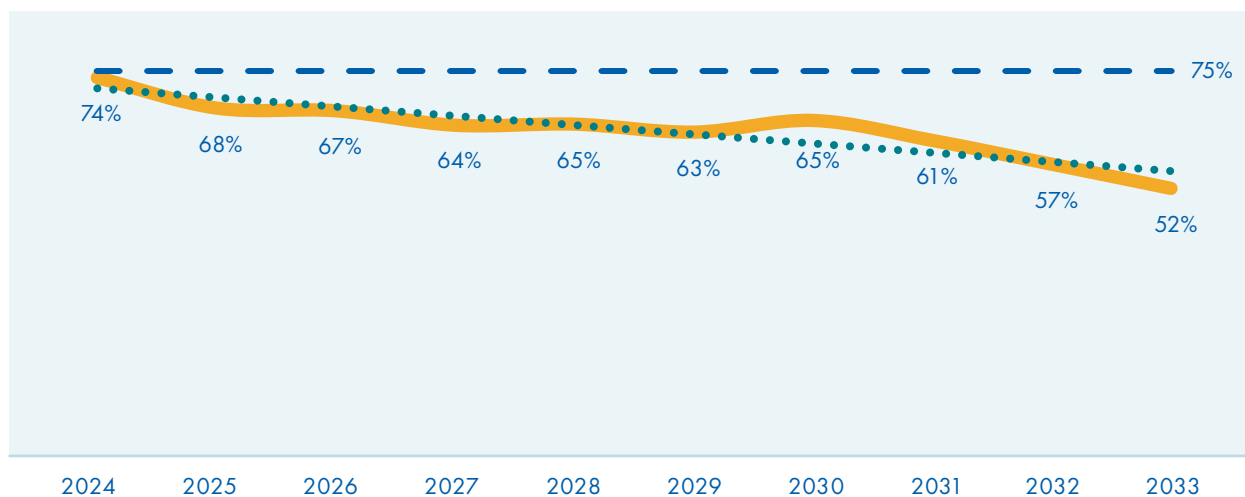
Council target

No greater than 75%.

Current projection

A Net Financial Liabilities Ratio limit of 75% is comparable to a household with an annual income of \$100,000 having a mortgage of only \$75,000, illustrating that Council has further capacity to borrow if necessary. However, over the life of the plan, Council is forecast to remain under the 75% target. The declining ratio indicates that Council will have a corresponding increase in its capacity to fund future initiatives.

NET FINANCIAL LIABILITIES RATIO





Interest Cover Ratio

What it measures

This indicator measures the percentage of income used to pay interest on loans.

When considered in conjunction with the Net Financial Liabilities Ratio, it provides an understanding of the level and affordability of Council's debt. An increasing ratio does not in itself imply unsustainability if the increased cost of debt is a consequence of a planned intergenerational infrastructure program. However, an increasing ratio due to the funding of day-to-day expenditure through borrowings is not financially sustainable.

How it's calculated

Finance charges as a percentage of total operating revenue

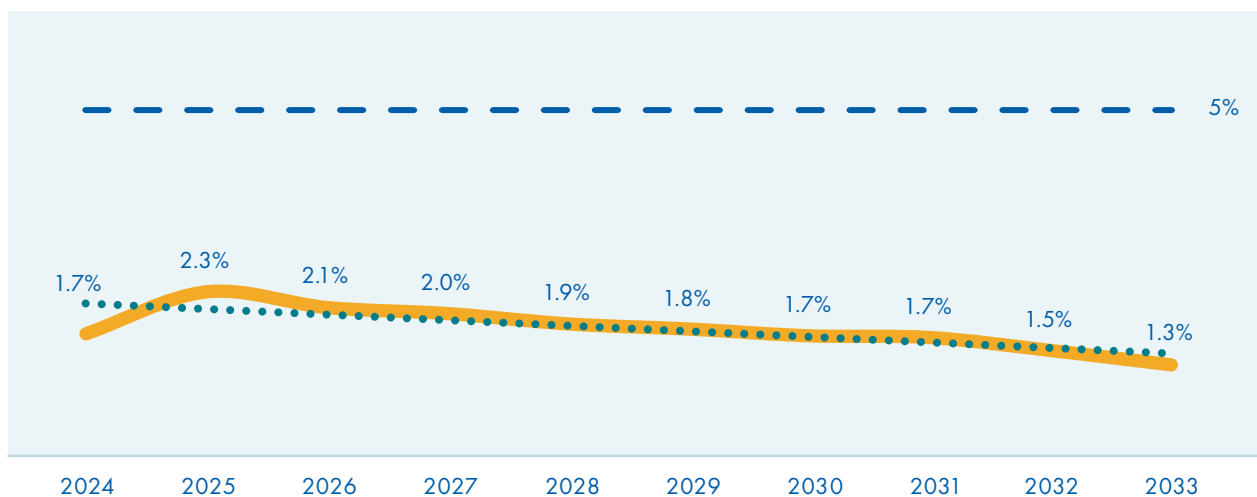
Council target

No greater than 5%.

Current projection

Council forecasts a ratio under 5% in all years, thus meeting its target. As with the Net Financial Liabilities Ratio, the declining Interest Cover Ratio over the timeframe of the plan indicates that Council will have a corresponding increase in its capacity to fund future initiatives.

INTEREST COVER RATIO



Key Financial Indicators

Asset Renewal Funding Ratio

What it measures

This indicator measures whether Council is appropriately maintaining its assets.

Council's Asset Management Plans outline the optimum time to replace each of its assets to ensure consistent service delivery to the community. It is important that funding is available each year to enable the delivery of the schedules contained within these plans. This ratio measures whether Council is achieving this. A ratio higher than 100% could imply assets are being replaced too frequently, while a lower ratio might indicate infrastructure is becoming unfit for purpose.

How it's calculated

Total planned capital renewal expenditure in the *Long Term Financial Plan* as a percentage of expenditure identified in the Asset Management Plans.

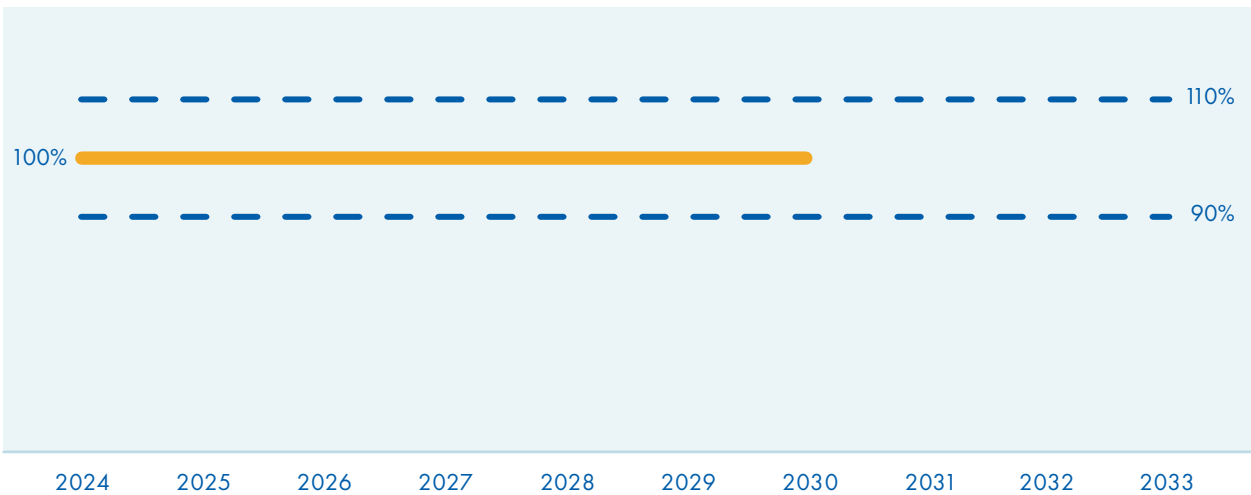
Council target

Between 90% and 100%.

Current projection

Forecast capital renewal expenditure has been taken directly from Council's Asset Management Plans (2020–30) thus creating a 100% ratio in all years. This illustrates Council's intention to replace assets at the optimum time, ensuring that sustainability is maintained. Until the Asset Management Plans are updated after 2030, a provision has been made for the years 2031 to 2033, based on average expenditure in previous years.

ASSET RENEWAL FUNDING RATIO



Financial Statements



Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2033
STATEMENT OF COMPREHENSIVE INCOME - GENERAL FUND

	Audited 2021/22 \$	Base Year 2022/23 \$	2023/24 \$
Income			
Rates	39,060,000	40,508,000	43,476,000
Statutory Charges	2,801,000	2,932,000	2,641,000
User Charges	3,401,000	3,495,000	3,498,000
Grants, Subsidies and Contributions	3,138,000	2,488,000	2,046,000
Investment Income	21,000	112,000	72,000
Reimbursements	520,000	914,000	711,000
Other Income	1,347,000	667,000	844,000
Net gain - equity accounted Council businesses	441,000	202,000	91,000
Total Income	50,729,000	51,318,000	53,379,000
Expenses			
Employee Costs	17,892,000	18,052,000	19,245,000
Materials, Contracts & Other Expenses	19,442,000	21,486,000	21,844,000
Depreciation, Amortisation & Impairment	9,861,000	10,468,000	10,911,000
Finance Costs	641,000	603,000	992,692
Total Expenses	47,836,000	50,609,000	52,992,693
Operating Surplus / (Deficit)	2,893,000	709,000	386,307
Asset Disposal & Fair Value Adjustments	(1,476,000)	-	-
Amounts Received Specifically for New or Upgraded Assets	1,466,000	4,712,000	483,000
Net Surplus / (Deficit)	2,883,000	5,421,000	869,307
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I, PP&E	154,485,000	9,932,475	12,501,156
Share of Other Comprehensive Income - Equity Accounted Council Businesses	173,000	-	-
Total Other Comprehensive Income	154,658,000	9,932,475	12,501,156
Total Comprehensive Income	157,541,000	15,353,475	13,370,463

	Projected Years								
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	45,612,000	47,261,000	48,780,000	50,210,000	51,636,000	53,030,000	54,239,000	55,528,000	56,848,000
	2,860,000	2,952,000	3,035,000	3,111,000	3,186,000	3,259,000	3,333,000	3,412,000	3,493,000
	3,755,000	3,875,000	3,984,000	4,084,000	4,183,000	4,279,000	4,377,000	4,481,000	4,587,000
	1,863,000	1,922,000	1,976,000	2,027,000	2,077,000	2,124,000	2,172,000	2,224,000	2,277,000
	75,000	77,000	79,000	81,000	83,000	85,000	87,000	89,000	91,000
	743,000	767,000	788,000	808,000	828,000	847,000	866,000	887,000	908,000
	882,000	910,000	935,000	959,000	982,000	1,004,000	1,027,000	1,051,000	1,076,000
	98,000	102,000	106,000	111,000	115,000	119,000	124,000	128,000	128,000
	55,888,000	57,866,000	59,683,000	61,391,000	63,090,000	64,747,000	66,225,000	67,800,000	69,408,000
	20,102,000	20,997,000	21,521,000	22,059,000	22,611,000	23,065,000	23,527,000	23,998,000	24,478,000
	22,415,052	23,142,713	24,043,296	24,407,595	25,006,499	25,586,461	26,443,956	26,808,771	27,553,047
	11,395,789	11,706,377	12,029,939	12,410,844	12,816,621	13,245,606	13,623,419	14,030,950	14,429,658
	1,382,138	1,297,379	1,284,942	1,228,296	1,215,055	1,182,555	1,192,823	1,092,570	972,199
	55,294,979	57,143,469	58,879,177	60,105,735	61,649,175	63,079,623	64,787,198	65,930,290	67,432,904
	593,021	722,531	803,823	1,285,265	1,440,825	1,667,377	1,437,802	1,869,710	1,975,096
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	593,021	722,531	803,823	1,285,265	1,440,825	1,667,377	1,437,802	1,869,710	1,975,096
	10,490,473	11,069,767	14,544,767	13,407,548	14,511,814	12,120,921	13,412,693	17,440,652	18,129,496
	-	-	-	-	-	-	-	-	-
	10,490,473	11,069,767	14,544,767	13,407,548	14,511,814	12,120,921	13,412,693	17,440,652	18,129,496
	11,083,494	11,792,298	15,348,590	14,692,813	15,952,640	13,788,298	14,850,495	19,310,362	20,104,592

Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2033
STATEMENT OF FINANCIAL POSITION - GENERAL FUND

	Audited 2021/22 \$	Base Year 2022/23 \$	2023/24 \$
ASSETS			
Current Assets			
Cash & Cash Equivalents	842,000	-	-
Trade & Other Receivables	3,216,000	1,967,907	1,638,691
Total Current Assets	4,058,000	1,967,907	1,638,691
Non-Current Assets			
Financial Assets	861,000	643,000	625,000
Equity Accounted Investments in Council Businesses	3,928,000	4,130,000	4,221,000
Infrastructure, Property, Plant & Equipment	854,056,000	874,092,475	899,873,631
Other Non-Current Assets	2,339,000	2,339,000	2,339,000
Total Non-Current Assets	861,184,000	881,204,475	907,058,631
TOTAL ASSETS	865,242,000	883,172,383	908,697,322
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8,795,000	8,449,553	8,751,268
Borrowings	1,073,000	1,264,269	1,806,509
Provisions	3,312,000	3,505,166	3,759,361
Total Current Liabilities	13,180,000	13,218,987	14,317,138
Non-Current Liabilities			
Borrowings	13,365,000	15,829,086	26,859,607
Provisions	282,000	355,834	381,639
Total Non-Current Liabilities	13,647,000	16,184,920	27,241,246
TOTAL LIABILITIES	26,827,000	29,403,908	41,558,384
Net Assets	838,415,000	853,768,475	867,138,938
EQUITY			
Accumulated Surplus	183,004,000	188,425,000	189,294,307
Asset Revaluation Reserves	655,411,000	665,343,475	677,844,631
Total Equity	838,415,000	853,768,475	867,138,938

			Projected Years						
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
154,500	-	-	-	-	-	-	-	419,505	
1,686,642	1,735,942	1,791,247	1,836,284	1,884,875	1,933,136	1,982,377	2,020,941	2,062,497	
1,841,142	1,735,942	1,791,247	1,836,284	1,884,875	1,933,137	1,982,377	2,020,941	2,482,002	
606,000	595,000	585,000	575,000	565,000	554,000	542,000	534,000	534,000	
4,319,000	4,421,000	4,527,000	4,638,000	4,753,000	4,872,000	4,996,000	5,124,000	5,252,000	
909,388,315	922,113,704	936,889,532	952,702,236	968,654,429	984,841,744	997,948,018	1,014,952,720	1,032,563,559	
2,339,000	2,339,000	2,339,000	2,339,000	2,339,000	2,339,000	2,339,000	2,339,000	2,339,000	
916,652,315	929,468,704	944,340,532	960,254,236	976,311,429	992,606,744	1,005,825,018	1,022,949,720	1,040,688,559	
918,493,456	931,204,647	946,131,780	962,090,520	978,196,304	994,539,881	1,007,807,395	1,024,970,661	1,043,170,561	
8,979,417	9,216,256	9,377,701	9,532,545	9,708,554	9,874,314	10,022,013	10,208,446	10,948,444	
1,894,418	2,102,573	1,932,961	2,169,560	2,366,398	2,710,648	2,864,112	2,999,690	2,410,572	
4,023,542	4,298,617	4,580,955	4,870,556	5,167,419	5,470,637	5,780,210	6,096,138	6,418,421	
14,897,377	15,617,446	15,891,617	16,572,660	17,242,370	18,055,599	18,666,335	19,304,274	19,777,436	
24,965,189	25,136,089	24,411,799	24,967,284	24,420,581	26,131,849	23,906,706	21,089,598	18,679,026	
408,458	436,383	465,045	494,444	524,581	555,363	586,790	618,862	651,579	
25,373,647	25,572,472	24,876,844	25,461,729	24,945,162	26,687,212	24,493,495	21,708,460	19,330,606	
40,271,024	41,189,917	40,768,461	42,034,389	42,187,533	44,742,811	43,159,830	41,012,734	39,108,042	
878,222,432	890,014,730	905,363,319	920,056,132	936,008,771	949,797,070	964,647,565	983,957,927	1,004,062,519	
189,887,328	190,609,859	191,413,682	192,698,947	194,139,772	195,807,150	197,244,952	199,114,662	201,089,758	
688,335,104	699,404,870	713,949,637	727,357,185	741,868,999	753,989,920	767,402,613	784,843,265	802,972,761	
878,222,432	890,014,730	905,363,319	920,056,132	936,008,771	949,797,070	964,647,565	983,957,927	1,004,062,519	

Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care) 10 Year Financial Plan for the Years ending 30 June 2033 STATEMENT OF CASH FLOWS - GENERAL FUND

	Audited 2021/22 \$	Base Year 2022/23 \$	2023/24 \$
Cash Flows from Operating Activities			
Receipts:			
Rates Receipts	38,989,000	39,794,200	43,681,575
Statutory Charges	2,821,000	3,301,220	2,652,494
User Charges	3,688,000	3,945,881	3,497,882
Grants, Subsidies and Contributions (operating purpose)	3,261,000	2,746,998	2,230,496
Investment Receipts	21,000	112,194	73,081
Reimbursements	536,000	969,039	716,484
Other	5,823,000	873,905	837,009
Payments:			
Payments to Employees	(17,517,000)	(17,785,000)	(18,965,000)
Payments for Materials, Contracts & Other Expenses	(22,347,000)	(21,245,792)	(21,813,089)
Finance Payments	(641,000)	(603,000)	(992,692)
Net Cash provided (or used in) Operating Activities	14,634,000	12,109,645	11,918,238
Cash Flows from Investing Activities			
Receipts:			
Amounts Received Specifically for New/Upgraded Assets	1,466,000	4,712,000	483,000
Sale of Replaced Assets	43,000	936,000	201,000
Sale of Surplus Assets	29,000	1,000,000	-
Repayments of Loans by Community Groups	239,000	253,000	217,000
Payments:			
Expenditure on Renewal/Replacement of Assets	(9,220,000)	(13,457,000)	(7,581,000)
Expenditure on New/Upgraded Assets	(5,325,000)	(9,051,000)	(16,811,000)
Net Cash provided (or used in) Investing Activities	(12,768,000)	(15,607,000)	(23,491,000)
Cash Flows from Financing Activities			
Receipts:			
Proceeds from Borrowings	-	3,728,232	12,837,030
Proceeds from Bonds & Deposits	7,000	-	-
Repayments of Borrowings	(1,117,000)	(1,072,877)	(1,264,269)
Net Cash Flow provided (used in) Financing Activities	(1,110,000)	2,655,355	11,572,761
Net Increase/(Decrease) in Cash & Cash Equivalents	756,000	(842,000)	-
plus: Cash & Cash Equivalents - beginning of year	86,000	842,000	-
Cash & Cash Equivalents - end of the year	842,000	-	-
Cash & Cash Equivalents - end of the year	842,000	-	-
Cash, Cash Equivalents & Investments - end of the year	842,000	-	-

2024/25	2025/26	2026/27	Projected Years		2029/30	2030/31	2031/32	2032/33
			2027/28	2028/29				
\$	\$	\$	\$	\$	\$	\$	\$	\$
45,759,948	47,375,216	48,885,212	50,309,047	51,734,770	53,126,554	54,322,740	55,617,281	56,939,428
2,851,350	2,948,366	3,031,722	3,107,998	3,183,038	3,256,117	3,330,077	3,408,880	3,489,801
3,744,849	3,870,260	3,979,695	4,080,050	4,179,090	4,275,208	4,373,129	4,476,892	4,582,813
1,889,306	1,919,670	1,973,867	2,024,986	2,075,025	2,122,144	2,170,104	2,221,946	2,274,907
74,919	76,946	78,946	80,946	82,946	84,946	86,946	88,946	90,946
742,136	766,352	787,433	807,460	827,460	846,487	865,487	886,433	907,433
880,499	908,894	934,013	958,052	981,092	1,003,131	1,026,092	1,050,052	1,075,013
(19,811,000)	(20,694,000)	(21,210,000)	(21,740,000)	(22,284,000)	(22,731,000)	(23,186,000)	(23,650,000)	(24,123,000)
(22,386,860)	(23,064,879)	(24,032,043)	(24,386,327)	(24,967,500)	(25,554,549)	(26,418,073)	(26,743,331)	(26,942,946)
(1,382,138)	(1,297,379)	(1,284,942)	(1,228,296)	(1,215,055)	(1,182,555)	(1,192,823)	(1,092,570)	(972,199)
12,363,009	12,809,446	13,143,902	14,013,916	14,596,865	15,246,482	15,377,679	16,264,529	17,322,195
-	-	-	-	-	-	-	-	-
25,000	704,000	349,000	493,000	379,000	297,000	451,000	462,000	473,000
-	-	-	-	-	-	-	-	-
18,000	19,000	11,000	10,000	10,000	10,000	11,000	12,000	8,000
(7,925,000)	(11,493,000)	(9,994,000)	(13,652,000)	(12,939,000)	(15,870,000)	(11,985,000)	(12,234,000)	(12,520,000)
(2,520,000)	(2,573,000)	(2,616,000)	(1,657,000)	(1,697,000)	(1,739,000)	(1,783,000)	(1,823,000)	(1,864,000)
(10,402,000)	(13,343,000)	(12,250,000)	(14,806,000)	(14,247,000)	(17,302,000)	(13,306,000)	(13,583,000)	(13,903,000)
-	2,273,473	1,208,671	2,725,045	1,819,695	4,421,916	638,969	182,583	-
-	-	-	-	-	-	-	-	-
(1,806,509)	(1,894,418)	(2,102,573)	(1,932,961)	(2,169,560)	(2,366,398)	(2,710,648)	(2,864,112)	(2,999,690)
(1,806,509)	379,054	(893,902)	792,084	(349,865)	2,055,518	(2,071,679)	(2,681,529)	(2,999,690)
154,500	(154,500)	-	-	-	-	-	-	419,505
-	154,500	-	-	-	-	-	-	-
154,500	-	-	-	-	-	-	-	419,505
154,500	-	-	-	-	-	-	-	419,505
154,500	-	-	-	-	-	-	-	419,505

Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2033
STATEMENT OF CHANGES IN EQUITY - GENERAL FUND

	Audited 2021/22 \$	Base Year 2022/23 \$	2023/24 \$
Opening Balance	680,874,000	838,415,000	853,768,475
Net Surplus / (Deficit) for Year	2,883,000	5,421,000	869,307
Other Comprehensive Income			
- Gain (Loss) on Revaluation of I,PP&E	154,485,000	9,932,475	12,501,156
- Other Equity Adjustments - Equity Accounted Council Businesses	173,000	-	-
Other Comprehensive Income	154,658,000	9,932,475	12,501,156
Total Comprehensive Income	157,541,000	15,353,475	13,370,463
Equity - Balance at end of the reporting period	838,415,000	853,768,475	867,138,938

			Projected Years						
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
867,138,938	878,222,432	890,014,730	905,363,319	920,056,132	936,008,771	949,797,070	964,647,565	983,957,927	
593,021	722,531	803,823	1,285,265	1,440,825	1,667,377	1,437,802	1,869,710	1,975,096	
10,490,473	11,069,767	14,544,767	13,407,548	14,511,814	12,120,921	13,412,693	17,440,652	18,129,496	
-	-	-	-	-	-	-	-	-	
10,490,473	11,069,767	14,544,767	13,407,548	14,511,814	12,120,921	13,412,693	17,440,652	18,129,496	
11,083,494	11,792,298	15,348,590	14,692,813	15,952,640	13,788,298	14,850,495	19,310,362	20,104,592	
878,222,432	890,014,730	905,363,319	920,056,132	936,008,771	949,797,070	964,647,565	983,957,927	1,004,062,519	

Financial Statements

City of Holdfast Bay (excluding Alwyndor Aged Care)
10 Year Financial Plan for the Years ending 30 June 2033
UNIFORM PRESENTATION OF FINANCES - GENERAL FUND

	Audited 2021/22 \$	Base Year 2022/23 \$	2023/24 \$
<u>Operating Activities</u>			
Income	50,729,000	51,318,000	53,379,000
less Expenses	(47,836,000)	(50,609,000)	(52,992,693)
Operating Surplus / (Deficit)	2,893,000	709,000	386,307
<u>Capital Activities</u>			
less (Net Outlays) on Existing Assets			
Capital Expenditure on Renewal and Replacement of Existing Assets	(9,220,000)	(13,457,000)	(7,581,000)
add back Depreciation, Amortisation and Impairment	9,861,000	10,468,000	10,911,000
add back Proceeds from Sale of Replaced Assets	43,000	936,000	201,000
(Net Outlays) on Existing Assets	684,000	(2,053,000)	3,531,000
less (Net Outlays) on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets			
(including Investment Property & Real Estate Developments)	(5,325,000)	(9,051,000)	(16,811,000)
add back Amounts Received Specifically for New and Upgraded Assets	1,466,000	4,712,000	483,000
add back Proceeds from Sale of Surplus Assets			
(including Investment Property & and Real Estate Developments)	29,000	1,000,000	-
(Net Outlays) on New and Upgraded Assets	(3,830,000)	(3,339,000)	(16,328,000)
Net Lending / (Borrowing) for Financial Year	(253,000)	(4,683,000)	(12,410,693)

			Projected Years					
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33
\$	\$	\$	\$	\$	\$	\$	\$	\$
55,888,000	57,866,000	59,683,000	61,391,000	63,090,000	64,747,000	66,225,000	67,800,000	69,408,000
(55,294,979)	(57,143,469)	(58,879,177)	(60,105,735)	(61,649,175)	(63,079,623)	(64,787,198)	(65,930,290)	(67,432,904)
593,021	722,531	803,823	1,285,265	1,440,825	1,667,377	1,437,802	1,869,710	1,975,096
(7,925,000)	(11,493,000)	(9,994,000)	(13,652,000)	(12,939,000)	(15,870,000)	(11,985,000)	(12,234,000)	(12,520,000)
11,395,789	11,706,377	12,029,939	12,410,844	12,816,621	13,245,606	13,623,419	14,030,950	14,429,658
25,000	704,000	349,000	493,000	379,000	297,000	451,000	462,000	473,000
3,495,789	917,377	2,384,939	(748,156)	256,621	(2,327,394)	2,089,419	2,258,950	2,382,658
(2,520,000)	(2,573,000)	(2,616,000)	(1,657,000)	(1,697,000)	(1,739,000)	(1,783,000)	(1,823,000)	(1,864,000)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(2,520,000)	(2,573,000)	(2,616,000)	(1,657,000)	(1,697,000)	(1,739,000)	(1,783,000)	(1,823,000)	(1,864,000)
1,568,810	(933,092)	572,762	(1,119,891)	446	(2,399,016)	1,744,221	2,305,659	2,493,754



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Item No: 8.6

Subject: RISK REPORT

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.

Recommendation

That the Audit and Risk Committee notes this report.

Background

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

Report

Under the current Risk Management Policy 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 October to December 2023 quarter has resulted in no movement on the previous quarter.

The resulting Risk Profile Overview (Table 1) and Risk Profile Movement (Table 2) are listed below. These show the Inherent (I) and Current (C) risk after controls are applied.

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 2023

Period	Jan to Mar 2023		Apr to Jun 2023		Jul to Sep 2023		Oct to Dec 2023		Risk Movement current quarter
Risk	I	C	I	C	I	C	I	C	
Extreme	7	0	7	0	7	0	7	0	-
High	28	5	28	5	31	6	31	6	-
Medium	54	47	54	47	55	51	55	51	-
Low	17	54	17	54	17	53	17	53	-
Total	106	106	106	106	110	110	110	110	

Table 2: Risk Profile Movement – 12 months to December 2023

OCT TO DEC 2023	C	6	51	53	110
	I	7	31	55	17
JUL TO SEP 2023	C	6	51	53	110
	I	7	31	55	17
APR TO JUN 2023	C	5	47	54	106
	I	7	28	54	17
JAN TO MAR 2023	C	5	47	54	106
	I	7	28	54	17

Strategic and 'Extreme/High' Rated Operational Risk Reviews

The risks currently rated as high from the strategic and operational risk registers have been reviewed for 2023-24 - Quarter 2 and are summarised in Table 3.

Table 3 – Risks with Current Rating of HIGH – October to December 2023

	I	C	R
Strategic Risk SC01 Inability to respond and recover effectively from disruptive events. <i>Increased national cyber incidents and Councils being perceived as 'soft targets'</i>	E	H	M
Strategic Risk SC07 Inability to effectively implement strategic projects. <i>Continued impact from scarcity factor/escalating prices/contractors/raw materials</i>	E	H	M
Strategic Risk SC09 Ineffective management of legislative/regulatory obligations & ongoing changes <i>Raised uncertainties of new Elected Member body & first year in role</i>	E	H	M
Strategic Risk AD01 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: AM02 Asset Management Plans with high-risk actions to be completed within 1 - 4 years <i>Addressed by Asset Management audit, with AMP actions rounded into one</i>	H	H	M
Operational Risk: MA03 Failure of work scheduling processes (Field Services) <i>Raised as result of increasing workload, expectation, and service delivery pressures – this will be addressed via a managerial risk review – 2023/24 Q2</i>	H	H	M

New/Emerging Risks and Opportunities

The quarterly review of new and/or emerging risks highlighted similar subject areas to those identified in earlier quarters, with a continued reference to the ongoing hardship faced by our staff and our community. With the current financial uncertainty and sustained period of higher interest rates, there is noted pressure on both individuals and businesses.

In addition, this quarter noted the upcoming 2023 Australian Indigenous Voice referendum. The outcome of this referendum may present Council with a range of impacts. These could include an increased risk of community division ranging to an increased opportunity for greater social cohesion. Senior Leadership will monitor the situation during coming weeks and be mindful of the potential range of issues involved.

The main new/emerging risk areas currently identified include:

- community financial hardship/ impact on revenue totals/ increase in rate relief.
- individuals' wellbeing/mental health threats.
- recognised need for community/open spaces and wellbeing services.
- continued flexible working arrangements/supportive staff environment.

Areas of opportunity were identified as including:

- onset of summer programs, enjoyment of parks, open spaces and beach front areas.
- resumption of Council's events program, involving both third parties and communities.
- extension of events program into the community via 'Street Meets' and other initiatives.
- service reviews of community transport and event traffic management processes.

An increased business focus on how we manage both our opportunities and our risks should result in:

- a wider connection to our community.
- a more invigorated engagement process for our strategic decision making.
- improved delivery processes for services.

2023-24 Work Program

During the coming quarter, the risk work program will progress the following:

- a rolling annual review with all managers to ensure both a risk and opportunity focus.
- an Elected Member workshop to identify and set the corporate 'risk appetite'.
- a review of the corporate reporting format, to potentially provide a link to strategic risk.
- the rollout of a risk management portal with inclusion of sub-registers into the corporate risk management profile, detailing:
 - project management;
 - emergency management; and
 - asset management.

In addition to the above, regular discussions with SLT will continue in order to maintain the register of new/emerging risks and potential opportunities.

Budget

There are no budget implications associated with this report.

Life Cycle Costs

There are no life cycle costs associated with this report.

Strategic Plan

Statutory compliance

Council Policy

Risk Management Policy

Statutory Provisions

Not applicable

Written By:	Risk and Improvement Officer
General Manager:	Strategy and Corporate, Ms S Wachtel

Attachment 1

Attachment 1														City of Holdfast & Alwyndor Risk Register - Strategic & High Risk Level														October 2023			
Last Review Date	Qtr for Next Review	Risk ID	Strategic/Operational	Risk Type	Risk Category	Risk Description	Consequences	Risk Manager	Causes	Inherent Risk			Controls Description	Current Risk			Residual Risk			Additional controls Further treatments/actions											
										Consequence	Likelihood	Risk Rating		Consequence	Likelihood	Risk Rating	Consequence	Likelihood	Risk Rating												
March 2023	Q4	CE01	Governance, Legal & Compliance	Strategic	Effective Governance	Inability to implement appropriate controls to manage changes to Local Government reform	Legal/ Regulatory/ Policy, People, Financial/ Infrastructure, Reputation	Chief Executive Officer	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	Major	Unlikely	Medium	1. Schedule required training for Elected Members 2. Review Elected Members skills to identify any gaps and address											
March 2023	Q4	CB01	Poor or ineffective Community Service delivery	Strategic	Community Service	Poor or ineffective Community Service delivery	Service Delivery Financial/ Infrastructure Environmental/Cultural	General Manager Community and Business	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	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											
March 2023	Q4	CB02	External Communications	Strategic	Growth and Prosperity	Failure to appropriately engage the broader community and stakeholders	Service Delivery Environmental/Cultural Reputation	General Manager Community and Business	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 6. Implemented audit actions re stakeholder management	Moderate	Unlikely	Low	Moderate	Rare	Low	1.Review project management communications/external engagement 2.Review engagement documentation - with Strategy & Governance											
March 2023	Q4	CB03	Service Delivery	Strategic	Customer Service	Poor or ineffective customer service delivery	Service Delivery, Reputation, Environmental/Cultural	General Manager Community and Business	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	Minor	Unlikely	Low	1.Develop a Customer Service Charter/Service Statement. 2.Undertake Customer Experience surveys and review/action responses 3.Implement findings of Complaints Handling audit											
March 2023	Q4	CB05	Economic Development	Strategic	Service Delivery	Poor or inadequate Economic Development and Tourism Management	Financial/ Infrastructure, Service Delivery, Environmental/Cultural, Reputation	General Manager Community and Business	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 Toursim Boards 2.Networking with tourism organisations 3.Qualified/experienced staff 4.Tourism Destination Action Plan 5.Regional Destination Action Plan	Major	Unlikely	Medium	Major	Unlikely	Medium	1.Ensure LTFFP is updated with economic dev.funding detail 2.Factfind from tourism group activity levels for coming Summer											
March 2023	Q4	AL01	Aged Care	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	General Manager Alwyndor	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 6.Staff services review	Major	Unlikely	Medium	Major	Unlikely	Medium	1.Ongoing staff skills audits 2.Benchmark services against lead aged care industry providers 3. Implement findings from staff services review											
March 2023	Q3	SC01	Community Safety	Strategic	Disruptive Events	Inability to respond and recover effectively from disruptive events	Reputation Legal/ Regulatory/ Policy Service Delivery	General Manager Strategy and Governance	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/CoO)	Major	Possible	High	Major	Unlikely	Medium	1.Consider feedback/input from membership of Resilient South Partnership 2.Regular attendance at the local Zone Emergency Management Committee 3.Review website to ensure Community infopages are updated											
March 2023	Q3	SC02	Place Making	Strategic	Growth and Prosperity	Poor or ineffective planning systems and processes	Legal/ Regulatory/ Policy Service Delivery Reputation	General Manager Strategy and Governance	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	Moderate	Unlikely	Medium	1. Implementation of follow up Planning Reform audit recommendations 2. Review training requirements of team members 3. Strengthen cross team knowledge/information with Engineering											
March 2023	Q3	SC03	Workplace Culture	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	General Manager Strategy and Governance	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	Catastrophic	Rare	Medium	1.Recrut new HR Business partner 2.Review P&C team workloads to ensure best outcomes 3.Review Fair Treatment procedure rollout at Depot											
March 2023	Q3	SC04	Governance, Legal & Compliance	Strategic	Innovation and Business Support	Inadequate utilisation of information technology to support service delivery	Service Delivery, Environmental/Cultural, Project, Legal/ Regulatory/ Policy , People	General Manager Strategy and Governance	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	Moderate	Possible	Medium	1. Implement IT Cyber Security audit actions/ workplan with Cyber CX 2. Review implementation of user security at CHB and Alwyndor 3. Implement LGITSA 2 year workplan											
March 2023	Q3	SC05	Governance, Legal & Compliance	Strategic	Effective Governance	Lack of strategic alignment	Service Delivery, Financial/ Infrastructure, Reputation, Environmental/Cultural	General Manager Strategy and Governance	1.Increased service demands/delivery; need to be agile 2.Low risk appetite for alternative service options 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	Moderate	Unlikely	Medium	1. Progress implementation of strategic plan/Our Holdfast 2050+ 2. Draft and finalise CHB Corporate Plan 3. Review Business Plans to ensure alignment to Corporate Plan											
March 2023	Q3	SC06	People & Culture (incl. WHS)	Strategic	Workforce Planning	Poor or ineffective workforce planning, including recruitment and retention.	People Legal/ Regulatory/ Policy Reputation Financial/ Infrastructure	General Manager Strategy and Governance	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	Major	Rare	Medium	1.Update policy documentation as required 2. Undertake gap analysis across current skills audit data 3.Finalise EB negotiations for Field Services											
March 2023	Q3	SC07	Service Delivery	Strategic	Project Delivery	Inability to effectively implement strategic projects	Financial/ Infrastructure, Service Delivery, Reputation, Environmental/Cultural	General Manager Strategy and Governance	1.Increased volume and complexity of projects 2. Isguided stakeholder interest in major project outcomes 3.Decentralised approach to project management	Major	Likely	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	Moderate	Unlikely	Medium	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											
March 2023	Q3	SC08	Financial	Strategic	Effective Governance	Poor or ineffective budget development and management	Financial/ Infrastructure, Service Delivery, Legal/Regulatory/Policy, Reputation	General Manager Strategy and Governance	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	Major	Unlikely	Medium	1. Scope & implement zero based budgeting as required 2. Ensure capital accounting adequately allocated for new assets 3. Ensure inclusion of strategic option/variations in LTFFP process											
March 2023	Q3	SC09	Governance, Legal & Compliance	Strategic	Effective Governance	Poor or ineffective management of legislative and regulatory obligations and ongoing changes	Legal/ Regulatory/ Policy, Service Delivery, Financial/Infrastructure, Reputation	General Manager Strategy and Governance	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	Major	Rare	Medium	1. Review and update Compliance Register 2. Draft a Compliance Policy & Framework 3. Provide Compliance training for staff as relevant											
March 2023	Q3	SC10	Workforce Planning	Strategic	People & Culture (incl. WHS)	Inability of current staff profile to transform the organisation	People, Service Delivery, Legal/ Regulatory/ Policy, Reputation	General Manager Strategy and Governance	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	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.											
March 2023	Q3	SC11	Workforce Planning	Strategic	People & Culture (incl. WHS)	Prevention of risk or harm to children, young and vulnerable people	People, Service Delivery, Reputation, Environmental/Cultural	General Manager Strategy and Governance	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	Major	Rare	Medium	1.Review TNA reconciliation to skills source docs. 2.Review staff roles to ensure 'Children & Vulnerable People' req'mts. 3.Confirm all required screening checks are undertaken as relevant											
March 2023	Q2	AD01	Environmental & Coast	Strategic	Environment	Poor or ineffective management of the impacts of climate change	Environmental/Cultural Reputation Financial/ Infrastructure	General Manager Assets and Delivery	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	Major	Unlikely	Medium	1.Implement Resilient South Local Action Plan 2.Implement Regional Climate Action Plan 3.Implement CHB carbon neutral plan/strategy to achieve 2030 target											
March 2023	Q2	AD02	Place Making	Strategic	Growth and Prosperity	Insufficient or ineffective Asset Management Planning	Service Delivery Environmental/Cultural Financial/ Infrastructure Reputation	General Manager Assets and Delivery	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	Major	Unlikely	Medium	1.Asset Management Audit actions 2.Update asset related policies and procedures for 2023-24											
March 2023	Q2	AD03	Community Safety	Strategic	Emergency Management	Failure to adequately consider Emergency Management planning, preparation, response and recovery	Reputation Legal/ Regulatory/ Policy Service Delivery	General Manager Strategy and Governance	1.Disruptive events 2.Flooding/Heat related emergencies 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 Zone Partnership (CoMa/CoMi/CoO)	Major	Unlikely	Medium	Major	Unlikely	Medium	1. Ensure adequate emergency sand bags/signage/disaster mgt kits 2.Member attends Resilient South Emergency Mgt meetings 3.Review website to ensure Community infopages are updated											
July 2023	Q2	74	Business Impact	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	General Manager Assets and Delivery	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	Major	Unlikely	Medium	1. Develop an Internal AMS to inform AMPs. 2. Review survey to inform community LOS to inform next AMP. 3. Use review timetable via annual updates to the AMP development.											
July 2023	Q2	109	Field Services	Operational	Service Delivery	Failure of field service teams work scheduling processes	Service Delivery, Environmental/Cultural, Financial/ Infrastructure, Reputation,	General Manager Assets and Delivery	1. High volume of work - job tickets/events 2. Key worker risk re job scheduling system 3. Raised community expectation	Moderate	Almost Certain	High	1.Qualified/specialised staff member 2.Established scheduling tools & communications 3.Established and skilled work teams	Moderate	Likely	High	Moderate	Unlikely	Medium	1.Review skills within Field Services admin team 2.Identify gaps and address them through the TNA and training budget(s) 3.Draft system documentation, noting procedure/process(es)											

Item No: 8.7

Subject: END OF FINANCIAL YEAR DEBTORS

Summary

This report is to provide the Audit and Risk Committee with an annual update in relation to outstanding balances in Rates Debtors and Sundry Debtors in line with end of year financial statements.

Recommendation

That the Audit and Risk Committee notes this report.

Background

Council has three main debtor categories that it manages:

1. Rates Debtors
2. Sundry Debtors
3. Infringement Debtors

Debtor outstanding balances appear on the Financial Statements under Trade and Other Receivables on Note 5(b) as Rates – General and Other, and Debtors - General. There is also a separate line for Council Rates Postponement Scheme.

Report

Rates Debtors

Rates Debtors have increased from a balance of \$682,000 (1.75% of total annual rates) at 30 June 2022 to \$757,000 (1.87% of total annual rates) at 30 June 2023. This balance has subsequently reduced further, so that by 30 September 2023 the amount still owing from previous financial years is \$358,000.

Rates postponed has increased from \$38,000 to \$48,000. This amount refers to the accumulation of rates levied, and the prescribed interest component, for those who have applied and are eligible for the Council Rates Postponement Scheme.

Refer Attachment 1

Sundry and Infringement Debtors

The total for Debtors – General on the financial statements includes amounts for outstanding fines (parking, animal and statutory), sundry debtors, invoices raised in 2023-24 but relating to 2022-23 transactions, and Alwyndor debtors included on consolidation of financial statements.

Council's sundry debtors totalled \$448,280 at 30 June 2023 compared to \$826,618 last financial year. Of this amount, \$85,903 (excluding Partridge House pre-bookings) was overdue for more than 90 days, a decrease from \$90,233 as at 30 June 2022.

Refer Attachment 2

Infringement debtors have increased from a balance of \$640,745 at 30 June 2022 to \$670,174 at 30 June 2023. Amounts owed under Infringements, which are mostly parking-related fines, are lodged with the Fines Enforcement and Recovery Unit (FERU) who manage overdue fines and debt issued by government agencies across South Australia.

Debt Collection Process

Sundry Debtors

The debt recovery process includes the following key steps:

- Statements sent out directly to debtors at the end of every quarter.
- Follow up phone calls and emails are sent to debtors as required.
- Final notices are sent every month for debts outstanding for more than 60 days demanding payment within 14 days of the date of the notice.
- Outstanding debt due more than 60 days is referred to the originating officers for follow-up with the debtor.
- Payment plans are put in place, if appropriate, to enable collection of outstanding debt.
- If no payment is received, debtors are passed on to council's debt collector for further follow up regardless of the amount (except for sporting clubs and community organisations).
- Where the charge relates to goods or service incurred on the land (i.e., directly related to the property), amounts can be transferred to the landowner's Rates account.

Rates Debtors

Rates debt recovery is largely governed by the *Local Government Act* and outlined in Council's Rating Policy:

- Under Section 181 (8) of the *Local Government Act*, council is required to impose a penalty of 2% fine on any rates payment not paid by the instalment or applicable due date. Council will issue overdue fines notices for payment of rates when rates are unpaid by the due date, after providing a grace period of at least three working days. After each full month from the due date, interest is charged on any balance not paid.
- Should rates remain unpaid more than 10 calendar days after the issue of the overdue notice and the amount is greater than half the residential minimum rate of the applicable financial year, council will refer the debt to a debt collection agency.

- Collection fees charged by the debt collection agency will be passed on to the relevant property by council. All fees and court costs incurred are recoverable from the ratepayer.
- Under Section 184 of the *Local Government Act*, council has the power to sell property where rates have been in arrears for three years or more. To date, council has not enforced this action.

Council has in place a Financial Hardship Policy and Procedure which ensures rate relief assistance is provided in a consistent, equitable, fair, responsive, and confidential manner.

Under Section 182A (1) of the *Local Government Act*, senior ratepayers may be eligible for a postponement of rates.

Alternative payment arrangements can be entered into on agreement with council. Unless this arrangement is made under council's Financial Hardship Policy, these ratepayers will continue to have fines and interest charged on the outstanding amount in accordance with Section 181 of the *Local Government Act*.

Budget

Not applicable

Life Cycle Costs

Not applicable

Strategic Plan

Not applicable

Council Policy

Rating Policy
Council Financial Hardship Policy

Statutory Provisions

Local Government Act 1999, Division 9

Written By: Financial Accountant Lead

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

Council Rates Debtors Breakdown

Attachment 1

Debt Type	Note	30-Jun-23	% of Total Annual Rates	30-Jun-22	% of Total Annual Rates
Overdue Rates	1	504,594	1.25%	429,076	1.10%
Prior Year Arrears	2	143,580	0.36%	152,317	0.39%
Jetty Road Mainstreet Rate	3	6,901	0.02%	9,493	0.02%
Regional Landscape Levy	4	21,839	0.05%	19,896	0.05%
Fines and Interest	5	23,952	0.06%	25,691	0.07%
Legal Fees	6	8,573	0.02%	7,897	0.02%
Postponed	7	48,292	0.12%	38,480	0.10%
		<u>757,731</u>	1.87%	<u>682,851</u>	1.75%
Total Annual Rates		<u>40,423,559</u>		<u>38,973,699</u>	

Note 1: Overdue Rates

Overdue Rates represent the total amount of rates levied in the current financial year that remain unpaid.

Note 2: Prior Year Arrears

Prior Year Arrears represent rates levied in previous financial years that remain unpaid.

Note 3: Jetty Road Mainstreet Rate

Jetty Road Mainstreet Rate represents the total unpaid amount of the separate rate raised to Jetty Road, Glenelg traders.

Note 4: Regional Landscape Levy

Regional Landscape Levy (previously known as National Resources Management Levy) represents the total unpaid amount of the special levy collected on behalf of the SA Government.

Note 5: Fines and Interest

Fines and Interest represent the fines and interest applied to overdue and prior year rates and are currently outstanding.

Note 6: Legal Fees

Legal Fees represent any legal fees and court costs that have been incurred by Council in the collection of rates. These amounts represent costs that have been on-charged to the defaulting ratepayers and are currently outstanding.

Note 7: Postponed

Postponed rates represent any rates amount due by seniors that have been granted a deferral, until the eventual sale of their property, as allowable under the Local Government Act. Interest is charged on these deferred rates and is recoverable when the property is sold.

Attachment 2

Council Sundry Debtors Breakdown

Attachment 2

<i>Charge Type</i>	<i>Total</i>	<i>60+ Days</i>	<i>90+ Days</i>	<i>% of Total 90+ day balance</i>
Food Inspections	9,054.00	1,340.00	1,818.00	1.6%
Foreshore / Reserves Hire	8,219.00	-	974.00	0.9%
Hoarding Fee	169,188.99	597.80	31,531.86	28.6%
Outdoor Dining Fees	42,565.84	22,963.49	14,868.35	13.5%
Partridge House Private Function-Room Hire	6,497.50	4,055.00	450.00	0.4%
Partridge House Wedding-Room Hire	32,925.00	-	23,925.00	21.7%
Partridge House Funeral-Room/Equipment Hire	12,865.00	-	-	0.0%
Property Rentals / Lease	52,742.87	2,492.76	24,606.51	22.3%
Seaside Memorial Fees	31,857.78	-	3,907.78	3.5%
User Charges	39,979.81	84.72	13,167.10	11.9%
Government Agencies	52,654.27		-	0.0%
Miscellaneous charges	12,102.95	35,527.54	- 4,971.09	-4.5%
Pre-Payments	- 22,372.78	-	-	0.0%
TOTAL	448,280.23	67,061.31	110,277.51	

Item No: 8.8

Subject: TERMS OF REFERENCE REVIEW

Summary

The *Local Government Act 1999* requires Council to have an Audit and Risk Committee to carry out the functions as defined in Section 126. Pursuant to Section 41 of the Act, Council established an Audit Committee in 2007. This was redesignated as the Audit and Risk Committee in 2022.

The Local Government Reform process has scheduled mandatory changes to the Terms of Reference and Audit and Risk Committee functions. These changes are now due for implementation and provide an opportunity for review.

Provided are both the current Terms of Reference (Attachment 1) and the draft revised Terms of Reference (Attachment 2), outlining suggested updates and changes.

Recommendation

That the Audit and Risk Committee advises Council it has reviewed the amended Terms of Reference, as provided in Attachment 2, and recommends them for adoption by Council.

Background

The *Local Government Act 1999* (the Act) requires Council to have an Audit and Risk Committee to carry out the functions defined in Section 126. Pursuant to Section 41 of the Act, Council established an Audit Committee in 2007. This was redesignated as the Audit and Risk Committee in 2022.

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.*

Report

The Local Government Reform process has scheduled mandatory changes to the Terms of Reference and Audit and Risk Committee functions. These amendments include:

s99(1) CEO

- To ensure that effective policies, systems and procedures are established and maintained for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks.
- To report annually to the relevant audit and risk committee on the council's internal audit process.

s125(A) Internal Audit functions

- The Chief Executive Officer of a council that has an internal audit function must, before appointing a person to be primarily responsible for the internal audit function or assigning such responsibility to an employee of the council, consult with the relevant audit and risk committee on the appointment or assignment of responsibility.
- Despite any other law or instrument to the contrary, the person primarily responsible for the audit function:
 - a) must ensure that any reports they prepare relating to the internal audit function are provided directly to the audit and risk committee; and
 - b) may report any matters relating to the internal audit function directly to the audit and risk committee.

s126(1a) Internal Audit functions

- The purpose of an audit and risk committee established by a council is to provide independent assurance and advice to the council on accounting, risk management and governance matters.
- 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.

s126(9) Annual Report

- A council must ensure that the annual report of its audit and risk committee is included in its annual report.
- Each constituent council of a regional audit and risk committee must ensure that the annual report of the committee is included in its annual report.

Note: there are no prescribed requirements as to how this content is presented.

s128(9) Annual Report

Under Schedule 4 Clause 1, additional information to be included in the annual report, in relation to the council auditor includes:

- The remuneration payable for work performed during the relevant financial year, distinguishing between remuneration payable for the annual audit of the council's financial statements and other remuneration.
- If a person ceased to be the auditor of the council during the relevant financial year. Other than by virtue of the expiration of their appointment and not being reappointed to the office being the reason why the appointment came to an end.

These LGA Act updates have been directly sourced from Galpins, provider of council's internal audit function and the Local Government Association of South Australia (LGASA) Annual Report Guidelines. Further review updates may be issued up to the November 2023 deadline, in which case an updated report will be presented.

Terms of Reference Review

As a result of the current Local Government reform, the Terms of Reference for the Audit and Risk Committee have been reviewed and updated.

The Terms of Reference were last amended and adopted by Council on 25 October 2022 (Report No. 439/22) and are attached for reference.

Refer Attachment 1

The draft revised Terms of Reference have been updated to ensure additional requirements have been added where relevant and are attached for consideration.

Refer Attachment 2

The LGASA has indicated that it will distribute model Terms of Reference for Audit and Risk Committees soon. In the event that these Model Terms of Reference signify more changes than those proposed in this report, these will be brought back to the Audit and Risk Committee for further consideration.

Proposed Changes

The key proposed changes are:

1. Insertion of an Audit and Risk Committee 'purpose' statement.
2. Addition of a section relating to the appointment of independent committee members.
3. Insertion clarifying the Chief Executive Officer's role in relation to strategic, financial, and operational risks.
4. Insertion highlighting the need for the Audit and Risk Committee to provide an annual report summarising key content.

5. Added detail in the role of the Audit and Risk Committee regarding internal control and risk management policies and procedures, not merely systems.
6. Additional detail relating to auditor retention and remuneration information.

Budget

Nil

Life Cycle Costs

This report does not have any full life cycle cost implications.

Strategic Plan

Statutory compliance

Council Policy

Not applicable

Statutory Provisions

Local Government Act 1999

Written By: Risk and Improvement Officer

General Manager: Strategy and Corporate, Ms S Wachtel

Attachment 1

25 October 2022 – C251022/7286

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 Section 126 of the Act.

2. Membership

- 2.1 The Audit and Risk Committee shall consist of five persons with 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 a term agreed by Council, and Independent Members are appointed for a term not exceeding 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 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 recommend, and Council shall appoint, the Presiding Member of the Audit and Risk Committee. The Presiding Member must already be a member of the Audit and Risk Committee. 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.



25 October 2022 – C251022/7286

4. Meetings

- 4.1 The Audit and Risk Committee shall meet at least four times each year, at least once per quarter, at appropriate times in the budgeting and financial reporting cycle, and otherwise as required. Pursuant to Section 90 of the Act, 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 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 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 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.
- 4.11 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 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.



25 October 2022 – C251022/7286

4.12 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 2013*.

4.13 Minutes of Audit and Risk Committee meetings shall be circulated within 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 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;

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



25 October 2022 – C251022/7286

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;
- 6.4.4 review and assess the effectiveness of Council's internal controls and risk management systems; and
- 6.4.5 review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls and risk management.

6.5 *Public Interest Disclosures*

The Audit and Risk 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.

25 October 2022 – C251022/7286

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;
- 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;

25 October 2022 – C251022/7286

- 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;
- 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



25 October 2022 – C251022/7286

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 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 any person appointed by Council 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 Council as an elected body (e.g. impact on policies relating to Elected Members), or have significant impact on Council's operations.

Attachment 2

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 section 126 of the Act.

1.2 The purpose of this Audit and Risk Committee is to provide independent assurance and advice to the council on accounting, risk management and governance matters.

2. Membership

- 2.1 The Audit and Risk Committee shall consist of five persons 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 a term agreed by Council, and Independent Members are appointed for a term not exceeding 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 from the Committee, it must give written notice to the Independent Member of its intention to do so and provide that 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 recommend, and Council shall appoint, the Presiding Member of the Audit and Risk Committee. The Presiding Member must already be a member of the Audit and Risk Committee. The Mayor may not be appointed to the Role of Presiding Member of the Audit and Risk Committee.

3. Method of Appointment of Independent Committee Members

The method of appointment of Independent Committee Members will be as follows:

- 3.1 Council will advertise the vacancy in line with regular policy and procedure.
- 3.2 A selection panel will be convened comprising: two Elected Members appointed to the Committee; the Chief Executive Officer; and General Manager Strategy and Corporate.

- 3.3 The selection panel will make a recommendation to Council as to the appointment of the independent member for consideration and appointment by the Council.

4. Secretariat and Support

- 4.1 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).
- 4.2 The Chief Executive Officer shall ensure effective policies, systems and procedures are in place for the identification, assessment, monitoring, management and annual review of strategic, financial and operational risks.
- 4.3 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.

5. Meetings

- 5.1 The Audit and Risk Committee shall meet at least four times each year, at least once per quarter, at appropriate times in the budgeting and financial reporting cycle, and otherwise as required. Pursuant to section 90 of the Act, meetings are public (except in special circumstances as defined by the Act) and will be conducted in a place open to the public.
- 5.2 Meetings of the Audit and Risk Committee are governed by the *Local Government (Procedures at Meetings) Regulations 2013*.
- 5.3 Unless required by legislation not to vote, each member must vote on every matter that is before the Audit and Risk Committee for decision.
- 5.4 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.
- 5.5 The quorum necessary for the transaction of business shall be 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.
- 5.6 The Chief Executive Officer, General Manager, Strategy and Corporate and other officers of Council may attend any meeting as observers or in support of matters being considered by the Audit and Risk Committee.
- 5.7 Council's External Auditor and Internal Auditor may be invited to attend meetings of the Audit and Risk Committee.

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- 5.8 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.
- 5.9 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.
- 5.10 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.
- 5.11 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 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.
- 5.12 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 2013*.
- 5.13 Minutes of Audit and Risk Committee meetings shall be circulated within 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.

6. **Review**

- 6.1 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.

7. **Role of the Committee**

- 7.1 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 relating to financial governance.

7.2 ***Financial Reporting***

The Audit Committee shall:

- 7.2.1 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;

- 7.2.2 monitor the integrity of the financial statements of Council, including its annual report, reviewing significant financial reporting issues and judgements which they contain;
- 7.2.3 review:
 - 7.2.3.1 the consistency of, and/or changes to, accounting policies;
 - 7.2.3.2 the application of accounting standards and appropriate estimates and judgements, taking into account the views of the external auditor;
 - 7.2.3.3 the clarity of disclosure in the Council's financial reports and the context in which statements are made; and
 - 7.2.3.4 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).

7.3 ***Strategic Management Plans and Annual Business Plan***

The Audit and Risk Committee shall:

- 7.3.1 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
- 7.3.2 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.

7.3.3 provide an annual report to Council, outlining a summary of key advisory content from the previous twelve-month period.

7.4 ***Internal Controls and Risk Management Systems***

The Audit and Risk Committee shall:

- 7.4.1 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;
- 7.4.2 receive reports on risks rated high and above, pursuant to Council's Risk Management Policy and Procedure;
- 7.4.3 verify annually that risks are controlled within risk appetite and tolerances and propose emerging risks for consideration as relevant;

7.4.4 review and assess the effectiveness and maintenance of Council's internal controls and risk management policies, systems and procedures; and

7.4.5 review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls and risk management.

7.5 ***Public Interest Disclosures***

The Audit and Risk Committee shall:

7.5.1 review the Council's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters; and

7.5.2 ensure these arrangements allow independent investigation of such matters and appropriate follow-up action.

7.6 ***Internal Audit***

The Audit and Risk Committee shall, in accordance with Council's Internal Audit Policy and Procedure:

7.6.1 endorse the internal audit program;

7.6.2 receive and review internal audit reports on a regular basis;

7.6.3 review the status of internal audit recommendations;

7.6.4 provide advice and recommendations to Council in relation to internal audit program and matters;

7.6.5 monitor and review the effectiveness of Council's internal audit function;

7.6.6 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;

7.6.7 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.

7.7 **External Audit**

The Audit and Risk Committee shall:

- 7.7.1 pursuant to section 126 of the Act, liaise with Council's external auditor;
- 7.7.2 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;
- 7.7.3 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;
- 7.7.4 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;
- 7.7.5 include in the Annual Report, the remuneration payable to external auditor(s) for the annual audit of the Council's financial statements and other remuneration;
- 7.7.6 include in the Annual Report, reference to a person if they ceased to be the auditor of the council during the relevant financial year, other than via expiry of their appointment, including the reason why the appointment came to an end;
- 7.7.7 investigate the issues leading to the resignation of an external auditor and report to Council with any recommendations;
- 7.7.8 oversee Council's relationship with the external auditor including, but not limited to:
 - 7.7.8.1 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;
 - 7.7.8.2 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;
 - 7.7.8.3 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;

- 7.7.8.4 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;
- 7.7.8.5 monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners;
- 7.7.8.6 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);
- 7.7.9 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;
- 7.7.10 review and make recommendations on the annual audit plan, and in particular, its consistency with the scope of the external audit engagement;
- 7.7.11 review the findings of the audit with the external auditor including, but not limited to, the following:
 - 7.7.11.1 a discussion of any major issues which arose during the external audit;
 - 7.7.11.2 any accounting and audit judgements; and
 - 7.7.11.3 levels of errors identified during the external audit;
- 7.7.12 review the effectiveness of the external audit;
- 7.7.13 review any representation letter requested by the external auditor before it is signed by administration;
- 7.7.14 review the management letter and administration's response to the external auditor's findings and recommendations; and
- 7.7.15 pursuant to regulation 22 of the *Local Government (Financial Management) 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.

7.8 ***Economy and Efficiency Audits***

The Audit and Risk Committee shall:

- 7.8.1 propose and review the exercise of powers under section 130A of the Act (relating to economy and efficiency audits); and
- 7.8.2 receive a report prepared by any person appointed by Council 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.

7.9 ***Reporting Responsibilities***

- 7.9.1 The Audit and Risk Committee minutes shall be presented to the Council after every meeting to identify and present advice and recommendations.
- 7.9.2 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 Council as an elected body (e.g. impact on policies relating to Elected Members), or have significant impact on Council's operations.