



# Audit Committee

## NOTICE OF MEETING

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

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

**Wednesday 20 October 2021 at 6.00pm**

A stylized, handwritten signature in black ink.

**Roberto Bria  
CHIEF EXECUTIVE OFFICER**

AGENDA

Please note: This agenda contains Officers' reports and recommendations that will be considered by the Committee. Any confidential items listed on the agenda will be circulated to Members separately.



## Audit Committee Agenda

### 1. OPENING

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

### 2. APOLOGIES

- 2.1 Apologies received
- 2.2 Absent

### 3. DECLARATION OF INTEREST

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

### 4. CONFIRMATION OF MINUTES

#### Motion

**That the minutes of the Audit Committee held on 25 August 2021 be taken as read and confirmed.**

Moved \_\_\_\_\_, Seconded \_\_\_\_\_

**Carried**

### 5. ACTION ITEMS

- 5.1 Action Item List – 20 October 2021

### 6. REPORTS BY OFFICERS

- 6.1 Standing Items (Report No: 351/21)
- 6.2 Business Continuity Policy and Plans (Report No: 348/21)
- 6.3 Risk Report (Report No: 349/21)
- 6.4 2020-212 General Purpose Financial Statements (Report No: 350/21)
- 6.5 2020-21 Annual Report (Report No: 355/21)

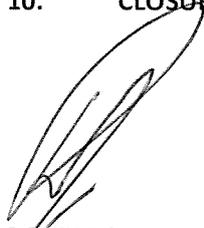
### 7. URGENT BUSINESS – Subject to the Leave of the Meeting

### 8. CONFIDENTIAL ITEMS

**9. DATE AND TIME OF NEXT MEETING**

The next meeting of the Audit Committee will be held on Wednesday 9 February 2022 in the Kingston Room, Civic Centre, 24 Jetty Road, Brighton.

**10. CLOSURE**

A handwritten signature in black ink, appearing to read 'ROBERTO BRIA', written over a faint, illegible stamp or background.

**ROBERTO BRIA  
CHIEF EXECUTIVE OFFICER**



**AUDIT COMMITTEE  
ACTION ITEMS  
As at 20 October 2021**

Meeting	Agenda Item	Action Required	Responsibility	Estimated Completion Date	Current Status
7 October 2020	7.2 Asset Management Plan (AMP) Review	Record risk within organisational risk process and report.	GM Strategy & Corporate	February 2022	Refer to Risk Report (Report No: 349/21).
16 December 2020	9.1 CONFIDENTIAL – Internal Audit – Cyber Security Report	Progress from recommendations to be monitored at each meeting via the Standing Items Report.	GM Strategy & Corporate	June 2022	To be tabled at each meeting until finalised.
16 December 2020	7.1 Standing Items	Develop framework for Governance relationship between Alywndor, Audit Committee and Council.	GM's Alywndor & Strategy & Corporate	February 2022	Further work to be undertaken based on feedback from External Auditor.

Item No: 6.1  
Subject: **STANDING ITEMS – OCTOBER 2021**  
Date: 20 October 2021  
Written By: Manager Financial Services  
General Manager: Strategy and Corporate, Ms P Jackson

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## **SUMMARY**

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

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## **RECOMMENDATION**

1. **That the Audit Committee advises Council it has received and considered a Standing Items Report addressing:**
  - **Monthly Financial Statements**
  - **Risk Management and Internal control**
  - **Audit – External/Internal/Cyber Security**
  - **Alwyndor Investment Strategy**
  - **Public Interest Disclosures – previously Whistle-Blowing**
  - **Economy and Efficiency Audits**
  - **Audit Committee Meeting Schedule**

### **RETAIN IN CONFIDENCE - Section 91(7) Order**

2. **That having considered Agenda Item 6.1 Standing Items – October 2021 in confidence under Section 90(2) and (3)(e) of the *Local Government Act 1999*, the Audit Committee, pursuant to Section 91(7) of that Act orders that Attachment 1 be retained in confidence for a period of 24 months and that this order be reviewed every 12 months.**
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## **COMMUNITY PLAN**

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

## **COUNCIL POLICY**

Not applicable

## **STATUTORY PROVISIONS**

*Local Government Act 1999, Sections 41 and 126*

*Public Interest Disclosure Act 2018*

## **BACKGROUND**

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

- Monthly financial statements
- Risk management and Internal Controls
- Audit – External/Internal
- Public Interest Disclosures – previously Whistle-Blowing
- 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.

### ***Risk Management/Internal Controls***

Administration is not aware of any material changes to Council’s internal controls not otherwise disclosed since the previous Standing Items report on 25 August 2021.

### ***External Audit***

Council’s external auditor, Dean Newbery & Partners, has completed the 2020/21 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 & Partners will be in attendance to speak to the respective audit completion reports.

### ***Internal Audit***

As part of the internal audit program the following audits are scheduled to be conducted by Galpins in 2021/22:

- Budget Management
- Asset Management – Short-term
- Financial Controls – regular audit

### ***Cyber Security Audit***

In accordance with the Audit Committee's recommendation a progress report on the required actions from the cyber security internal audit is attached for the Committee's information and consideration.

A 'traffic light' rating has been added to each item with the following definitions:

- **Green** – on target
- **Amber** – needs ongoing monitoring
- **Red** – close monitoring required

*Refer Attachment 1*

### ***Alwyndor Investment Strategy***

On 30 June 2021 Audit Committee considered the Alwyndor draft Investment Strategy 2021 and recommended its adoption to Council. The Strategy was approved by Council at its meeting held on 13 July 2021. An Expression of Interest (EOI) process was subsequently undertaken to appoint an Investment Advisor to work with Alwyndor and deliver the Strategy. Five (5) EOIs were submitted and these were assessed by a panel comprised of John Smedley (Chair Audit Committee), Kim Cheater (Chair Alwyndor Management Committee), Beth Davidson-Park (GM Alwyndor) and Damian Capurro (Manager Finance Alwyndor). Assessment criteria included cost, proven experience in working with the not-for-profit sector, track record in funds management, compliance and risk frameworks, social and environmental responsibility and local impact. Ord Minnett were selected as the successful provider, rating significantly higher across criteria than other respondents. A transition period has now commenced with the aim of all funds being managed under the Strategy by 31 December 2021.

Consistent with its resolution of 30 June 2021 Audit Committee will be included in the oversight of performance of Alwyndor Investments, be provided with an annual review of performance for consideration and recommendation to Council and be advised, together with the Alwyndor Management Committee, if the investment portfolio drops by 10% within a one (1) week period.

### ***Public Interest Disclosures***

On 1 July 2019 the *Public Interest Disclosure Act 2018* came into effect replacing the *Whistleblowers Protection Act 1993*. The new laws strengthen transparency and accountability across government by establishing a scheme that encourages and facilitates the appropriate disclosure of public interest information to certain persons or authorities. Council has endorsed the Public Interest Disclosure Policy aligned to the model policy provided by the Local Government Association.

There have been no public interest disclosures made to Council since the previous standing items report on 25 August 2021.

***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 25 August 2021.

***Council Recommendations***

At its meeting on 14 September 2021 Council received the minutes and endorsed the recommendations of the meeting of the Audit Committee held on 25 August 2021.

***2021 Meeting Schedule***

The Audit Committee's terms of reference require it to meet at least 4 times each year and at least once each quarter. During 2021 five meetings will have been held to align with the two important financial programs in which the Audit Committee plays important roles:

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

As the above reporting requirements have been addressed no further meetings are proposed for the remainder of 2021.

Item No: 6.2

Subject: **BUSINESS CONTINUITY POLICY AND PLANS**

Date: 20 October 2021

Written By: Manager, Strategy and Governance

General Manager: Strategy and Corporate, Ms P Jackson

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## **SUMMARY**

In early 2020, draft business continuity and crisis management documents were developed for the organisation and immediately 'pressure tested' through the COVID-19 pandemic.

This report seeks endorsement by the Committee of the Business Continuity Policy and provides for information Council's Crisis Management and Business Continuity Plans.

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## **RECOMMENDATION**

### **That the Audit Committee**

- 1. endorse the draft Business Continuity Policy and recommends it to Council for approval; and**
  - 2. notes the Council's Crisis Management and Business Continuity Plans.**
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## **COMMUNITY PLAN**

Culture: Enabling high performance

Culture: Supporting excellent, efficient operations

## **COUNCIL POLICY**

Business Continuity Policy - draft

## **STATUTORY PROVISIONS**

Not applicable

## **BACKGROUND**

In early 2020, specialist consultants were engaged to assist Council to undertake a business continuity review and develop appropriate documentation.

Due to circumstances beyond Council's control, the documents were developed and immediately 'pressure tested' in real time due to COVID-19.

The documents proved to be effective and were used repeatedly in the months that followed, as conditions changed.

## **REPORT**

A Business Continuity Policy and Framework was drafted by the consultants but to simplify, the framework has been embedded into the Policy. The draft is provided for consideration as Attachment 1.

*Refer Attachment 1*

The policy scope includes Alwyndor, however the intention is for Alwyndor to develop its own business continuity plans and crisis management plan. This is provided for in the policy.

### ***Crisis Management Plan***

A Crisis Management Plan (CMP) was provided as a best practice model by the consultants. In March 2020, the Senior Management Team agreed to the model plan and staff were nominated to the relevant roles. The CMP was then immediately 'pressure tested' by the advent of the COVID-19 pandemic. A Crisis Management Team (CMT) was established, which continues to operate until the present time. The CMP is provided for noting.

*Refer Attachment 2*

### ***Business Continuity Plans***

Eight Business Continuity Plans (BCPs) were developed by business units with the consultants throughout March 2020 and immediately 'pressure tested'. The BCPs proved effective and assisted CMT in providing advice to the Senior Leadership Team, as well as providing practical guidance to business units in responding as conditions changed. It should be noted that the BCPs were grouped by functions and therefore are not substantially impacted by the organisational realignment, but minor changes were made to reflect relevant changes.

An exemplar BCP is provided for noting.

*Refer Attachments 3*

It should be noted that both the CMP and BCPs are event-neutral. They set out a process which should be followed in the event of a crisis or a business interruption, regardless of the nature of that event. This has proved an effective model during COVID-19 as conditions changed rapidly and, at times, unexpectedly. Event-neutral plans allowed a consistent process to be applied regardless of the nature of those changes.

It should also be noted that both the CMP and BCPs are due for review in March 2022, in line with the draft policy. A review of the operations of CMT is in progress and will be factored into the review. Additional implementation initiatives will also be considered as part of the review.

## **BUDGET**

There are no budget implications associated with this report.

## **LIFE CYCLE COSTS**

There are no life cycle costs associated with this report.

# Attachment 1



ECM DSID Number:	
First Issued / Approved:	XX/XX/2021
Last Reviewed:	C
Next Review:	XX/XX/2024
Responsible Officer:	Manager Strategy and Governance
Date Placed on Webpage/ Intranet:	

## 1. PREAMBLE

Business Continuity Management (BCM) is a holistic management process that identifies potential threats to an organisation and the impacts to business operations if those threats arise. BCM builds organisational resilience and capability to effectively respond to events in order to safeguard the interests of its key stakeholders, reputation, brand and value-creating activities.

Council aims to conduct its operations with the highest regard for the wellbeing of its people, while maintaining the highest quality service to its customers and protecting its business and the environment. If a disruptive event occurs, the objective of BCM is to:

- minimise risks to the health and safety of employees, contactors, customers and the public, and
- minimise the period of the disruption and maximise the speed of recovery to normal business activities for all stakeholders.

### 1.1 Background

The City of Holdfast Bay (the Council) is committed to adopting a strategic, consistent and structured approach to BCM in line with the principles of ISO22301:2012 Business Continuity Management Systems.

The Council is committed to excellence in BCM and is committed to continuously improving its practices.

The Council acknowledges that BCM is essential for sound strategic, financial and operational planning and the achievement of the Council's objectives.

### 1.2 Purpose

Council is obliged to ensure that critical business functions continue after a business interruption. The purpose of this Policy is to outline the Council's principles for BCM, the approach to be taken to implement BCM and who has responsibility for activities within the program.

### 1.3 Scope

This policy applies to all of Council operations, including Alwyndor.

# BUSINESS CONTINUITY POLICY

Council has developed plans, taking into consideration reasonably foreseeable risks and their potential impact on achievement of Council objectives. BCM has two key elements: Crisis Management and Business Continuity.

The BCM lifecycle is depicted below, as per ISO 22301:2012:



Council has identified these five steps to build, manage and maintain a robust BCM system.

The Council supports BCM practices and encourages and empowers staff in managing BCM in order to protect employees, contractors, clients and assets against reasonably foreseeable BCM risks within the boundaries of the Council's operations.

Emergency Management is managed by the Emergency Management Operations Manual and site-specific Workplace Emergency and Evacuation Plans.

BCM is supported by Council's Risk Management Policy and Risk Management Framework.

## 1.4 Strategic Reference

Culture: Supporting excellent, efficient operations

## 2. PRINCIPLES

### 2.1 Operation and Planning Control

Clear roles and responsibilities underpin BCM. Strategy and Governance lead the BCM program, including:

- communicating the importance of effective BCM and promoting continuous improvement,
- integrating BCM into the organisation’s business processes,
- review the organisation’s BCM processes and plans biennially,
- coordinate formal approval of all plans by the Senior Leadership Team.

Roles and responsibilities are articulated via the relevant plans.

### 2.2 Business Impact Assessments

In order to understand the business continuity risks that affect Council and the impact of these on the business, a biennial business impact analysis (BIA) will be undertaken.

BIA informs priorities and requirements for business continuity management and enables Council to prioritise the resumption of activities that support services, determining the following for each business function:

- **Maximum Acceptable Outage (MAO)** - The Maximum Acceptable Outage (MAO) is defined to be the time it would take for adverse impacts, which might arise as a result of not providing a product/service or performing an activity to become unacceptable (ISO 22301:2012).
- **Recovery Time Objective (RTO)** - The period of time following an incident within which an IT product or service must be resumed or recovered (ISO 22301:2012).
- **Recovery Point Objective (RPO)** - The point to which information used by an activity must be restored to enable the activity to operate on resumption (ISO 22301:2012).

The BIA must be refreshed after any significant change in Council, or at least every two years. This refresh should consider whether the criticality of any current business function has changed or whether new business functions exist that require a detailed BIA to be performed.

To understand the criticality of a business function, the following criticality matrix will be used. To determine when a function is critical, refer to the Council Risk Management Framework.

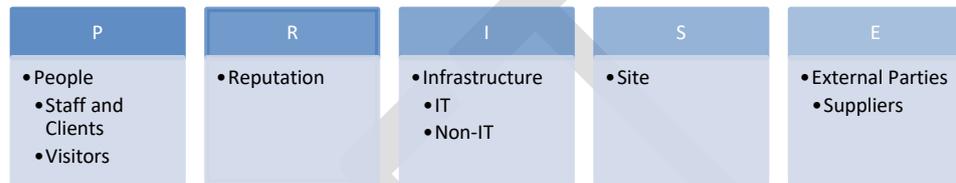
Criticality	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5 not critical	Tier 6 not critical
MAO	Immediate (<4 hours)	Today (5-24 hours)	Tomorrow (1-3 days)	This Week (4-7 days)	Next Week (8-14 days)	Eventually (>14 days)

## 2.3 Business Continuity Plans

The Council will develop, implement and maintain business continuity plans (BCPs) in accordance with this policy, which aim to minimise the disruption to business operations in the event of a disruption and restore operations to normal levels as soon as possible after a disruption.

BCPs are approved by the Senior Leadership Team and must be reviewed and tested every two years. Alwyndor BCPs must be provided to the Alwyndor Management Committee for noting after each review.

Plans will follow an event neutral style (PRISE) – focussing on impact of outages rather than the event itself:



## 2.4 Crisis Management

Council will develop a Crisis Management Plan (CMP) to assist with strategic incident management command and control in response to a critical incident. Alwyndor will have a separate CMP.

The CMPs are approved by the Senior Leadership Team and must be reviewed and tested every two years.

The Crisis Management Team established under the CMP will provide advice to the Senior Leadership Team who will retain operational decision-making.

Crisis management decisions must give due regard to State Emergency directives, procedures and any relevant advice from the Local Government Functional Support Group.

## 2.5 Suppliers and Service Providers

All third-party suppliers providing critical business activities must provide evidence of the existence, updating, testing, outcome of testing, and security of the appropriate BCM plans for the critical business activities including details of the testing and their results. Where requested, these must be made available to the Council.

## 2.6 Training and Awareness

All staff with allocated BCM responsibilities within business continuity plans must be involved in the biennial reviews to enable them to understand their obligations and responsibilities.

## 3. REFERENCES

### 3.1 Legislation

- *Civil Liability Act 1936*
- *Emergency Management Act 2004*
- *Local Government Act 1999*
- *South Australian Public Health Act 2011*
- *Work Health and Safety Act 2012*

### 3.2 Other References

- AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines
- Audit Committee Terms of Reference
- Better Practice Model – Internal Financial Controls 2012 SALGFMG
- Risk Management Policy and Framework
- Emergency Operations Manual
- WHS Emergency Management Policy
- Workplace Emergency and Evacuation Plans
- ICT Disaster Recovery Plan

# Attachment 2



# Crisis Management Plan on a Page

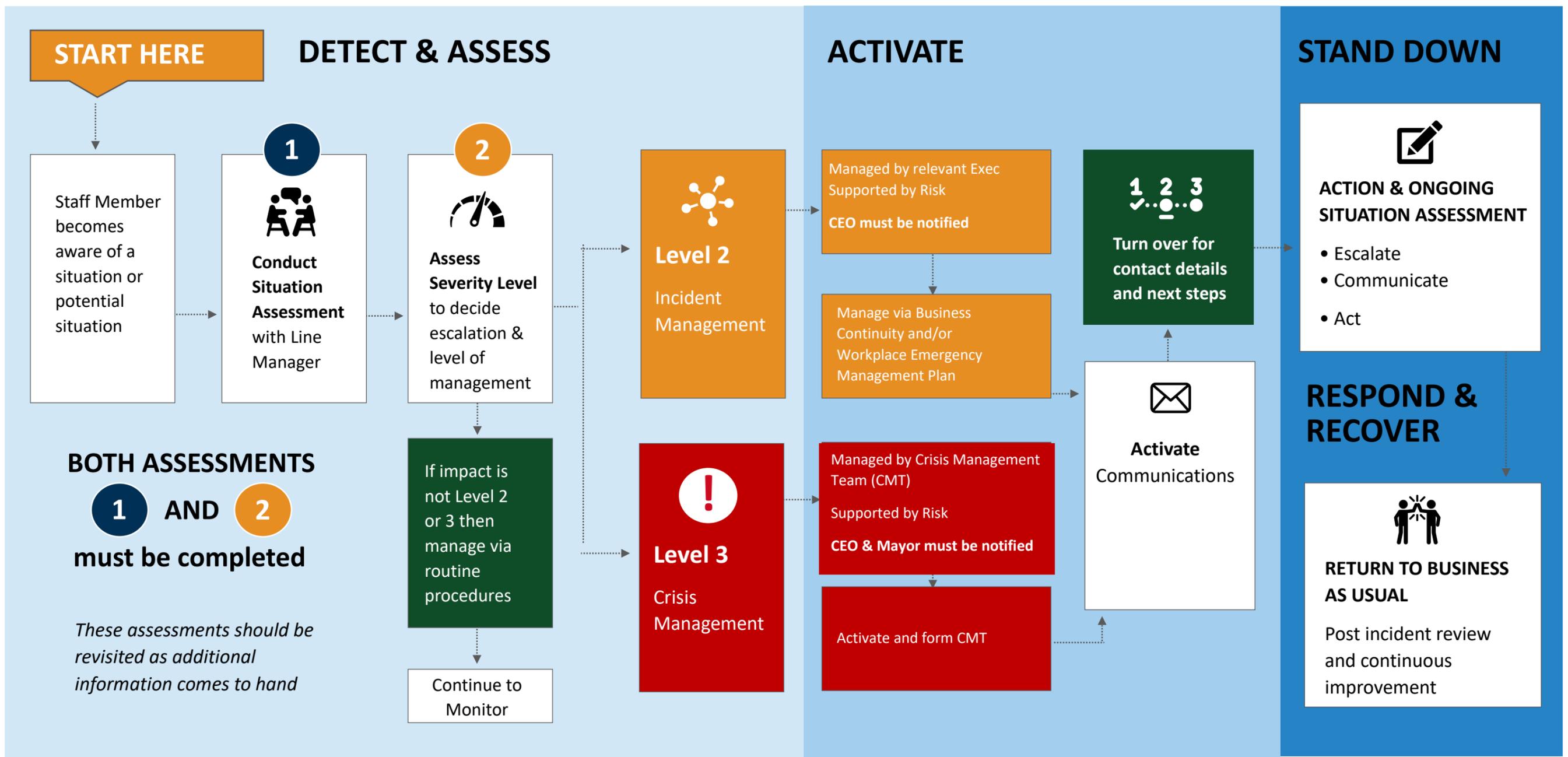
## Ask yourself:

**What has happened?**  
*Summarise the nature & cause of the event*

**Date and time of event?**  
*May be different to time reported*

**Location of event?**  
*May be multiple sites or not have a locality focus*

**NOTIFY FOR ALL AFTER-HOUR INCIDENTS AND CRISES**  
After Hours Call Service: 8229 9999



## 1

### Situation Assessment

Consult others as required



<b>PEOPLE</b> <i>Who is affected and how?</i>	<ul style="list-style-type: none"> <li>Are there any injuries?</li> <li>What potential harm exists – physical, psychological, both?</li> <li>Who has been affected and how? staff members / contractors / visitors / other stakeholders?</li> <li>What is their current status (i.e. evacuated and at designated assembly point?)</li> <li>What support is required by the affected people/team?</li> <li>Which locations are impacted?</li> </ul>
<b>REPUTATION</b> <i>Reputational impact?</i>	<ul style="list-style-type: none"> <li>Is there a reputation impact? If so, what and with whom?</li> <li>Do staff members need to be communicated to?</li> <li>Is wider communication required?</li> </ul>
<b>INFORMATION TECHNOLOGY</b> <i>What is affected &amp; how?</i>	<ul style="list-style-type: none"> <li>What IT capability is impacted and how?</li> <li>Is there any data loss?</li> <li>Are IT systems impacted (including cyber security?)</li> <li>Are voice systems impacted?</li> </ul>
<b>SITES</b> <i>Affected sites / Departments?</i>	<ul style="list-style-type: none"> <li>Is an owned and operated site affected including security?</li> <li>Is a tenanted/leased site affected including security?</li> <li>Is there an impact on the businesses ability to operate from a site?</li> <li>Is a single business unit or multiple business units impacted?</li> </ul>
<b>EXTERNAL PARTY</b> <i>Affected third parties?</i>	<ul style="list-style-type: none"> <li>Does the issue affect any critical third-party suppliers?</li> <li>Does this impact our ability to operate?</li> <li>What is the current status of the third party?</li> <li>Consider Federal and State responses/directives</li> <li>Consider advice from Local Government Functional Support Group (LGFSG)</li> </ul>

## 2

### Severity Level Assessment

When in doubt, escalate



	<b>LEVEL 2 – INCIDENT</b> <b>Localised incident impacting multiple departments with moderate impact on critical business functions.</b>	<b>LEVEL 3 - CRISIS</b> <b>Major disruption affecting multiple departments. Council-wide coordination required.</b>
Reputation	<ul style="list-style-type: none"> <li>Moderate adverse effect on public image</li> <li>Adverse media campaign in Messenger over two or more issues, supported by uptake of issue in Advertiser and or local electronic media</li> <li>Moderate level of community concern, large number of complaints and letters to editor in Messenger paper</li> <li>Minor common law action or Ombudsman investigation threatened/ initiated</li> </ul>	<ul style="list-style-type: none"> <li>Significant adverse effect on public image</li> <li>Widespread adverse media campaign including electronic local and national media.</li> <li>Social media going viral requiring management intervention. Pressure on State Government and agencies to intervene</li> <li>Significant level of community concern</li> <li>Social health and wellbeing of the community seriously affected by major community unrest and/or significant breakdown of established community relationships and links Significant common law action threatened, major Ombudsman investigation initiated</li> </ul>
Business impact	<ul style="list-style-type: none"> <li>Moderate financial loss – impact of between \$20k and \$50k</li> <li>Impaired ability to maintain normal operations</li> <li>Reprogramming required</li> <li>Minor legal issues, non- compliances and breaches of regulation</li> </ul>	<ul style="list-style-type: none"> <li>Major financial loss - impact of between \$50k and \$1million</li> <li>Significant effects loss of ability to complete programs, major restrictions to services and project delivery</li> <li>Serious breach of regulation with investigation or report to authority with prosecution and/or moderate fine possible</li> </ul>
People Safety	<ul style="list-style-type: none"> <li>Medical treatment required which may include short term admission to hospital</li> <li>Moderate loss/or infrastructure damage</li> <li>Local epidemic leading to noticeable disruption of activities</li> </ul>	<ul style="list-style-type: none"> <li>Serious &amp; extensive injuries</li> <li>Serious structural damage to infrastructure or serious loss of assets.</li> <li>Widespread epidemic that causes significant disruption to activities</li> </ul>
Environment	<ul style="list-style-type: none"> <li>“Material” category under the SA Environment Protection Act (1993)</li> <li>Contamination – on-site release contained with outside assistance</li> <li>Ecosystems- temporary, reversible damage, loss of habitat and migration of animal populations, some reduction in numbers and die back of plants. Pollution requires physical removal; air quality constitutes potential long term health problems. Manageable restrictions in resource usage</li> </ul>	<ul style="list-style-type: none"> <li>“Serious” category under the SA Environment Protection Act (1993)</li> <li>Contamination – off-site release with no detrimental effects</li> <li>Ecosystems – recoverable damage, death of animals in large numbers, widespread habitation destruction, significant air quality issues. Pollution issues requiring long term management, serious introduction of invasive species</li> <li>Restrictions on resource usage threatening viability of accepted lifestyle</li> </ul>
Service Delivery	<ul style="list-style-type: none"> <li>Some key components of the Strategic Plan cannot be achieved within expected timeframes.</li> <li>Additional funding/resources or some strategies re-prioritisation is required</li> </ul>	<ul style="list-style-type: none"> <li>Key Strategic Objectives unable to be achieved; review of Strategic Plan is required</li> </ul>

# Crisis Management Plan on a Page

## Contact Lists

Team composition may vary based on ongoing situation assessments and as the situation unfolds.



### Core Crisis Management Team (CMT) Contact List

ROLE	PRIMARY / ALTERNATE	NAME	MOBILE
CMT Leader	Primary	Marnie Lock	0417 834 959
	Alternate	Michael de Heus	0419 840 104
CMT Coordinator	Primary	Sacha Sewell	0417 947 271
Communications	Primary	Michelle Logie	0458 622 254
	Alternate	Anna Merola	0499 337 366
People and Culture	Primary	Sharon Somerville	8229 9912
	Alternate	Kylie Rowe	8229 9825
CMT Admin	Primary	Marissa Marchegiano	8229 9951
	Secondary	Jillian Conner	8229 9944
Regulatory Services	Primary	Adrian Hill	0417 802 931
	Alternate	Marissa Michail	0499 882 287
Field Services	Primary	Bill Blyth	0437 946 380
Buildings and Facilities	Primary	Mathew Walsh	0417 801 286
Strategy and Governance	Primary	Ania Karzek	0477 722 669

### Extended Crisis Management Team Contact List

ROLE	PRIMARY / ALTERNATE	NAME	MOBILE
CEO		Roberto Bria	0438 404 894
Mayor	Primary	Amanda Wilson	0423 545 242
	Alternate (Deputy Mayor)	Rebecca Abley	0433 421 457
General Manager Business Services	Primary	Pam Jackson	0417 087 684
	Alternate	John Newton	8229 9924

### Specialist Contact List

Company/Role	Name	PHONE (BH)	MOBILE
Chair Emergency Planning Committee	Annie Elliot	8229 9950	N/A
Emergency Management Response Committee	Michael de Heus	8229 9803	0419 840 104
Team Leader Governance	Nicole Roberts	8229 9941	0425 607 938
Technology Operations	Leigh Ray	8229 9814	0499 337 355

## Core Roles & Responsibilities

<b>CMT Leader</b>	<ul style="list-style-type: none"> <li>Remind members of their responsibility for documentation and timely and accurate comms</li> <li>Brief CMT members of what is known, what is not known, what action has taken place and what requires action</li> <li>Set the Operating Rhythm and run CMT meetings with assistance from the CMT Coordinator</li> <li>Manage the agenda of CMT meetings and monitor the status of assigned tasks and actions</li> <li>Liaise with Senior Leadership Team (SLT) for decisions</li> </ul>
<b>CMT Coordinator</b>	<ul style="list-style-type: none"> <li>Setup the CMT room including role tent cards and Plan on a Page placemats</li> <li>Responsible for CMT call-out</li> <li>Assist the CMT Leader to run the CMT meetings</li> <li>Work with CMT Admin to ensure visual logs are kept and meeting minutes recorded</li> <li>Assist with management of new information coming into the room</li> </ul>
<b>CMT Admin</b>	<ul style="list-style-type: none"> <li>Ensure CMT has adequate refreshments including water and healthy snacks</li> <li>Ensure visual logs are kept and meeting minutes recorded</li> <li>Maintain meeting minutes and written CMT Log</li> </ul>

## Crisis Management Team – How to meet

PHONE:	IN PERSON:
<p>When a CMT is convened it is often with members not in the office. Use available tools where appropriate to connect everyone: Send relevant details to the team as required.</p>	<p>Meeting rooms can be established at the discretion of the CMT leader:</p> <ol style="list-style-type: none"> <li>Kingston or Mawson Rooms, Civic Centre</li> <li>Mayor's Parlour, Glenelg</li> </ol>

## Team Meetings – Checklist & Agenda

<b>1</b>	<p><b>CONFIRM / REVIEW WHAT WE KNOW</b></p> <p>Discuss what is known / unknown:</p> <ul style="list-style-type: none"> <li>What are the facts?</li> <li>What is new/what has changed?</li> <li>What are the assumptions?</li> <li>What is not known?</li> </ul>	<p><b>Agree the main issue(s) – identify the key focus of the team</b></p>
<b>2</b>	<p><b>CONSIDER WHAT MAY HAPPEN</b></p> <p><b>MOST LIKELY</b> Agree the most likely outcome for this event.</p>	<p><b>WORST CASE</b> Discuss the “worst case” outcome for this event – how bad could it get.</p>
<b>3</b>	<p><b>ASSESS IMPACTS</b></p> <p>Assess the potential impacts. Consider:</p> <ul style="list-style-type: none"> <li>Staff Members</li> <li>Members</li> <li>Reputation</li> <li>Operations / business activities</li> <li>Technology</li> </ul>	<p><b>For Worst Case,</b> what <b>additional</b> considerations are required? Consider forming sub-team(s) to focus on key issues / tasks.</p>
<b>4</b>	<p><b>AGREE ACTIONS</b></p> <p><b>NOW?</b> Identify the immediate actions, include details for each task:</p> <ul style="list-style-type: none"> <li>Actions/decisions</li> <li>Who is responsible?</li> <li>Timings of actions</li> </ul>	<p><b>LATER?</b> Consider the longer-term actions required, with details including:</p> <ul style="list-style-type: none"> <li>What, Who, Where</li> <li>Timing of when to commence action</li> <li>When CMT should consider the action</li> </ul>
<b>5</b>	<p><b>AGREE COMMUNICATIONS STRATEGY</b></p> <ul style="list-style-type: none"> <li>Identify key stakeholders to be engaged</li> <li>Agree key messages</li> <li>Identify responsibility for preparing / delivering message</li> <li>Confirm authorisation and methods of delivery</li> <li>Confirm timings for message / briefing release</li> </ul>	

# Attachment 3



Customer Experience and Libraries – BCP on a Page



Disruption has occurred. If need be call emergency services 000

Loss of Site

Loss of IT Systems/Equipment

Loss of People

Loss of Third-party

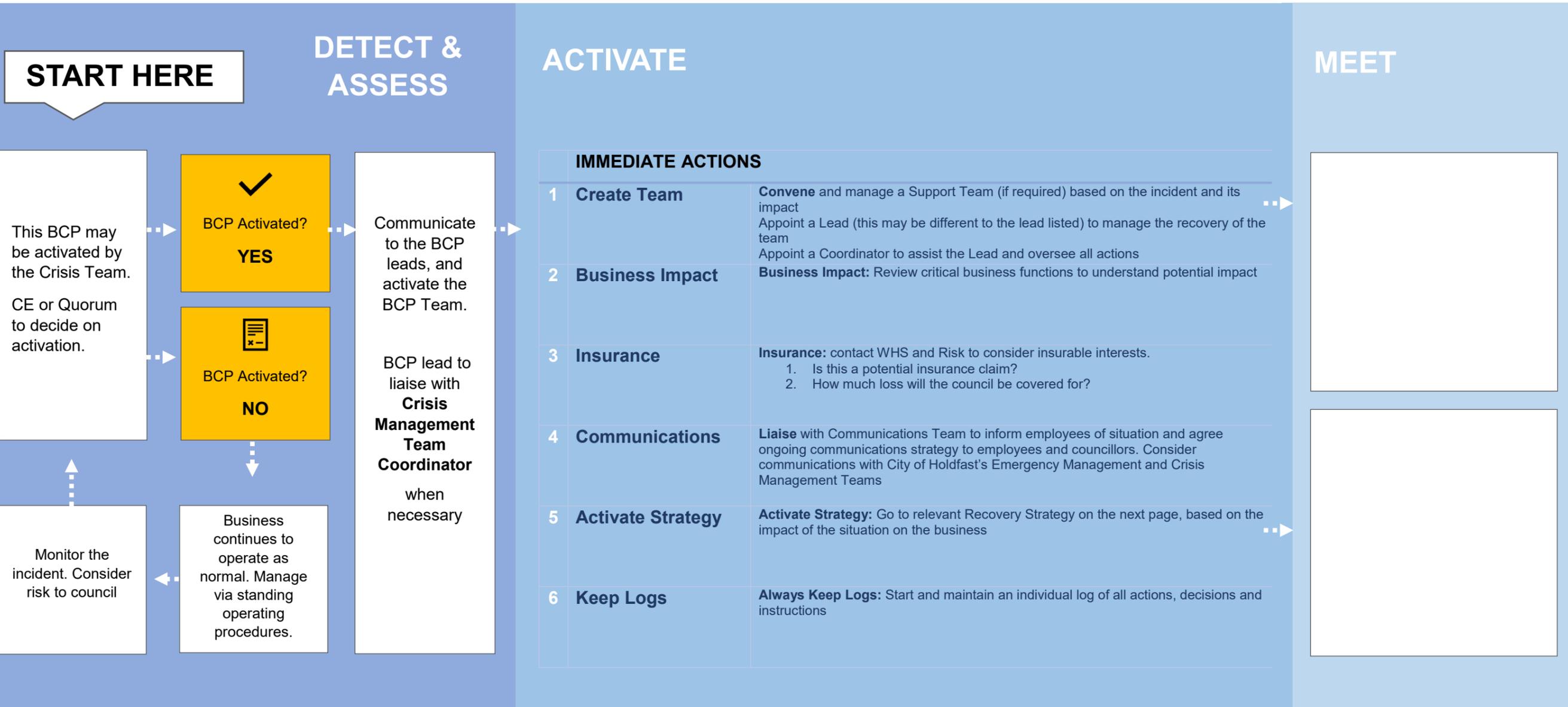
Ask yourself:

What has happened?  
*Summarise the nature & cause of the event*

Date and time of event?  
*May be different to time reported*

Location of event?  
*May be multiple areas in the council or not have a locality focus*

**NOTIFY [SLT] FOR ALL INCIDENTS AND CRISES**



Use the strategies below to assist with immediate actions after a disruption.  
Further steps can be found in the BCP Guide

STEP	LOSS OF SITE	✓
1	<b>Critical Staff:</b> Confirm alternate working arrangements: <ul style="list-style-type: none"> <li>Can they work remotely?</li> <li>1. Is there another Holdfast location suited to their needs, such as a Library or Civic Centre. Refer to preferred site alternate location. Is it a viable option in this incident?</li> </ul>	
2	<b>Replacement IT equipment:</b> Assess the availability of laptops and essential equipment to support the recovery of critical business functions. If <i>insufficient</i> laptops are available: <ul style="list-style-type: none"> <li>Request laptops from employees <i>not</i> undertaking critical business functions</li> <li>Contact Technology and request support to obtain additional laptops</li> <li>Where possible transfer processes to alternate location and/or groups to complete actions or postpone until laptops available.</li> </ul>	
3	<b>Non-Critical Staff:</b> Confirm with Team Managers that non-essential employees have been advised to return home until further notice or non-critical staff can assist in service delivery in critical process.	
4	<b>Communications:</b> Communicate alternate working arrangements and timeframes for recovery with impacted employees.	

STEP	LOSS OF IT	✓
1	<b>Confirm situation:</b> What systems have been affected? What is the expected outage timeframe?	
2	<b>Business Impact:</b> Liaise with your team to confirm actual/likely impacts to critical business functions	
3	<b>Technology Requirements:</b> Who in your team is affected? What is their technology requirements for the critical functions? (technology requirements section I over page) – pass this information to IT so they know what your priorities are.	
4	<b>Manual Workarounds:</b> Consider if manual workarounds are practical to use and implement if necessary (i.e. if IT is also affected by the disruption)	
5	<b>Communicate with Technology:</b> Agree point of contact to receive status updates.	
6	<b>Work Transfer:</b> If the technology outage affects a single region, consider transferring processes to other non-affected sites/area	

STEP	LOSS OF EXTERNAL 3rd PARTY	✓
1	<b>Understand Impact:</b> Is the affected 3rd party critical? If critical: Liaise with 3rd party provider to: <ul style="list-style-type: none"> <li>confirm expected recovery time, if known</li> <li>identify workarounds/strategies for the continuity and recovery of critical business functions</li> </ul>	
2	<b>Consider Alternate Arrangements:</b> Depending on the severity of the disruption and expected recovery time, consider the following options: <ul style="list-style-type: none"> <li>Can other council's or the Local Government Functional Support Groups?</li> <li>Identify alternate service provider(s) and assess likely timeframe to engage/procure products and services;               <ul style="list-style-type: none"> <li>Utilise existing Holdfast resources to provide support to impacted critical business functions</li> </ul> </li> </ul>	
3	<b>Get Help:</b> Engage with Legal and Procurement teams to support management of disrupted provider and engagement of alternate providers	
4	<b>Communications:</b> Confirm the communications strategy with the 3 <sup>rd</sup> party and communicate required actions to employees and residents of the City of Holdfast.	

STEP	LOSS OF PEOPLE	✓
1	<b>Find People:</b> In liaison with General Managers, confirm if there are sufficient suitably skilled resources to continue to operate critical business functions	
2	<b>Continue Operations:</b> If insufficient employees to continue operation: <ul style="list-style-type: none"> <li>Liaise with other Department to identify availability of suitably skilled employees;</li> <li>Review critical functions within the business to identify those actions that can be ceased or transferred;</li> <li>Consider implementing a roster system to allow for rest for those employees still available to operate;</li> </ul>	
3	<b>Monitor employee welfare</b> such as potential fatigue or stress related issues. <ul style="list-style-type: none"> <li>Liaise with Work Health &amp; Safety function to provide guidance and support to employees as required.</li> <li>Consider engaging Employee Assistance Provider through People Experience Team.</li> </ul>	
4	<b>Communicate:</b> Provide regular information updates to all key stakeholders, including non-affected Teams (if required). Consider: <ul style="list-style-type: none"> <li>Plan and status of recovery activities; and</li> <li>Identified risks associated with recovery</li> </ul>	

Consider the criticality of business processes and IT applications before proceeding.  
Turn over the page.

## Customer Experience and Libraries – BCP on a Page

### PEOPLE: Contact List and Key Roles

Role	Primary/Alternate	Name	Mobile	Email
------	-------------------	------	--------	-------

#### Understand the Roles

<b>Lead</b>	<ul style="list-style-type: none"> <li>Lead the use of this Plan.</li> <li>Work with CMT to understand status of situation, strategic overview and any impediments to activation of this Plan.</li> <li>Actively manage your team, communications and anything else needed to recover their operations.</li> </ul>
<b>Coordinator</b>	<ul style="list-style-type: none"> <li>Working with the Lead, assist to call out relevant people to assist with this Plan.</li> <li>Be a resource for the Lead to call on to assist with actions and decisions.</li> <li>Be the central point of call for all employees in your group.</li> </ul>

### Critical Business Functions and Timeframes

Process Name	Criticality	Contingency strategies and things to think about
Front of House and Contact Centre Management	T1	Consider: 1. Rostering and staffing 2. Reactive communications 3. Outgoing comms, and requests. 4. Transactions and EFT 5. Section 7 Searches 6. General inbound calls (waste management, etc) 7. Website submissions
Library spaces	T2	Consider: 1. Extreme heat days 2. Meeting room hire 3. Planning days 4. Toilets and refuge for extreme weather 5. Phone charging 6. Provide water
Triage and Referrals	T5	Consider: 1. Liaison with Department of Environment, Water and Natural Resources, other Departments, such as DIPTI 2. Referrals to SES 3. Animal management (external providers) 4. Fines enforcement recovery unit
Services	T5	Consider: 1. Computer and WIFI access 2. Homebound library 3. Children's programmes 4. Out-reach programmes 5. Digital literacy programme 6. Community information programme 7. Book discussion groups 8. School holiday programmes 9. STEM 10. One on one digital support 11. Scanning, photocopying and printing service 12. Lending books, returns 13. Digital training and IELTS 14. JP service 15. Council customer service at Glenelg only 16. Tax help support 17. Community information (train timetables) 18. Pick up point for major state or fed publications. 19. Council and state government engagements.
Acquire Materials	T6	Consider: 1. Books, DVDs, electronic materials

### IT: Critical Technology Applications & Timeframes

Application Name	RTO	RPO	Manual Workaround
EFTPOS	At Time of Recovery	Functionality Only	Manual payments.
EnvisionWare	Soon After Recovery	Functionality Only	Officeworks or other libraries and manually control computer user access.
Intranet	At Time of Recovery	Last Backup (upto 24 hours data loss)	Refer to hard copy documents and bookmarked links.
Office, Internet & Email	At Time of Recovery	Functionality Only	Phones.
One Card	At Time of Recovery	Last Backup (upto 24 hours data loss)	Refer to the state gov for DR process. Offline mode, and will collect data, the it will automatically up load the data retrospectively.
PABX Mitel	At Time of Recovery	Functionality Only	Transfer to after hours service in Melbourne.
ECM Records Manager	At Time of Recovery	Last Transaction	-

### External & Internal Dependencies

Vendor/Supplier Name	Internal/External	Reliance Level	Description of service	Contact Name & Number
ComBank	External	Total Reliance	-	
EnvisionWare	External	Partial Reliance	-	8132 5800
FE Technologies	External	Partial Reliance	-	1300 731 991
PLS	External	Total Reliance	-	8348 2311
Telstra	External	Total Reliance	-	

### SITES: Options of where to go

Site	Processes			
<b>Brighton Library</b>	Library spaces, Services, Acquire Materials			
<b>BAU Staff</b>	13			
<b>Additional Comments</b>	Includes casuals.			
Work from Home?	Number of staff	% of Access Capability	Additional Requirements	Max Time Operable
No	-	-	-	-
<b>Number of people required to work from home over time:</b>				
-				
Transfer to alternate workplace?	Preferred location	Additional Requirements		
Yes	Glenelg Library			
<b>Number of people required to work from home over time:</b>				
T1: -   T2: -   T3: -   T4: -   T5: -   T6: -				

Site	Processes
<b>Civic Centre</b>	Front of House and Contact Centre Management, Triage and Referrals
<b>BAU Staff</b>	8
<b>Additional Comments</b>	

### Customer Experience and Libraries – BCP on a Page

Work from Home?	Number of staff	% of Access Capability	Additional Requirements	Max Time Operable
Yes	Up to 8	100%	Only if Civic Centre is closed to the public	Until Civic Centre re-opens
<b>Number of people required to work from home over time:</b>				
-				
Transfer to alternate workplace?	Preferred location	Additional Requirements		
Yes	Glenelg Library	Would need to set-up contact centre at the library. Technology available at site, however, resources would need to be procured.		
<b>Number of people required to work from home over time:</b>				
T1: -   T2: -   T3: -   T4: -   T5: -   T6: -				

Site	Processes			
<b>Glenelg Library</b>	Library spaces, Services, Acquire Materials			
<b>BAU Staff</b>	13			
<b>Additional Comments</b>				
Work from Home?	Number of staff	% of Access Capability	Additional Requirements	Max Time Operable
No	-	-	-	-
<b>Number of people required to work from home over time:</b>				
-				
Transfer to alternate workplace?	Preferred location	Additional Requirements		
Yes	Brighton Library			
<b>Number of people required to work from home over time:</b>				
T1: -   T2: -   T3: -   T4: -   T5: -   T6: -				

# BUSINESS CONTINUITY PLAN GUIDE

## Customer Experience

**THIS DOCUMENT SHOULD BE USED IN CONJUNCTION WITH YOUR CONTINUITY PLAN ON A PAGE**

VERSION: 1.0

DATE: AUGUST 16, 2018

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# 1. INTRODUCTION

The purpose of this document is to support the business to recover from a disruption to its normal business operations.

## 1.1. SCOPE

This Business Continuity Guide is a supporting document for the BC Plan on a Page, and addresses the following scenarios:

- Loss of Key **People**
- Loss of **IT** (Technology/Equipment)
- Denial of Access to **Site**/Premises
- Loss of **External Parties** (Third Party Providers)

## 1.2. HOW THIS GUIDE WORKS

This guide works alongside the Continuity Plan on a Page and contains additional tools, guides, actions and templates to assist in a recovery event.

## 2. DETECT & ASSESS

### Follow the instructions on your Plan on a Page:

If **NO** BCP activation is required, the situation will be managed under normal business as usual procedures.

If BCP activation **IS** required, this plan along with the BC Plan on a Page should be used.

Below is a situation assessment checklist to assist understanding the impact on the business:

<b>Situation Assessment (consult others as required)</b>	
<b>PEOPLE</b> <i>Who is affected and how?</i>	<ul style="list-style-type: none"> <li>• Are there any Injuries?</li> <li>• What potential harm exists – physical, psychological, both?</li> <li>• Who has been affected and how? Staff / Contractors / Visitors / Residents in the council?</li> <li>• What is their status (i.e. evacuated and at designated assembly point?)</li> <li>• What support is required by the affected team?</li> </ul>
<b>REPUTATION</b> <i>Reputational impact?</i>	<ul style="list-style-type: none"> <li>• Is there a reputation impact? If so, what and with whom?</li> <li>• Do staff need to be communicated to?</li> <li>• Is wider communication required to the community or South Australian State Departments?</li> </ul>
<b>INFRASTRUCTURE / TECHNOLOGY</b> <i>What is affected &amp; how?</i>	<ul style="list-style-type: none"> <li>• Is this isolated to one area of the business?</li> <li>• What capability is impacted and how?</li> <li>• Is there any data loss?</li> <li>• Are IT Systems impacted (including cyber security?)</li> <li>• Is there any equipment loss?</li> <li>• Loss of equipment? Plant?</li> </ul>
<b>SITE</b> <i>Affected sites / BUs?</i>	<ul style="list-style-type: none"> <li>• Library, Recreational Centre, or Community Hall affected?</li> <li>• Is an owned and operated site affected including security?</li> <li>• Is a tenanted/leased site affected including security?</li> <li>• Is there an impact on the businesses ability to operate from a site?</li> <li>• Is a single department or multiple departments impacted?</li> </ul>
<b>EXTERNAL PARTY</b> <i>Affected third parties?</i>	<ul style="list-style-type: none"> <li>• Does the issue affect a critical third-party supplier?</li> <li>• Does this impact our ability to operate?</li> <li>• Can other councils in Adelaide assist?</li> <li>• What is the status of the third party?</li> </ul>

# 3. ACTIVATE

If a decision is made to activate a business continuity team, this agenda and checklist will assist to run the first meeting of the team.

ALWAYS REMEMBER TO CONSIDER **PRISE**<sup>1</sup>.

1	<b>CONFIRM / REVIEW WHAT WE KNOW</b>	
	Identify the known information from across the Business: <ul style="list-style-type: none"> <li>Reconfirm facts</li> <li>What is new/what has changed?</li> <li>What is affected/what is not affected?</li> <li>What workarounds are currently in place?</li> <li>Number of issues currently being addressed</li> </ul>	<b>Agree on what is the main issue</b> - state what the main focus should be in dealing with this event. e.g.: <i>safety of the staff at certain locations, recovery of operations in specific geographies, etc.</i>
2	<b>CONSIDER WHAT MAY HAPPEN</b>	
	<b>MOST LIKELY</b> Using the main issue, state what you see as being the most likely outcome for this event.	<b>WORST CASE</b> Using the main issue, state what you see as being the "worst case" outcome for this event.
3	<b>ASSESS IMPACTS</b>	
	Against all key areas of the Business: <ul style="list-style-type: none"> <li>What functions are working/not working?</li> <li>What workarounds or options exist?</li> <li>What are the critical Interdependencies?</li> <li>What additional resources are required?</li> <li>Are there any key timelines required for a response?</li> <li>Are there any impacts to external stakeholders</li> </ul>	<b>For Worst Case</b> , what <b>additional</b> considerations are required? Consider forming sub-team(s) to focus on key issues / tasks.
4	<b>AGREE ACTIONS</b>	
	<b>NOW?</b> Include details for each task: <ul style="list-style-type: none"> <li>Actions/decisions?</li> <li>Who is responsible?</li> <li>Timings of actions?</li> <li>Desired outcomes?</li> <li>How status is to be reported?</li> <li>Approved additional resources?</li> </ul>	<b>LATER?</b> List those actions that can be delayed with details including: <ul style="list-style-type: none"> <li>What, Who, Where</li> <li>Timing of when to commence action</li> <li>When others should consider the action</li> </ul>
5	<b>AGREE COMMUNICATIONS STRATEGY</b>	
	<ul style="list-style-type: none"> <li>Agree key message</li> <li>Identify responsibility for preparing message</li> <li>Confirm authorisation and methods of delivery</li> <li>Confirm timings for message / briefing release</li> </ul>	<b>Liase with Communications Team</b>

<sup>1</sup> PRISE is an acronym used at the City of Holdfast to assess an incident. PRISE stands for; People (internal and external), Reputation, Infrastructure (both IT and non-IT), Sites and External Third-Parties (suppliers and regulators). PRISE recognises an impact to one or more of these five elements may result in a business continuity incident.

## 4. RESPOND & RECOVER

**Business Continuity Plan Coordinator** to review and follow the relevant strategy as outlined below.

- **Loss of/Denial of Access to Site** when:
  - Access to a Site is not available for an extended period
  - Complete failure of systems from site (e.g. no power / no technology) requiring relocation or services or work
- **Loss of IT/Technology** when critical systems are not available for an extended period affecting work outcomes
- **Loss of Key People** when employees or onsite contractors performing critical functions are not available
- **Loss of External Third-Party Provider** when a critical supplier is not able to deliver critical services/products

**ALL INITIAL ACTIONS ON YOUR BC PLAN ON A PAGE MUST BE COMPLETE. THEY ARE ALSO LISTED BELOW.**

This guide contains follow-on and stand-down actions that may be considered

### 4.1. LOSS OF/DENIAL OF ACCESS TO SPACE

#### Immediate Actions

#	Actions	✓
1	<b>Critical Staff:</b> Confirm alternate working arrangements: <ul style="list-style-type: none"> <li>• Can they work remotely?</li> </ul> Is there another Holdfast location suited to their needs	
2	<b>Replacement IT equipment:</b> Assess the availability of laptops and essential equipment to support the recovery of critical business functions. If <i>insufficient</i> laptops are available: <ul style="list-style-type: none"> <li>• Request laptops from employees <i>not</i> undertaking critical business functions</li> <li>• Contact IT and request support to obtain additional laptops</li> </ul> Where possible transfer processes to alternate location and/or groups to complete actions or postpone until laptops available.	
3	<b>Non-Critical Staff:</b> Confirm with Team Managers that non-essential employees have been advised to return home until further notice.	
4	<b>Communications:</b> Communicate alternate working arrangements and timeframes for recovery with impacted employees. <ul style="list-style-type: none"> <li>• Consider contacting insurance to reconcile loss. Communicate with WHS and Risk.</li> </ul>	

#### Ongoing Actions

#	Actions	✓
1	Regularly review the progress of all recovery activities and escalate any delays to as soon as possible	
2	Maintain regular contact with disrupted teams to review progress of recovery actions (workarounds, alternate sites, backup equipment, etc.) and adjust as required	
3	Regularly review welfare of employees and agree actions to manage fatigue and stress. Consider engaging Employee Assistance Provider (Contact the People Experience Team for activation).	

-- Extended Guide

4	Manage ongoing employees and stakeholder requirements. Liaise with Team Managers to ensure team-specific stakeholders are being managed	
5	Regularly provide update to all relevant key stakeholders, including non-affected Teams (if required)	
6	Consider and begin planning for longer term issues: <ul style="list-style-type: none"> <li>• How long can we operate from alternate locations and home?</li> <li>• Where can people work from longer term?</li> </ul>	

**Stand Down**

#	Actions	✓
1	Once building has been restored to operational use: <ul style="list-style-type: none"> <li>• Inform all internal stakeholders;</li> <li>• Continue to monitor situation to ensure no additional issues</li> </ul>	
2	Assess residual impacts, back log of activities and required resources to resolve. <ul style="list-style-type: none"> <li>• Liaise with People team to obtain additional resources if required.</li> </ul>	
3	Create and implement a project plan for activities required to resume normal business operations	
4	Continue to monitor impact to the team and employees	
5	Conduct Post Incident Review to identify key learnings regarding the Recovery activities	

## 4.2. LOSS OF IT/TECHNOLOGY/EQUIPMENT

### Immediate Actions

#	Actions	✓
1	<b>Confirm situation:</b> What systems have been affected? What is the expected outage timeframe?	
2	<b>Business Impact:</b> Liaise with your team to confirm actual/likely impacts to critical business functions	
3	<b>Technology Requirements:</b> Who in your team is affected? What is their technology requirements for the critical functions? <ul style="list-style-type: none"> <li>pass this information to IT so they know what your priorities are.</li> </ul>	
4	<b>Manual Workarounds:</b> Consider if manual workarounds are practical to use and implement if necessary (i.e. if IT is also affected by the disruption)	
5	<b>Communicate with Technology:</b> Agree point of contact to receive status updates.	
6	<b>Work Transfer:</b> If the technology outage affects a single region, consider transferring processes to other non-affected regions.	

### Ongoing Actions

#	Actions	✓
1	Regularly review the progress of all recovery activities and escalate any delays to the Leadership as soon as possible	
2	Review welfare of employees and agree actions to manage fatigue and stress due to additional workload. Consider engaging Employee Assistance Provider.	
3	Provide regular information updates to all internal stakeholders, including non-affected Teams (as required). Communicate: <ul style="list-style-type: none"> <li>Direction and information regarding alternate or postponed processes</li> <li>Expected timeframes, if known, for recovery</li> </ul>	
4	Confirm and allocate any further actions required by the team during recovery phase	
5	Communications: Communicate alternate working arrangements and timeframes for recovery with impacted employees. <ul style="list-style-type: none"> <li>Consider contacting insurance to reconcile loss. Communicate with WHS and Risk.</li> </ul>	

### Stand Down

#	Actions	✓
1	Once systems/equipment have been restored to operational use: <ul style="list-style-type: none"> <li>Inform all internal stakeholders (e.g. employees, management);</li> <li>Continue to monitor situation to ensure no additional issues</li> </ul>	
2	Assess residual impacts, back log of activities and required resources to resolve: <ul style="list-style-type: none"> <li>Consider additional human resources required – liaise with People team to arrange.</li> </ul>	
3	Create and implement a project plan for activities required to resume normal business operations	
4	Continue to monitor impact to employees	
5	Conduct Post Incident Review to identify key learnings regarding the Recovery activities	

-- Extended Guide

### 4.3. LOSS OF KEY PEOPLE

A loss of key people may occur for many reasons. This recovery strategy can assist when this loss causes disruption to the business which requires a coordinated approach and response.

#### Actions

#	Actions	✓
1	In liaison with Team Managers, confirm if there are sufficient suitably skilled resources to continue to operate critical business functions	
2	If <b>insufficient</b> employees to continue operation: <ul style="list-style-type: none"> <li>• Liaise with other Teams to identify availability of suitably skilled employees;</li> <li>• Review critical functions within the business to identify those actions that can be ceased or transferred;</li> <li>• Consider implementing a roster system to allow for rest for those employees still available to operate;</li> </ul>	
3	Monitor employee welfare such as potential fatigue or stress related issues. <ul style="list-style-type: none"> <li>• Liaise with Work Health &amp; Safety (Physical Security Team) function to provide guidance and support to employees as required.</li> <li>• Consider engaging Employee Assistance Provider through the Experience Team.</li> </ul>	
4	Provide regular information updates to all key stakeholders, including non-affected Teams (if required). Consider: <ul style="list-style-type: none"> <li>• Plan and status of recovery activities; and</li> <li>• Identified risks associated with recovery</li> </ul>	
5	Regularly review the progress of all recovery activities and escalate any delays to the management as soon as possible	
6	Confirm and allocate any further actions required by the team during recovery phase	

#### Stand Down

#	Actions	✓
1	Once sufficient levels of employees have returned or key roles have been temporarily filled: <ul style="list-style-type: none"> <li>• Assess any residual impact, back log of activities and required resources to resolve</li> <li>• Commence recruitment of permanent employees to replace employees as needed</li> </ul>	
2	Conduct Post Incident Review to identify key learnings regarding the Recovery activities	

-- Extended Guide

## 4.4. LOSS OF EXTERNAL THIRD-PARTY PROVIDER

### Immediate Actions

#	Actions	✓
1	<p><b>Understand Impact:</b> Is the affected 3rd party critical?</p> <p>If critical: Liaise with third-party provider to:</p> <ul style="list-style-type: none"> <li>confirm expected recovery time, if known</li> <li>identify workarounds/strategies for the continuity and recovery of critical business functions</li> </ul>	
2	<p><b>Consider Alternate Arrangements:</b> Depending on the severity of the disruption and expected recovery time, consider the following options:</p> <ul style="list-style-type: none"> <li>Identify alternate service provider(s) and assess likely timeframe to engage/procure products and services;</li> <li>Do they have the necessary qualifications or police checks to perform the service?</li> <li>Utilise existing Holdfast resources to provide support to impacted critical business functions</li> </ul>	
3	<p><b>Get Help:</b> Engage with Legal and Procurement teams to support management of disrupted provider and engagement of alternate providers</p>	
4	<p><b>Communications:</b> Confirm and communicate required employee and Member actions</p>	

### Ongoing Actions

#	Actions	✓
1	<p>Review the situation - <i>has anything changed? What is the current status of the incident/disruption?</i></p>	
2	<p>Review welfare of employees and agree on actions to manage fatigue and stress</p>	
3	<p>Provide regular information updates to all key stakeholders, including non-affected Teams. Consider:</p> <ul style="list-style-type: none"> <li>Plan and status of recovery activities; and</li> <li>Identified risks associated with recovery</li> </ul>	
4	<p>Regularly review the progress of all recovery activities and escalate any delays to management as soon as possible</p>	

### Stand Down Actions

#	Actions	✓
1	<p>Once issue is resolved, stand down Team Managers and resume normal business operations</p>	
2	<p>Assess residual impact, back log of activities and required resources to resolve</p>	
3	<p>Assess long term relationship with service provider and any legal considerations</p>	
4	<p>Conduct Post Incident Review to identify key learnings regarding the Recovery activities</p>	

## 5. PERSONAL LOG



# APPENDIX – OTHER SUPPORTING INFORMATION

**End of Document**

Item No: 6.3

Subject: **RISK REPORT**

Date: 20 October 2021

Written By: Manager, Strategy and Governance

General Manager: Strategy and Corporate, Ms P Jackson

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## **SUMMARY**

A detailed review of both the Strategic and Operational Risk Registers was due to be undertaken in late September/early October. This work is progressing, along with a broader review of the risk function, all organisational risks, including assets, work health and safety and project risks and a process review of ICT risk management (per the Cyber Security Internal Audit).

The risk profile has not changed since the last report to Audit.

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## **RECOMMENDATION**

**That the Audit Committee notes this report.**

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## **COMMUNITY PLAN**

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

## **COUNCIL POLICY**

Risk Management Framework  
Risk Management Policy

## **STATUTORY PROVISIONS**

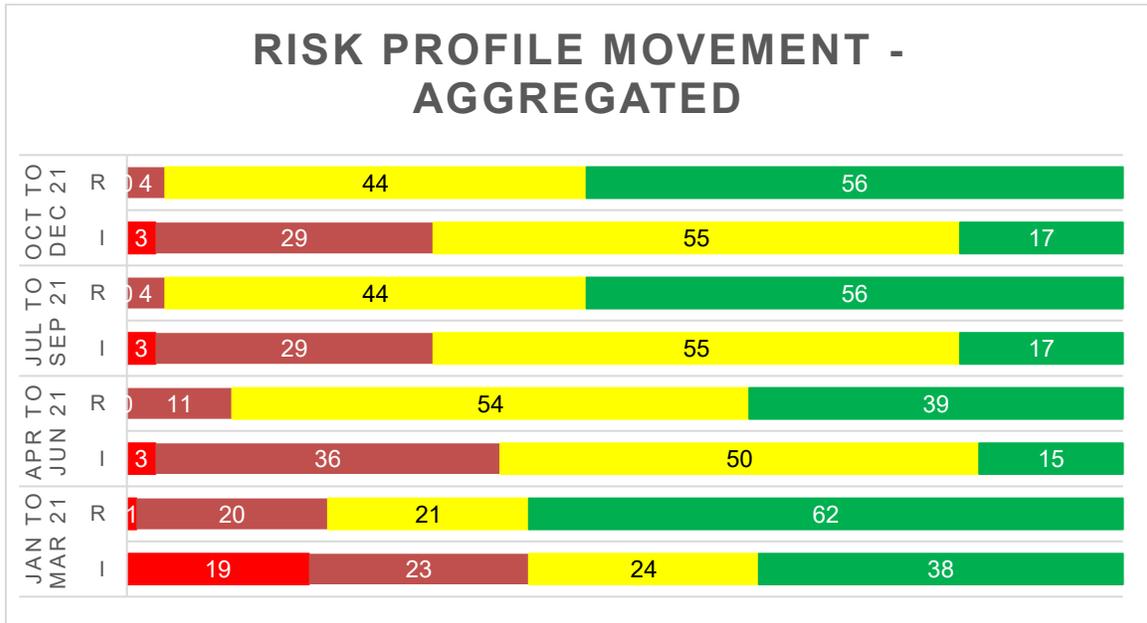
Not applicable

## **BACKGROUND**

Strategic and Operational Risk Registers were established with assistance from Galpins and Local Government Risk Services, respectively.

At present, asset risks, project risks and work health and safety (WHS) risks are all held separately throughout the organisation.





**BUDGET**

There are no budget implications associated with this report.

**LIFE CYCLE COSTS**

There are no life cycle costs associated with this report.

Item No: 6.4

Subject: **2020-21 GENERAL PURPOSE FINANCIAL STATEMENTS**

Date: 20 October 2021

Written By: Manager Financial Services, Finance Manager - Alwyndor

General Manager: Strategy and Corporate, Ms P Jackson

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## **SUMMARY**

The financial statements for the year ended 30 June 2021 have been completed and audited by Council's audit firm, Dean Newbery, who have indicated that an unqualified audit opinion will be provided and that there are no material issues arising from the audit. They are presented to the Audit Committee for review.

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## **RECOMMENDATION**

**That the Audit Committee inform Council it has reviewed the General Purpose Financial Reports for the year ending 30 June 2021, 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.**

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## **COMMUNITY PLAN**

Culture: Being financially accountable

## **COUNCIL POLICY**

Not applicable

## **STATUTORY PROVISIONS**

*Local Government Act 1999*

*Local Government (Financial Management) Regulations 2011*

## **BACKGROUND**

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

The financial statements for the year ended 30 June 2021 have been completed and audited. They will be presented to an ordinary meeting of Council on 26 October 2021 for the Chief Executive Officer and the Mayor to be authorised to sign the certification of the financial statements.

Preliminary 2020/21 funding statements were received by Council on 24 August 2021 (Report 285/21) and have been previously distributed to members of the Audit Committee under separate cover. The preliminary statements excluded impairment of assets and the final Southern Region Waste Resource Authority result as these were yet to be finalised.

The attached 2020/21 financial statements have been prepared in accordance with The Model Financial Statements, Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011* and Council policies. The statements including notes have not previously been considered by the Audit Committee.

## **REPORT**

### **Independence of Council's Auditor**

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

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

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

Regulation 22(3) requires that the Council Chief Executive Officer and Presiding Member of the Audit Committee execute certificates confirming that the Auditor has complied with the independence requirements. The Chief Executive Officer will sign the certificate prior to the Audit Committee meeting on 20 October 2021 under Regulation 22(3) confirming the Auditor's independence. A copy will be tabled at the Audit Committee meeting on 20 October 2021 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 2021, 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 2021**

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 30 September 2021 which was unqualified with no material issues. The final completion report is attached.

*Refer Attachment 3a & b*

As part of the audit, the Chief Executive Officer and Council's Manager Financial Services will both sign a letter to the Auditor which provides certain representations in relation to the financial statements pursuant to Australian Auditing Standard ASA580, a copy of which is provided at Attachment 4.

*Refer Attachment 4*

The following comments are offered with respect to Council's 2020/21 consolidated financial statements:

### **Consolidation**

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

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

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

### **Operating Result**

The consolidated (rounded) operating result before capital revenues is \$1,289,000 (surplus) comprising \$2,048,000 surplus from Council’s municipal operations and (\$759,000) deficit from Alwyndor operations. Contained in Council’s municipal operations result is an \$66,000 surplus from Council’s equity interest in SRWRA.

The operating results vary from the preliminary result reported to Council on 24 August 2021 (Report 285/21) as indicated in the table below.

Preliminary Report Council 285/21 operating result before net gain/loss on asset disposals/revaluations – (rounded)	Financial Statements Operating Result (rounded)	Difference (to Council Report 285/21)
<b><i>Municipal Operations</i></b>		
\$1,618,000 Surplus	\$2,048,000 Surplus	\$430,000 increase in surplus
<b><i>Alwyndor Operations</i></b>		
(\$811,000) Deficit	(\$759,000) Deficit	\$52,000 decrease in deficit
<b><i>Consolidated</i></b>		
\$807,000 Surplus	\$1,289,000 Surplus	\$482,000 increase in surplus

The major differences with the Council operating result were:

- increased final depreciation \$111,000
- decreased SRWRA net surplus result \$116,000
- final end-of-year accruals for invoice payments and caravan park income \$24,000 net.
- A \$733,000 positive variance due to accounting treatment of the federally funded Local Roads and Community Infrastructure program. The treatment is based on relevant

accounting standards and advice from the SA Local Government Auditors Group with the grant treated as an operating grant for the total amount received in 2020-21.

Loan receivables were reviewed and considered by the Audit Committee on 25 August 2021 (Report 269/21). On 14 September 2021 Council noted the minutes of the Audit Committee (Minute C140921/2412). The loan impairment provision has been maintained in accordance with the recommendations.

Additional comments comparing the results for 2020/21 to the previous year and referenced to the notes in the financial statements are provided at Attachment 5.

*Refer Attachment 5*

### **Ratio Analysis**

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

The ratios have been compared to the 2020/21 budget including the interest cover ratio which indicates the ability to service debt by calculating net financial interest as a percentage of overall operating revenue.

The following table provides ratio analysis for consolidated activities including comparisons to budget.

<b>Ratio Consolidated Funds</b>	<b>Target – from Long Term Financial Plan</b>	<b>Original Budget</b>	<b>Revised Budget Forecast</b>	<b>Actual Results</b>
Operating Result*	≥ 0	(\$1,039,213) Deficit	(\$822,204) Deficit	\$1,289,000 Surplus
Operating Ratio**	≥ 0%	(1.5%)	(1.2%)	1.8%
Net Financial Liabilities Ratio***	≤ 75%	67%	66%	51%
Asset Sustainability Ratio****	90% -110%	104%	182%	116%

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

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

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

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

**Ratios - Municipal Funds**

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

<b>Ratio – Municipal Funds</b>	<b>Target – from Long Term Financial Plan</b>	<b>Original Budget</b>	<b>Revised Budget Forecast</b>	<b>Actual Results (rounded)</b>
Operating Result	≥ 0	(\$660,213) Deficit	(\$155,206) Deficit	\$2,048,000 Surplus
Operating Ratio	≥ 0%	(1.4%)	(0.3%)	4.2%
Net Financial Liabilities Ratio	≤ 75%	67%	65%	44%
Interest Cover Ratio *	≤ 5%	1.6%	1.4%	1.2%
Asset Sustainability Ratio	90% -110%	127%	203%	135%

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

**Explanation of variances between budget and result – Municipal Funds**

The contributing factors for the *operating result* budget forecast surplus decrease from the original forecast have been reported to Council throughout the financial year. The most recent report on 24 August 2021 (Report 285/21) fully detailed the budget forecast variations for 2020/21. The report included comprehensive details of the business unit variances in the operating actual surplus result compared to the revised budget forecast. The report was provided to Audit Committee members under separate cover.

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

<b>Major Municipal Operational Budget Variances (rounded)</b>	<b>Amount</b>
Lower overall employment costs	\$165,000
Lower materials, contract & other expenditure	\$33,000
Higher depreciation expense	(\$12,000)
Lower interest on borrowings expense	\$105,000
Lower overall Strategic and Economic expenditure	\$171,000
Lower overall elected member expenses	\$57,000
Lower Community Event expenditure	\$146,000
Library salaries in-kind book grant	\$89,000
Higher on-street parking expiation fees	\$170,000
Higher off-street parking ticket machine income	\$196,000
Higher Caravan park income	\$62,000

Operational result from Jetty Road Mainstreet	\$204,000
Finalised HACC/CHSP program savings	\$142,000
Lower equity share in SRWRA	(\$58,000)
LRCI Federal Govt. Grant – timing and accounting treatment	\$733,000
<b>Total variance to forecast (favourable)</b>	<b>\$2,203,000</b>

A major \$733,000 variance has occurred in the accounting treatment of the federally funded Local Roads and Community Infrastructure (LRCI) program grant. During 2020/21 Council received \$1,053,126 for phase 1 and 2 of the program. The initial accounting interpretation was to classify components of the grant against revenue received in advance, operating grants and capital grants on new assets. The SA Local Government Auditors Group have considered the appropriate accounting standards and reviewed the characteristics of the grant agreement advising councils that it is to be treated as an operating grant. This is primarily due the level of discretion councils have with project nomination and specification combined with a formula based methodology which is based on the overall road length and population for the council. Additionally after considering the program guidelines and applying the relevant accounting standards the grant income is required to be recognised for the full amount in the year in which it is received. The impact of applying these accounting requirements is an additional \$733,000 of income in the income statement and a reduction in the amount initially recorded as revenue received in advance.

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

- The 2020/21 original ratio assumed completion of the 2019/20 capital works program. However not all 2019/20 capital projects were completed and the net capital expenditure budget was increased by \$6.04m (net) during 2020/21.
- The 2020/21 capital expenditure program was not finalised by 30 June 2021 and \$6.85m (net) has been approved by Council (Report 285/21) to be carried forward into 2021/22 to be funded by new borrowings.
- The above factors contributed to strong positive cash flow throughout 2020/21. Major capital expenditure occurred in the last quarter of 2020/21 resulting in the requirement for new borrowings totaling \$5m. The borrowing amount was substantially less than the revised budget (\$14.7m) due to the timing of other capital expenditure as outlined in report 285/21.

#### **Ratios – Alwyndor Funds**

<b>Ratio – Alwyndor Funds</b>	<b>Target – from Long Term Financial Plan</b>	<b>Original Budget</b>	<b>Revised Budget Forecast</b>	<b>Actual Results Rounded</b>
Operating Result	≥ 0	(\$379,000) Deficit	(\$747,000) Deficit	(\$759,000) Deficit

<b>Additional Alwyndor Performance Indicators</b>	<b>Target</b>	<b>Actual to 30 June 2021</b>
Bed occupancy rate – year-to-date average	98.5%	98.9%
Cash Liquidity Level – ability to refund bonds/refundable accommodation deposits (RAD's)	Minimum of \$2m	\$4m
Cash to total revenue	4.4%	2.7%
Average direct care funding per resident per day (Aged Care Funding Instrument)	\$180	\$174.79
No. of Home Support Packages	292	271
Home Support funding utilization – the portion of revenue generated from Home Support Package funds.	96.2%	86.4%
Therapy and Wellness service hours	36,632	18,029

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

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

<b>Major Alwyndor Operational Variances</b>	<b>Amount</b>
Higher revenue (Government Subsidy)	(\$100,000)
Higher income following the reconciliation of unspent funds for Home Care Packages	(\$35,000)
Preliminary project costs expensed	\$30,000
Higher wages, mainly Residential care	\$111,000
Higher repairs and maintenance (unplanned response) and increased electricity usage	\$31,000
Website costs capitalised and less marketing expenditure in during April – June 2021	(\$47,000)
Other costs: General Administration and Residential care costs	\$23,000
<b>Total variance to forecast</b>	<b>\$12,000</b>

***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 2020/21 was \$438,000 operating surplus. The 2020/21 SRWRA financial statements are attached.

*Refer Attachment 6*

**BUDGET**

This report has no direct budget implications.

**LIFE CYCLE COSTS**

This report has no direct implication for life cycle costs.

# Attachment 1





# Audit Completion Report

City of Holdfast Bay

Year Ended 30 June 2021

**Dean**Newbery

# Executive Summary

15 October 2021

City of Holdfast Bay  
24 Jetty Road  
**Brighton SA 5048**

Dear Cr. Smedley

This report has been prepared for the Audit Committee of the City of Holdfast Bay (the Council) in relation to the 30 June 2021 external audit.

The purpose of this report is to provide members of the Audit 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.

This report has been prepared to comply with Australian Auditing Standard (ASA) 260 Communication with Those Charged with Governance and ASA 265 Communicating Deficiencies in Internal Controls to Those Charged with Governance and Management.

We are pleased to advise that subject to the finalisation of the outstanding matters outlined within this Report, our audit opinions for financial year ended 30 June 2021 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.

Your sincerely  
**DEAN NEWBERY**



**Samantha Creten**  
Partner

# Executive Summary

## Scope

The audit procedures have been designed and carried out by the audit team in accordance with Australian Auditing Standards and per the audit scope prescribed under the Local Government Act 1999 and applicable Regulations for the financial year ended 30 June 2021.

## Independence

In accordance with our professional ethical requirements, we confirm that, for the audit of the Council for the financial year ended 30 June 2021, all members of our audit team have maintained their 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 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 2021 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 2021
- Complete a review of the draft Financial Statements and obtain certified financial statements as required
- Receipt of the signed Management Representation Letter

## Fraud & Litigation

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

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

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

# Summary of Misstatements

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

Any misstatements, either individually or in aggregate, that are considered to be immaterial, have not been reported and regarded as being minor in the context of the financial report as a whole.

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

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 Audit 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 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 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
Consolidation and Disclosure of Alwyndor Aged Care (Alwyndor)	<ul style="list-style-type: none"> <li>Discussion held with Management and previous Auditors over the historic treatment of Alwyndor for financial reporting purposes.</li> <li>Review of previous legal advice received from Council's lawyers.</li> </ul>	<ul style="list-style-type: none"> <li>Additional disclosures have been included in Note 24 of the Financial Statements for the first time that ensure users of the financial statements are aware of the following key information:               <ul style="list-style-type: none"> <li>Council is the Trustee of Alwyndor</li> <li>Council has no legal entitlement to financially benefit from Alwyndor's operations.</li> <li>Additional financial disclosures have been included to separately show the financial operations of Council's to that of Alwyndor's given the above noted matters.</li> </ul> </li> </ul>
Grants Revenue Received	<ul style="list-style-type: none"> <li>Reviewed Grant Agreements and Identified Performance Obligation to determine if Deferred Revenue Liability was required</li> <li>Reviewed Accounting Treatment of funding received (e.g. Capital vs Operating) to ensure appropriate representation in the General Ledger – in particular the treatment of the Local Roads Community Infrastructure (LRCI) to ensure this was classified as Operating</li> </ul>	<ul style="list-style-type: none"> <li>Our audit procedures identified that the initial treatment of the LRCI grant was treated as a non-operating income item which was subsequently corrected (total income recognised: \$1.053 million).</li> <li>No other material misstatements were identified.</li> </ul>
Impairment of Community Loans	<ul style="list-style-type: none"> <li>Reviewed outstanding balances owed to Council.</li> <li>Discussions held with Management.</li> </ul>	<ul style="list-style-type: none"> <li>No change made to provision for impairment of community loans in FY2021. Further review to be conducted in future years and adjustments made if/as required.</li> </ul>

# 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 that

Audit Matter	Audit Recommendation
Internal Capitalised Cost – Salaries & Wages	Council has historically undertaken an estimate of the time spent by individual employee's on capital versus operating projects conducted by the Council so as to allocate employee remuneration costs between operating and capital expense. On investigation of the methodology applied, we noted that there is minimal documented procedures around this process nor detailed data capture to evidence the assumptions in the estimates calculated (i.e. via timesheets, project reports, etc.). We recommend that Council undertakes a review of the methodology applied in capturing and calculating its capital wage costs to ensure that further evidence can be provided to support assumptions included within the annual calculation.
Alwyndor – Governance Documents	<p>We note that in legal advice provided to Council concerning the operations of Alwyndor, there were recommendation made to address deficiencies noted in the existing Trust Deed which we note have not been made.</p> <p>We recommend that Council undertakes a review and update of the Trust Deed in line with the legal advice to ensure the governance arrangements surrounding Alwyndor are further strengthened. This includes a review and update (where required) of all registered business names, ABN details and registrations with regulatory authorities to ensure consistency.</p>
Future Asset Valuations	<p>We note that the age of asset valuations for Land &amp; Land Improvements, Buildings &amp; Other Structures and Stormwater Drainage assets were last conducted on 30 June 2017 which as at reporting date, is now 4 years old. We note in discussions with Council's Administration that asset valuations have already been identified as needing to be undertaken in FY2022 which has been programmed to be undertaken.</p> <p>As part of our FY2022 audit planning, we will factor in the above asset valuations as part of our work plan and areas for audit focus.</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 2021, 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 2021, and its financial performance and its cash flows for the year then ended in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulation 2011 and the Australian Accounting Standards.

### Basis for Opinion

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

### Council's Responsibility for the Financial Report

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

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

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

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

# Draft Audit Report

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

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

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

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

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

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

**DEAN NEWBERY**

**Samantha Creten**  
**Partner**

Signed on the     day of                     2021,  
at 214 Melbourne Street, North Adelaide

# Draft Assurance Report

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

### Opinion

In our opinion, the Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to the Internal Controls established by the Council relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2020 to 30 June 2021.

### 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 2020 to 30 June 2021 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

## Limitation on Use

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

## Limitations of Controls

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

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

DEAN NEWBERY

Samantha Creten  
Partner

Signed on the     day of             2021,  
at 214 Melbourne Street, North Adelaide

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Dean Newbery

ABN 30 164 612 890

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**DeanNewbery**

# Attachment 2



# City of Holdfast Bay

## GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2021

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General Purpose Financial Statements

for the year ended 30 June 2021

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## General Purpose Financial Statements

for the year ended 30 June 2021

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### 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 2021 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

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R Bria  
**Chief Executive Officer**

dd MMMM yyyy

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A Wilson  
**Mayor**

dd MMMM yyyy

## Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
<b>Income</b>			
Rates	2a	37,977	37,086
Statutory Charges	2b	2,263	2,230
User Charges	2c	7,754	7,602
Grants, Subsidies and Contributions	2g	15,515	13,958
Investment Income	2d	191	411
Reimbursements	2e	3,575	3,493
Other income	2f	4,398	4,915
Net Gain - Equity Accounted Council Businesses	19(a)	66	99
<b>Total Income</b>		<b>71,739</b>	<b>69,794</b>
<b>Expenses</b>			
Employee costs	3a	32,712	31,646
Materials, Contracts and Other Expenses	3b	25,240	26,807
Depreciation, Amortisation and Impairment	3c	10,684	10,416
Finance Costs	3d	1,814	2,117
<b>Total Expenses</b>		<b>70,450</b>	<b>70,986</b>
<b>Operating Surplus / (Deficit)</b>		<b>1,289</b>	<b>(1,192)</b>
Asset Disposal & Fair Value Adjustments	4	(1,379)	(3,396)
Amounts Received Specifically for New or Upgraded Assets	2g	5,631	4,728
<b>Net Surplus / (Deficit)</b>		<b>5,541</b>	<b>140</b>
<b>Other Comprehensive Income</b>			
<b>Amounts which will not be reclassified subsequently to operating result</b>			
Changes in Revaluation Surplus - I,PP&E	9a	5,567	(710)
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	21	183
<b>Total Other Comprehensive Income</b>		<b>5,588</b>	<b>(527)</b>
<b>Total Comprehensive Income</b>		<b>11,129</b>	<b>(387)</b>

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

## Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & Cash Equivalent Assets	5a	19,200	21,355
Trade & Other Receivables	5b	4,000	5,513
Inventories	5c	–	10
<b>Total current assets</b>		<u>23,200</u>	<u>26,878</u>
<b>Non-current assets</b>			
Financial Assets	6a	1,133	1,166
Equity Accounted Investments in Council Businesses	6b	3,314	3,227
Other Non-Current Assets	6c	4,497	4,551
Infrastructure, Property, Plant & Equipment	7a(i)	732,135	720,377
<b>Total non-current assets</b>		<u>741,079</u>	<u>729,321</u>
<b>TOTAL ASSETS</b>		<u>764,279</u>	<u>756,199</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	39,818	45,278
Borrowings	8b	1,473	3,056
Provisions	8c	4,706	4,618
<b>Total Current Liabilities</b>		<u>45,997</u>	<u>52,952</u>
<b>Non-Current Liabilities</b>			
Borrowings	8b	14,439	10,554
Provisions	8c	490	469
<b>Total Non-Current Liabilities</b>		<u>14,929</u>	<u>11,023</u>
<b>TOTAL LIABILITIES</b>		<u>60,926</u>	<u>63,975</u>
<b>Net Assets</b>		<u>703,353</u>	<u>692,224</u>
<b>EQUITY</b>			
Accumulated surplus		185,045	179,483
Asset revaluation reserves	9a	511,893	506,326
Other reserves	9b	6,415	6,415
<b>Total Council Equity</b>		<u>703,353</u>	<u>692,224</u>
<b>Total Equity</b>		<u>703,353</u>	<u>692,224</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 2021

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
<b>2021</b>					
Balance at the end of previous reporting period		179,483	506,326	6,415	692,224
Net Surplus / (Deficit) for Year		5,541	–	–	5,541
<b>Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	5,567	–	5,567
- Share of OCI - Equity Accounted Council Businesses		21	–	–	21
<b>Other comprehensive income</b>		<b>21</b>	<b>5,567</b>	<b>–</b>	<b>5,588</b>
<b>Total comprehensive income</b>		<b>5,562</b>	<b>5,567</b>	<b>–</b>	<b>11,129</b>
<b>Balance at the end of period</b>		<b>185,045</b>	<b>511,893</b>	<b>6,415</b>	<b>703,353</b>
<b>2020</b>					
Balance at the end of previous reporting period		179,160	507,036	6,415	692,611
Net Surplus / (Deficit) for Year		140	–	–	140
<b>Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	(710)	–	(710)
- Share of OCI - Equity Accounted Council Businesses		183	–	–	183
<b>Other comprehensive income</b>		<b>183</b>	<b>(710)</b>	<b>–</b>	<b>(527)</b>
<b>Total comprehensive income</b>		<b>323</b>	<b>(710)</b>	<b>–</b>	<b>(387)</b>
<b>Balance at the end of period</b>		<b>179,483</b>	<b>506,326</b>	<b>6,415</b>	<b>692,224</b>

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 2021

\$ '000	Notes	2021	2020
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
Rates		38,696	36,370
Statutory Charges		2,263	2,270
Investment Receipts		191	411
Reimbursements		3,589	3,503
Other Receipts		2,907	9,354
User Charges		7,767	7,792
Grants, Subsidies and Contributions (operating purpose)		13,030	14,058
<u>Payments</u>			
Payments for Materials, Contracts & Other Expenses		(25,463)	(28,848)
Finance Payments		(657)	(665)
Payments to Employees		(32,673)	(31,395)
<b>Net cash provided by (or used in) Operating Activities</b>	11b	9,650	12,850
<b>Cash flows from investing activities</b>			
Sale of Surplus Assets		12	40
Repayments of Loans by Community Groups		32	112
Amounts Received Specifically for New/Upgraded Assets		5,632	3,485
Sale of Replaced Assets		261	195
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(8,758)	(7,799)
Expenditure on New/Upgraded Assets		(9,715)	(14,320)
<b>Net cash provided (or used in) investing activities</b>		(12,536)	(18,287)
<b>Cash flows from financing activities</b>			
<u>Receipts</u>			
Proceeds from Aged Care Facility Deposits		6,146	7,159
Proceeds from Borrowings		5,000	2,150
<u>Payments</u>			
Repayment of Bonds & Deposits		-	(34)
Repayment of Aged Care Facility Deposits		(7,717)	(7,042)
Repayments of Borrowings		(3,055)	(1,000)
<b>Net Cash provided by (or used in) Financing Activities</b>		374	1,233
<b>Net Increase (Decrease) in Cash Held</b>		(2,512)	(4,204)
plus: Cash & Cash Equivalents at beginning of period		21,355	25,559
<b>Cash and cash equivalents held at end of period</b>	11a	18,843	21,355

Additional Information:

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

## Notes to and forming part of the Principal Financial Statements for the year ended 30 June 2021

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# City of Holdfast Bay

## Notes to the Financial Statements

for the year ended 30 June 2021

### 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 the Financial Statements

for the year ended 30 June 2021

## 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
2018/19	\$1,676,394	\$1,324,637	+\$351,757
2019/20	\$1,234,622	\$1,173,216	+\$61,406
2020/21	\$1,126,691	\$1,180,780	-\$54,089

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

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

**(4) Cash, Cash Equivalents and other Financial Instruments**

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

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

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

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

**(5) Infrastructure, Property, Plant & Equipment****5.1 Initial Recognition**

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

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

**5.2 Materiality**

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

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Fittings	\$2,000
Equipment	\$2,000
Buildings	\$10,000

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 1. Summary of Significant Accounting Policies (continued)

Roads	\$10,000
Other Infrastructure	\$6,500

**5.3 Subsequent Recognition**

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

**5.4 Depreciation of Non-Current Assets**

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

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

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

*Plant, Furniture & Equipment*

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

*Building & Other Structures*

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

*Infrastructure*

Sealed Roads – Surface	15 to 40 years
Sealed Roads – Structure	120 to 150 years
Sealed Roads – Sub-base	300 years
Sealed Roads – Kerbing	100 years
Bridges	100 years
Paving & Footpaths	10 to 50 years
Drains / Culverts	15 to 150 years
Playground Equipment	10 to 20 years
Benches, seats, etc	7 to 25 years

*Other Assets*

Library Lending Materials	7 years
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**5.5 Impairment**

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

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

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 1. Summary of Significant Accounting Policies (continued)

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

#### (6) Payables

##### 6.1 Goods & Services

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

##### 6.2 Payments Received in Advance & Deposits

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

#### (7) Borrowings

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

#### (8) Employee Benefits

##### 8.1 Salaries, Wages & Compensated Absences

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

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

##### 8.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

#### (9) Leases

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

##### Leases and Right-of-use assets

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 Aged Care 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.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 1. Summary of Significant Accounting Policies (continued)

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

#### i) Aged Care Refundable Accommodation Deposits/ Contributions

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

#### ii) Aged Care Resident Loans

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

*Resident loans - Aged Care Act 1997*

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

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

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

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

#### (10) Equity Accounted Council Businesses

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

#### (11) GST Implications

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

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

#### (12) New accounting standards and UIG interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

##### Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Council.

##### Amendments to AASB 16 Covid-19 Related Rent Concessions

In 2020, the AASB issued AASB 2020-4, Amendments to AASBs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 1. Summary of Significant Accounting Policies (continued)

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lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. This amendment had no impact on the consolidated financial statements of Council.

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

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

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

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

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

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

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and associated standards.

#### **(13) Disclaimer**

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

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 2. Income

\$ '000	2021	2020
<b>(a) Rates</b>		
<b>General Rates</b>		
General Rates	36,625	35,717
Less: Mandatory Rebates	(511)	(471)
Less: Discretionary Rebates, Remissions & Write Offs	(195)	(196)
<b>Total General Rates</b>	<b>35,919</b>	<b>35,050</b>
<b>Other Rates (Including Service Charges)</b>		
Natural Resource Management Levy	1,309	1,307
Separate & Special Rates	657	650
<b>Total Other Rates (Including Service Charges)</b>	<b>1,966</b>	<b>1,957</b>
<b>Other Charges</b>		
Penalties for Late Payment	64	45
Legal & Other Costs Recovered	28	34
<b>Total Other Charges</b>	<b>92</b>	<b>79</b>
<b>Total Rates</b>	<b>37,977</b>	<b>37,086</b>
<b>(b) Statutory Charges</b>		
Development Act Fees	421	340
Animal Registration Fees & Fines	191	183
Parking Fines / Expiation Fees	1,193	1,161
Other Licences, Fees & Fines	458	546
<b>Total Statutory Charges</b>	<b>2,263</b>	<b>2,230</b>
<b>(c) User Charges</b>		
Cemetery/Crematoria Fees	199	245
Parking Fees	977	838
Sundry	92	76
Commercial Leases/Caravan Park	1,917	2,407
Aged Care Residential Fees and Rentals	4,505	3,876
Major Community Event	61	160
Other	3	-
<b>Total User Charges</b>	<b>7,754</b>	<b>7,602</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 2. Income (continued)

\$ '000	2021	2020
<b>(d) Investment Income</b>		
Interest on Investments		
- Local Government Finance Authority	177	283
- Banks & Other	14	128
<b><u>Total Investment Income</u></b>	<b><u>191</u></b>	<b><u>411</u></b>
<b>(e) Reimbursements</b>		
Private Works	88	71
Aged Care Facility - Home Care	3,193	2,969
Other	294	453
<b><u>Total Reimbursements</u></b>	<b><u>3,575</u></b>	<b><u>3,493</u></b>
<b>(f) Other income</b>		
Rebates Received	449	270
Sundry	258	377
Aged Care Facility - Home Care Management Fees	1,524	1,744
Aged Care Facility - Accommodation and Care Fees	1,632	1,882
Aged Care Facility - Home Care	465	543
Other	70	99
<b><u>Total Other income</u></b>	<b><u>4,398</u></b>	<b><u>4,915</u></b>
<b>(g) Grants, Subsidies, Contributions</b>		
Amounts Received Specifically for New or Upgraded Assets	5,631	4,728
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>	<b><u>5,631</u></b>	<b><u>4,728</u></b>
Other Grants, Subsidies and Contributions	634	529
Aged Care Facility - Grants, Subsidies and Contributions	12,184	10,812
Untied - Financial Assistance Grant	1,073	1,173
Roads to Recovery	374	373
Home and Community Care Grant	143	1,010
Local Roads and Community Infrastructure Program	1,053	-
Individually Significant Item - Additional Grants Commission Payment (refer below)	54	61
<b>Total Other Grants, Subsidies and Contributions</b>	<b><u>15,515</u></b>	<b><u>13,958</u></b>
<b><u>Total Grants, Subsidies, Contributions</u></b>	<b><u>21,146</u></b>	<b><u>18,686</u></b>
The functions to which these grants relate are shown in Note 12.		
<b>(i) Sources of grants</b>		
Commonwealth Government	16,340	11,241
State Government	4,173	7,426
Other	633	19
<b>Total</b>	<b><u>21,146</u></b>	<b><u>18,686</u></b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 3. Expenses

\$ '000	Notes	2021	2020
<b>(a) Employee costs</b>			
Salaries and Wages		27,219	26,531
Employee Leave Expense		2,433	2,296
Superannuation - Defined Contribution Plan Contributions	18	2,540	2,423
Superannuation - Defined Benefit Plan Contributions	18	224	250
Workers' Compensation Insurance		1,205	978
Less: Capitalised and Distributed Costs		(909)	(832)
<b>Total Operating Employee Costs</b>		<b>32,712</b>	<b>31,646</b>
Total Number of Employees (full time equivalent at end of reporting period)		349	340
<b>(b) Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		31	41
Elected Members' Expenses		361	363
Election Expenses		11	12
Lease Expense - Low Value Assets / Short Term Leases		17	17
<b>Subtotal - Prescribed Expenses</b>		<b>420</b>	<b>433</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		6,968	7,802
Energy		434	518
Maintenance		2,386	2,341
Legal Expenses		151	160
Levies Paid to Government - NRM levy		1,287	1,282
Professional Services		2,823	3,324
Water		561	573
Materials		2,590	2,666
Insurances		551	578
Waste Management		4,068	3,941
Covid 19 Related Expenditure		169	-
Other		2,832	3,189
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>24,820</b>	<b>26,374</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>25,240</b>	<b>26,807</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 3. Expenses (continued)

\$ '000	2021	2020
<b>(c) Depreciation, Amortisation and Impairment</b>		
<b>(i) Depreciation and Amortisation</b>		
Buildings & Other Structures	2,933	2,784
Infrastructure		
- Stormwater Drainage	510	503
- Roads	1,470	1,470
- Footpaths	966	945
- Kerb & Guttering	676	670
- Other Transport	465	445
- Open Space & Coastal	2,000	1,861
Plant & Equipment	965	970
Furniture & Fittings, Office Equipment	549	618
Library Lending Materials	150	150
<b>Subtotal</b>	<b>10,684</b>	<b>10,416</b>
<b>Total Depreciation, Amortisation and Impairment</b>	<b>10,684</b>	<b>10,416</b>

**(d) Finance Costs**

Interest on Loans	587	582
Aged Care Facility - Interest on Deposits	1,227	1,535
<b>Total Finance Costs</b>	<b>1,814</b>	<b>2,117</b>

## Note 4. Asset Disposal &amp; Fair Value Adjustments

\$ '000	2021	2020
<b>Infrastructure, Property, Plant &amp; Equipment</b>		
<b>(i) Assets Renewed or Directly Replaced</b>		
Proceeds from Disposal	261	195
Less: Carrying Amount of Assets Sold	(1,626)	(3,556)
<b>Gain (Loss) on Disposal</b>	<b>(1,365)</b>	<b>(3,361)</b>
<b>(ii) Assets Surplus to Requirements</b>		
Proceeds from Disposal	12	40
Less: Carrying Amount of Assets Sold	(26)	(75)
<b>Gain (Loss) on Disposal</b>	<b>(14)</b>	<b>(35)</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>	<b>(1,379)</b>	<b>(3,396)</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 5. Current Assets

\$ '000	2021	2020
<b>(a) Cash &amp; Cash Equivalent Assets</b>		
Cash on Hand at Bank	610	916
Deposits at Call	4,090	16,172
Short Term Deposits & Bills, etc.	14,500	4,267
<b><u>Total Cash &amp; Cash Equivalent Assets</u></b>	<b><u>19,200</u></b>	<b><u>21,355</u></b>
<b>(b) Trade &amp; Other Receivables</b>		
Rates - General & Other	577	1,288
Council Rates Postponement Scheme	34	42
Accrued Revenues	519	57
Debtors - General	1,514	1,626
GST Recoupment	302	240
Prepayments	355	527
Loans to Community Organisations	219	218
Aged Care Facility Deposits	610	1,942
<b>Subtotal</b>	<b><u>4,130</u></b>	<b><u>5,940</u></b>
Less: Allowance for Doubtful Debts	(130)	(427)
<b><u>Total Trade &amp; Other Receivables</u></b>	<b><u>4,000</u></b>	<b><u>5,513</u></b>
<b>(c) Inventories</b>		
Stores & Materials	-	10
<b><u>Total Inventories</u></b>	<b><u>-</u></b>	<b><u>10</u></b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 6. Non-Current Assets

\$ '000	Notes	2021	2020
<b>(a) Financial Assets</b>			
<b>Receivables</b>			
Loans to Community Organisations		1,651	1,684
Provision for Impairment on Loans to Community Organisations		(518)	(518)
<b>Subtotal</b>		<u>1,133</u>	<u>1,166</u>
<b>Total Receivables</b>		<u>1,133</u>	<u>1,166</u>
<b>Total Financial Assets</b>		<u>1,133</u>	<u>1,166</u>
<b>(b) Equity Accounted Investments in Council Businesses</b>			
Southern Region Waste Resource Authority	19	<u>3,314</u>	<u>3,227</u>
<b>Total Equity Accounted Investments in Council Businesses</b>		<u>3,314</u>	<u>3,227</u>
<b>(c) Other Non-Current Assets</b>			
<b>Other</b>			
Capital Works-in-Progress		<u>4,497</u>	<u>4,551</u>
<b>Total Other</b>		<u>4,497</u>	<u>4,551</u>
<b>Total Other Non-Current Assets</b>		<u>4,497</u>	<u>4,551</u>

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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

\$ '000	Fair Value Level	as at 30/06/20				Asset movements during the reporting period						as at 30/06/21			
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Land	2	28,062	–	–	28,062	–	–	–	–	–	–	28,062	–	–	28,062
Land	3	330,274	538	–	330,812	577	–	–	–	–	–	330,274	1,115	–	331,389
Buildings & Other Structures	2	3,652	247	(2,592)	1,307	–	41	–	(43)	–	–	44,032	288	(12,926)	31,394
Buildings & Other Structures	3	131,617	11,743	(48,230)	95,130	640	4,268	(37)	(2,890)	–	–	91,467	16,219	(40,664)	67,022
Infrastructure															
- Stormwater Drainage	3	54,778	4,162	(20,323)	38,617	830	5	–	(510)	–	–	54,779	4,996	(20,832)	38,943
- Roads	3	120,800	5,442	(43,388)	82,854	–	939	(156)	(1,470)	–	–	120,387	6,381	(44,601)	82,167
- Footpaths	3	44,659	388	(19,335)	25,712	–	505	(60)	(966)	–	–	44,504	894	(20,207)	25,191
- Kerb & Guttering	3	63,624	3,959	(19,542)	48,041	–	1,015	(182)	(676)	–	–	63,337	4,975	(20,113)	48,199
- Other Transport	3	23,592	2,115	(5,338)	20,369	1,299	44	(100)	(465)	–	5,580	35,277	–	(8,550)	26,727
- Open Space & Coastal	3	53,613	8,134	(21,161)	40,586	4,589	1,387	(845)	(2,000)	–	–	51,522	14,109	(21,914)	43,717
Plant & Equipment	3	–	9,943	(4,932)	5,011	521	1,269	(271)	(965)	–	–	–	10,723	(5,157)	5,566
Furniture & Fittings, Office Equipment	3	–	5,484	(2,422)	3,062	249	162	–	(549)	–	–	–	5,893	(2,968)	2,925
Library Lending Materials	3	–	1,345	(531)	814	182	–	–	(150)	(13)	–	1,366	–	(533)	833
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>854,671</b>	<b>53,500</b>	<b>(187,794)</b>	<b>720,377</b>	<b>8,887</b>	<b>9,635</b>	<b>(1,651)</b>	<b>(10,684)</b>	<b>(13)</b>	<b>5,580</b>	<b>865,007</b>	<b>65,593</b>	<b>(198,465)</b>	<b>732,135</b>
Comparatives		861,572	32,456	(181,515)	712,513	16,270	6,351	(3,631)	(10,416)	(710)	–	854,671	53,500	(187,794)	720,377

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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

##### Valuation of Assets

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

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

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

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

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

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

##### Information on Valuations

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

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

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

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

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques. Accordingly, formal sensitivity analysis does not provide useful information.

##### Other Information

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

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

##### Highest and best use

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

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

# City of Holdfast Bay

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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

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

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

#### Transition to AASB 13 - Fair Value Measurement

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

#### Land & Land Improvements

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

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

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

#### Buildings & Other Structures

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

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

#### Infrastructure

Infrastructure assets have been valued as follows:

##### *Roads, Kerb and Gutter*

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

##### *Footpaths*

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

##### *Stormwater Drainage*

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

##### *Other Transport - Bridges, Car Parks, Traffic Control Devices*

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2021
- Valuer: Asset Engineering
- This valuation will result in an increase in depreciation in future periods.

##### *Open Space, Coastal*

- Basis of valuation: Written down current replacement cost
- Date of valuation: 30 June 2018

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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- Valuer: Jones Lang LaSalle

#### **Plant & Equipment**

These assets are recognised at cost.

#### **Library Lending Materials**

Library Lending Materials were valued as at 30 June 2021 by Council senior library officers.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 8. Liabilities

\$ '000	2021 Current	2021 Non Current	2020 Current	2020 Non Current
<b>(a) Trade and Other Payables</b>				
Goods & Services	4,734	–	5,084	–
Payments Received in Advance				
- Grants, Subsidies, Contributions - Operating	1,582	–	4,291	–
Accrued Expenses - Employee Entitlements	236	–	230	–
Accrued Expenses - Other	340	–	328	–
Aged Care Facility Deposits	30,601	–	33,504	–
Deposits, Retentions & Bonds	1	–	–	–
Other	2,324	–	1,841	–
<b><u>TOTAL Trade and Other Payables</u></b>	<b><u>39,818</u></b>	<b><u>–</u></b>	<b><u>45,278</u></b>	<b><u>–</u></b>

**(b) Borrowings**

Short Term Draw Down Facility	357	–	–	–
Loans	1,116	14,439	3,056	10,554
<b><u>TOTAL Borrowings</u></b>	<b><u>1,473</u></b>	<b><u>14,439</u></b>	<b><u>3,056</u></b>	<b><u>10,554</u></b>

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

**(c) Provisions**

Employee Entitlements (including oncosts)	4,706	490	4,618	469
<b><u>TOTAL Provisions</u></b>	<b><u>4,706</u></b>	<b><u>490</u></b>	<b><u>4,618</u></b>	<b><u>469</u></b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 9. Reserves

\$ '000	as at 30/06/20		Transfers	Impairments	as at 30/06/21	
	Opening Balance	Increments (Decrements)			Closing Balance	
<b>(a) Asset Revaluation Reserve</b>						
Land - Other	310,456	-	-	-	-	310,456
Buildings & Other Structures Infrastructure	40,198	-	-	-	-	40,198
- Stormwater Drainage	22,004	-	-	-	-	22,004
- Roads	67,266	-	-	-	-	67,266
- Footpaths	13,389	-	-	-	-	13,389
- Kerb & Guttering	41,589	-	-	-	-	41,589
- Other Transport	2,727	5,580	-	-	-	8,307
- Open Space & Coastal	8,309	-	-	-	-	8,309
Library Books	388	(13)	-	-	-	375
<b>Total Asset Revaluation Reserve</b>	<b>506,326</b>	<b>5,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>511,893</b>
Comparatives	507,036	(710)	-	-	-	506,326

\$ '000	as at 30/06/20		Tfrs to Reserve	Tfrs from Reserve	Other Movements	as at 30/06/21	
	Opening Balance					Closing Balance	
<b>(b) Other Reserves</b>							
Alwyndor General Reserve	6,414	-	-	-	-	-	6,414
<b>Total Other Reserves</b>	<b>6,414</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,414</b>
Comparatives	6,414	-	-	-	-	-	6,414

## (c) Purpose of Reserves

**Asset Revaluation Reserve**

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

**Other Reserves**

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

## Note 10. Assets Subject to Restrictions

\$ '000	2021	2020
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.		
<b>Cash and Financial Assets</b>		
Aged Care Facility Deposits	610	1,942
<b>Total Assets Subject to Externally Imposed Restrictions</b>	<b>610</b>	<b>1,942</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2021	2020
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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 Balance Sheet as follows:

Total Cash & Equivalent Assets	5	19,200	21,355
Less: Short-Term Borrowings	8	(357)	–
<b>Balances per Statement of Cash Flows</b>		<b>18,843</b>	<b>21,355</b>

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

<b>Net Surplus/(Deficit)</b>		5,541	140
<b>Non-Cash Items in Income Statements</b>			
Depreciation, Amortisation & Impairment		10,684	10,416
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(66)	(99)
Grants for capital acquisitions treated as Investing Activity		(5,631)	(4,728)
Net (Gain) Loss on Disposals		1,379	3,396
		<b>11,907</b>	<b>9,125</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		479	(1,068)
Change in Allowances for Under-Recovery of Receivables		297	(239)
Net (Increase)/Decrease in Inventories		10	(1)
Net (Increase)/Decrease in Other Assets		(594)	478
Net Increase/(Decrease) in Trade & Other Payables		(2,558)	3,968
Net Increase/(Decrease) in Unpaid Employee Benefits		109	587
<b>Net Cash provided by (or used in) operations</b>		<b>9,650</b>	<b>12,850</b>

## (c) Financing Arrangements

**Unrestricted access was available at balance date to the following lines of credit:**

Corporate Credit Cards	100	150
LGFA Cash Advance Debenture Facility	19,371	14,358

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

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 12(a). Functions

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

\$ '000	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Functions/Activities</b>										
Business Undertakings	2,796	3,262	1,234	2,216	1,562	1,046	–	–	80,628	80,503
Community Services	24,226	23,795	29,367	30,328	(5,141)	(6,533)	12,604	12,072	95,152	94,853
Culture	321	688	3,693	4,659	(3,372)	(3,971)	270	266	18,086	17,376
Economic Development	756	583	2,366	1,378	(1,610)	(795)	20	–	1,285	342
Environment	457	472	8,171	8,076	(7,714)	(7,604)	123	13	43,626	43,219
Recreation	203	230	7,064	6,763	(6,861)	(6,533)	–	–	325,825	323,262
Regulatory Services	1,959	1,761	6,105	6,169	(4,146)	(4,408)	–	–	609	617
Transport & Communication	34	50	8,388	7,398	(8,354)	(7,348)	–	–	180,766	177,197
Unclassified Activities	–	–	–	–	–	–	–	–	3,233	3,278
Council Administration	41,008	38,953	4,062	3,999	36,946	34,954	2,498	1,607	15,069	15,552
<b>Total Functions/Activities</b>	<b>71,760</b>	<b>69,794</b>	<b>70,450</b>	<b>70,986</b>	<b>1,310</b>	<b>(1,192)</b>	<b>15,515</b>	<b>13,958</b>	<b>764,279</b>	<b>756,199</b>

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.

# City of Holdfast Bay

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 12(b). Components of Functions

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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 the Financial Statements

for the year ended 30 June 2021

### Note 13. Financial Instruments

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#### Recognised Financial Instruments

##### Bank, Deposits at Call, Short Term Deposits

**Accounting Policy:**

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

**Terms & Conditions:**

Deposits are returning fixed interest rates between 0.3% and 1.7% (2020: 0.25% and 1.2%). Short term deposits have an average maturity of 100 days and an average interest rate of 1% (158 days and 1.14%).

**Carrying Amount:**

Approximates fair value due to the short term to maturity.

##### Receivables - Rates & Associated Charges

**Accounting Policy:**

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

**Terms & Conditions:**

Secured over the subject land, arrears attract interest of 0.43% per month (2020: 0.53%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

##### Receivables - Fees & Other Charges

**Accounting Policy:**

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

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

##### Receivables - Other Levels of Government

**Accounting Policy:**

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

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value.

##### Receivables - Aged Care Facility Contributions

**Accounting Policy:**

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

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 13. Financial Instruments (continued)

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**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

#### Liabilities - Creditors and Accruals

**Accounting Policy:**

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

**Terms & Conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying Amount:**

Approximates fair value.

#### Liabilities - Aged Care Facility Contributions

**Accounting Policy:**

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

**Terms & Conditions:**

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

**Carrying Amount:**

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

#### Liabilities - Interest Bearing Borrowings

**Accounting Policy:**

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

**Terms & Conditions:**

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed rates between 1.3% and 7.05% (2020: **2.20%** and **7.05%**).

**Carrying Amount:**

Approximates fair value.

#### Liabilities - Leases

**Accounting Policy:**

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

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>					
<b>2021</b>					
Cash & Cash Equivalents	19,200	–	–	19,200	19,200
Receivables	3,992	820	979	5,791	4,927
<b>Total Financial Assets</b>	<b>23,192</b>	<b>820</b>	<b>979</b>	<b>24,991</b>	<b>24,127</b>
<b>Financial Liabilities</b>					
Payables	39,963	–	–	39,963	37,896
Current Borrowings	1,749	–	–	1,749	1,473
Non-Current Borrowings	–	6,408	12,605	19,013	14,439
<b>Total Financial Liabilities</b>	<b>41,712</b>	<b>6,408</b>	<b>12,605</b>	<b>60,725</b>	<b>53,808</b>
<b>2020</b>					
Cash & Cash Equivalents	21,355	–	–	21,355	21,355
Receivables	5,793	901	901	7,595	6,824
<b>Total Financial Assets</b>	<b>27,148</b>	<b>901</b>	<b>901</b>	<b>28,950</b>	<b>28,179</b>
<b>Financial Liabilities</b>					
Payables	44,993	–	–	44,993	40,659
Current Borrowings	3,591	–	–	3,591	3,056
Non-Current Borrowings	–	4,943	9,156	14,099	10,554
<b>Total Financial Liabilities</b>	<b>48,584</b>	<b>4,943</b>	<b>9,156</b>	<b>62,683</b>	<b>54,269</b>

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

\$ '000	2021		2020	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	4.06%	15,912	4.30%	13,610
		<b>15,912</b>		<b>13,610</b>

**Net Fair Value**

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

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 13. Financial Instruments (continued)

## Risk Exposures

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

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

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

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

## Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	2021	2020
<b>Capital Commitments</b>		
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>		
Buildings	1,798	510
Infrastructure	3,062	476
Reserves	231	800
Plant & Equipment	591	261
	<b>5,682</b>	<b>2,047</b>
<b>These expenditures are payable:</b>		
Not later than one year	5,682	2,047
	<b>5,682</b>	<b>2,047</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 15. Financial Indicators

\$ '000	Indicator 2021	Indicators 2020      2019	
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*These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.*

**1. Operating Surplus Ratio**

Operating Surplus	<b>1.8%</b>	(1.7)%	2.0%
Total Operating Income			

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

**2. Net Financial Liabilities Ratio**

Net Financial Liabilities	<b>51%</b>	51%	41%
Total Operating Income			

*Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.*

**Adjustments to Ratios**

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

**Adjusted Operating Surplus Ratio**

Operating Surplus	<b>1.8%</b>	(1.7)%	2.0%
Total Operating Income			

**Adjusted Net Financial Liabilities Ratio**

Net Financial Liabilities	<b>51%</b>	51%	41%
Total Operating Income			

**3. Asset Renewal Funding Ratio**

Net Asset Renewals	<b>116%</b>	134%	112%
Infrastructure & Asset Management Plan required expenditure			

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

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 16. Uniform Presentation of Finances

\$ '000	2021	2020
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income	71,739	69,794
less Expenses	(70,450)	(70,986)
<b>Operating Surplus / (Deficit)</b>	<b>1,289</b>	<b>(1,192)</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(8,758)	(7,799)
add back Depreciation, Amortisation and Impairment	10,684	10,416
add back Proceeds from Sale of Replaced Assets	261	195
	<b>2,187</b>	<b>2,812</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(9,715)	(14,320)
add back Amounts Received Specifically for New and Upgraded Assets	5,632	3,485
add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale)	12	40
	<b>(4,071)</b>	<b>(10,795)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(595)</b>	<b>(9,175)</b>

## Note 17. Leases

## Council as a lessor

**Leases Providing Revenue to the Council**

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

\$ '000	2021	2020
<b>Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:</b>		
Not later than one year	436	485
Later than one year and not later than 5 years	1,664	1,750
Later than 5 years	877	1,609
	<b>2,977</b>	<b>3,844</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 18. Superannuation

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

#### **Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2020/21; 9.50% in 2019/20). 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 2019/20) 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 the Financial Statements

for the year ended 30 June 2021

## 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	
	2021	2020	2021	2020
<b>Council's Share of Net Income</b>				
Joint Ventures	66	99	3,314	3,227
<b>Total Council's Share of Net Income</b>	<b>66</b>	<b>99</b>	<b>3,314</b>	<b>3,227</b>

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

## (a) Carrying Amounts

\$ '000	Principal Activity	2021	2020
Southern Region Waste Resource Authority	Management of waste and waste facilities	3,314	3,227
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>3,314</b>	<b>3,227</b>

**Southern Region Waste Resource Authority**

Established under Section 43 of the Local Government Act, 1999 to provide operate services for the management of waste and the management of waste facilities under its control on behalf of the constituent Council, being the City of Holdfast Bay, City of Marion, and City of Onkaparinga. The Authority made a provision of \$13.7m in the accounts for landfill restoration which is considered reasonable.

## (b) Relevant Interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2021	2020	2021	2020	2021	2020
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	
	2021	2020
Opening Balance	3,227	2,945
Share in Operating Result	66	99
Share in Other Comprehensive Income	21	183
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>3,314</b>	<b>3,227</b>

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

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

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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

#### 1. LAND UNDER ROADS

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

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

#### 2. POTENTIAL INSURANCE LOSSES

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

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

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

#### 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 6 appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

#### 4. SOUTHERN REGION WASTE RESOURCE AUTHORITY

Council has a 15% interest in Southern Region Waste Resource Authority. The Authority describes contingent liabilities in Note 15 to their Financial Statements for the year ended 30 June 2021.

### Note 22. Events after the Balance Sheet Date

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Events that occur after the reporting date of 30 June 2021, 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 the Financial Statements

for the year ended 30 June 2021

### Note 23. Related Party Transactions

#### Key Management Personnel

##### Transactions with Key Management Personnel

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

\$ '000	2021	2020
<b>The compensation paid to Key Management Personnel comprises:</b>		
Short-Term Employee Benefits	1,270	1,071
Post Employment Benefits	16	17
Payments to Mayor and Elected Members	375	358
Development Assessment Panel Independent Members, Alwyndor Management Committee	46	45
<b>Total</b>	<b>1,707</b>	<b>1,491</b>

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

## City of Holdfast Bay (Consolidated)

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

for the year ended 30 June 2021

#### Note 24. Comparative Financial Reporting

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

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

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

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

### Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Consolidated		Excluding Alwyndor	
	2021	2020	2021	2020
<b>Income</b>				
Rates	37,977	37,086	37,977	37,086
Statutory Charges	2,263	2,230	2,263	2,230
User Charges	7,754	7,602	3,249	3,732
Grants, Subsidies and Contributions	15,515	13,958	3,490	3,176
Investment Income	191	411	31	90
Reimbursements	3,575	3,493	380	527
Other income	4,398	4,915	1,204	1,010
Net Gain - Equity Accounted Council Businesses	66	99	66	99
<b>Total Income</b>	<b>71,739</b>	<b>69,794</b>	<b>48,660</b>	<b>47,950</b>
<b>Expenses</b>				
Employee Costs	32,712	31,646	17,090	17,383
Materials, Contracts and Other Expenses	25,240	26,807	19,472	20,850
Depreciation, Amortisation and Impairment	10,684	10,416	9,449	9,173
Finance Costs	1,814	2,117	603	582
<b>Total Expenses</b>	<b>70,450</b>	<b>70,986</b>	<b>46,614</b>	<b>47,988</b>
<b>Operating Surplus/(Deficit)</b>	<b>1,289</b>	<b>(1,192)</b>	<b>2,046</b>	<b>(38)</b>
Asset Disposal and Fair Value Adjustments	(1,379)	(3,396)	(1,365)	(3,321)
Amounts Received Specifically for New or Upgraded Assets	5,631	4,728	5,631	4,728
<b>Net Surplus/(Deficit)</b>	<b>5,541</b>	<b>140</b>	<b>6,312</b>	<b>1,369</b>
<b>Other Comprehensive Income</b>				
<b>Amounts which will not be classified subsequently to operating result</b>				
Asset Disposal and Fair Value Adjustments	5,567	(710)	5,567	(710)
Share of Other Comprehensive Income - Equity Accounted Council Businesses	21	183	21	183
<b>Total Other Comprehensive Income</b>	<b>5,588</b>	<b>(527)</b>	<b>5,588</b>	<b>(527)</b>
<b>Total Comprehensive Income</b>	<b>11,129</b>	<b>(387)</b>	<b>11,900</b>	<b>842</b>

## City of Holdfast Bay (Consolidated)

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2021

## Note 24. Comparative Financial Reporting (continued)

\$ '000	Consolidated		Excluding Alwyndor	
	2021	2020	2021	2020
<b>Statement of Financial Position</b>				
as at 30 June 2021				
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and Cash Equivalents	19,200	21,355	443	865
Trade and Other Receivables	4,000	5,513	2,421	3,039
Inventories	-	10	-	10
<b>Total current assets</b>	<b>23,200</b>	<b>26,878</b>	<b>2,864</b>	<b>3,914</b>
<b>Non-current Assets</b>				
Financial Assets	1,133	1,166	1,133	1,166
Equity accounted investments - Council businesses	3,314	3,227	3,314	3,227
Other Non-Current Assets	4,497	4,551	4,497	4,511
Infrastructure, Property, Plant & Equipment	732,135	720,377	694,277	681,984
<b>Total non-current assets</b>	<b>741,079</b>	<b>729,321</b>	<b>703,221</b>	<b>690,888</b>
<b>TOTAL ASSETS</b>	<b>764,279</b>	<b>756,199</b>	<b>706,085</b>	<b>694,802</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and Other Payables	39,818	45,278	6,099	8,904
Borrowings	1,473	3,056	1,473	3,056
Provisions	4,706	4,618	2,908	3,001
<b>Total Current Liabilities</b>	<b>45,997</b>	<b>52,952</b>	<b>10,480</b>	<b>14,961</b>
<b>Non-current liabilities</b>				
Borrowings	14,439	10,554	14,439	10,554
Provisions	490	469	292	313
<b>Total non-current liabilities</b>	<b>14,929</b>	<b>11,023</b>	<b>14,731</b>	<b>10,867</b>
<b>TOTAL LIABILITIES</b>	<b>60,926</b>	<b>63,975</b>	<b>25,211</b>	<b>25,828</b>
<b>Net Assets</b>	<b>703,353</b>	<b>692,224</b>	<b>680,874</b>	<b>668,974</b>
<b>EQUITY</b>				
Accumulated Surplus	185,045	179,483	180,304	173,971
Asset Revaluation Reserve	511,893	506,326	500,570	495,003
Other Reserves	6,415	6,415	-	-
<b>TOTAL EQUITY</b>	<b>703,353</b>	<b>692,224</b>	<b>680,874</b>	<b>668,974</b>

## City of Holdfast Bay (Consolidated)

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2021

## Note 24. Comparative Financial Reporting (continued)

\$ '000	Consolidated		Excluding Alwyndor	
	2021	2020	2021	2020
<b>Statement of Changes in Equity</b>				
for the year ended 30 June 2021				
<b>Accumulated Surplus</b>				
Balance at beginning of period	179,483	179,160	173,971	172,419
Net Surplus/(Deficit) for Year	5,541	140	6,312	1,369
Equity Accounted Council Businesses	-	183	-	183
Share of OCI - Equity Accounted Council Business	21	-	21	-
<b>Balance at end of period</b>	<b>185,045</b>	<b>179,483</b>	<b>180,304</b>	<b>173,971</b>
<b>Asset Revaluation Reserve</b>				
Balance at beginning of period	506,326	507,036	495,003	495,713
Gain/(Loss) on revaluation of I,PP&E	5,567	(710)	5,567	(710)
<b>Balance at end of period</b>	<b>511,893</b>	<b>506,326</b>	<b>500,570</b>	<b>495,003</b>
<b>Other Reserves</b>				
Balance at beginning of period - Alwyndor General	6,415	6,415	-	-
Transfer to/(from) Reserve	-	-	-	-
<b>Balance at end of period</b>	<b>6,415</b>	<b>6,415</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>703,353</b>	<b>692,224</b>	<b>680,874</b>	<b>668,974</b>

	Consolidated		Excluding Alwyndor	
	2021	2020	2021	2020
<b>Financial Indicators</b>				
for the year ended 30 June 2021				
Operating Surplus Ratio	1.8%	(2%)	4.2%	0%
Net Financial Liabilities Ratio	51%	51%	44%	43%
Asset Renewal Funding Ratio	116%	134%	135%	166%

**General Purpose Financial Statements**  
for the year ended 30 June 2021

**Independent Auditor's Report - Financial Statements**

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**General Purpose Financial Statements**  
for the year ended 30 June 2021

**Independent Auditor's Report - Internal Controls**

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## General Purpose Financial Statements

for the year ended 30 June 2021

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### 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 2021, 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

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R Smedley  
Presiding Member, Audit Committee

Date: dd MMMM yyyy

**General Purpose Financial Statements**  
for the year ended 30 June 2021

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**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 2021, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

---

Auditor's Name

Audit Firm Name

Date: dd MMMM yyyy

# Attachment 3a



# Alwyndor Aged Care

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2021

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## General Purpose Financial Statements

for the year ended 30 June 2021

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## General Purpose Financial Statements

for the year ended 30 June 2021

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### 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 2021 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.

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Roberto Bria  
**Chief Executive Officer**

28 October 2021

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Beth Davidson-Park  
**General Manager - Alwyndor**

28 October 2021

## Alwyndor Aged Care

### General Purpose Financial Statements for the year ended 30 June 2021

## 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 2021 and of its performance for the year ended on that date.

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

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

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Kim Cheater  
**CHAIR**

**Date:** 28 October 2021

## Statement of Comprehensive Income

for the year ended 30 June 2021

\$	Notes	2021	2020
<b>Income</b>			
User Charges	2a	4,515,138	3,876,941
Grants, Subsidies and Contributions	2e	12,183,734	10,811,842
Investment Income	2b	175,747	321,137
Reimbursements	2c	3,192,538	2,968,911
Other income	2d	3,635,539	4,185,601
<b>Total Income</b>		<u>23,702,696</u>	<u>22,164,432</u>
<b>Expenses</b>			
Employee costs	3a	15,612,220	14,265,520
Materials, Contracts and Other Expenses	3b	6,388,807	6,272,256
Depreciation, Amortisation and Impairment	3c	1,234,175	1,242,461
Finance Costs	3d	1,226,842	1,535,138
<b>Total Expenses</b>		<u>24,462,044</u>	<u>23,315,375</u>
<b>Operating Surplus / (Deficit)</b>		<u>(759,348)</u>	<u>(1,150,943)</u>
Asset Disposal & Fair Value Adjustments	4	(14,541)	(75,402)
<b>Net Surplus / (Deficit)</b>		<u>(773,889)</u>	<u>(1,226,345)</u>
<b>Total Comprehensive Income</b>		<u>(773,889)</u>	<u>(1,226,345)</u>

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

## Statement of Financial Position

as at 30 June 2021

\$	Notes	2021	2020
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	5a	18,757,037	20,490,690
Trade & Other Receivables	5b	1,578,221	2,474,061
<b>Total Current Assets</b>		<u>20,335,258</u>	<u>22,964,751</u>
<b>Non-Current Assets</b>			
Infrastructure, Property, Plant & Equipment	7a(i)	37,858,268	38,436,043
<b>Total Non-Current Assets</b>		<u>37,858,268</u>	<u>38,436,043</u>
<b>TOTAL ASSETS</b>		<u>58,193,526</u>	<u>61,400,794</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	33,718,272	36,374,805
Provisions	8b	1,797,946	1,616,173
<b>Total Current Liabilities</b>		<u>35,516,218</u>	<u>37,990,978</u>
<b>Non-Current Liabilities</b>			
Provisions	8b	198,202	156,821
<b>Total Non-Current Liabilities</b>		<u>198,202</u>	<u>156,821</u>
<b>TOTAL LIABILITIES</b>		<u>35,714,420</u>	<u>38,147,799</u>
<b>Net Assets</b>		<u>22,479,106</u>	<u>23,252,995</u>
<b>EQUITY</b>			
Accumulated Surplus		6,994,095	7,767,984
Asset Revaluation Reserves	9a	9,070,657	9,070,657
Other Reserves	9b	6,414,354	6,414,354
<b>Total Alwyndor Equity</b>		<u>22,479,106</u>	<u>23,252,995</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 2021

\$	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
<b>2021</b>				
Balance at the end of previous reporting period	7,767,984	9,070,657	6,414,354	23,252,995
Net Surplus / (Deficit) for Year	(773,889)	–	–	(773,889)
<b>Total comprehensive income</b>	<b>(773,889)</b>	<b>–</b>	<b>–</b>	<b>(773,889)</b>
Transfers between Reserves	–	–	–	–
<b>Balance at the end of period</b>	<b>6,994,095</b>	<b>9,070,657</b>	<b>6,414,354</b>	<b>22,479,106</b>
<b>2020</b>				
Balance at the end of previous reporting period	8,994,329	9,070,657	6,414,354	24,479,340
Net Surplus / (Deficit) for Year	(1,226,345)	–	–	(1,226,345)
<b>Total comprehensive income</b>	<b>(1,226,345)</b>	<b>–</b>	<b>–</b>	<b>(1,226,345)</b>
Transfers between Reserves	–	–	–	–
<b>Balance at the end of period</b>	<b>7,767,984</b>	<b>9,070,657</b>	<b>6,414,354</b>	<b>23,252,995</b>

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 2021

\$	Notes	2021	2020
<b>Cash flows from operating activities</b>			
<u>Receipts</u>			
User Charges		4,515,138	3,876,941
Grants, Subsidies and Contributions		12,172,616	10,882,454
Investment Receipts		175,747	321,137
Reimbursements		3,192,538	2,968,911
Other Receipts		2,517,763	3,463,484
<u>Payments</u>			
Payments to Employees		(15,423,685)	(14,292,664)
Payments for Materials, Contracts & Other Expenses		(6,571,374)	(6,517,574)
Finance Payments		(69,810)	(82,993)
<b>Net cash provided by (or used in) Operating Activities</b>	11b	508,933	619,696
<b>Cash flows from investing activities</b>			
Sale of Surplus Assets		11,818	–
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(266,493)	(234,905)
Expenditure on New/Upgraded Assets		(416,265)	(93,231)
<b>Net cash provided (or used in) investing activities</b>		(670,940)	(328,136)
<b>Cash flows from financing activities</b>			
<u>Receipts</u>			
Proceeds from Aged Care Facility Deposits		6,145,550	7,160,329
<u>Payments</u>			
Repayment of Aged Care Facility Deposits		(7,717,196)	(7,042,644)
<b>Net Cash provided by (or used in) Financing Activities</b>		(1,571,646)	117,685
<b>Net Increase (Decrease) in Cash Held</b>		(1,733,653)	409,245
plus: Cash & Cash Equivalents at beginning of period		20,490,690	20,081,445
<b>Cash and cash equivalents held at end of period</b>	11a	18,757,037	20,490,690

Additional Information:

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

Notes to and forming part of the Principal Financial Statements  
for the year ended 30 June 2021

Contents of the Notes accompanying the General Purpose Financial Statements

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# Alwyndor Aged Care

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 1. Summary of Significant Accounting Policies

---

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

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

#### (1) Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

##### 1.2 Critical Accounting Estimates

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

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

##### 1.3 Rounding

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

##### 1.4 Trustee

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

##### 1.5 Income Tax

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

#### (2) The Reporting Entity

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

#### (3) Income Recognition

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

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

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

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

## Alwyndor Aged Care

### Notes to the Financial Statements

for the year ended 30 June 2021

#### Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

#### (5) Infrastructure, Property, Plant & Equipment

##### 5.1 Initial Recognition

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

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

##### 5.2 Materiality

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

Examples of capitalisation thresholds applied during the year are given below. No capitalisation threshold is applied to the acquisition of land or interests in land.

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

##### 5.3 Subsequent Recognition

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

##### 5.4 Depreciation of Non-Current Assets

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

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

##### 5.5 Impairment

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

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

## Alwyndor Aged Care

### Notes to the Financial Statements

for the year ended 30 June 2021

#### Note 1. Summary of Significant Accounting Policies (continued)

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

#### (6) Payables

##### 6.1 Goods & Services

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

##### 6.2 Payments Received in Advance & Deposits

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

#### (7) Employee Benefits

##### 7.1 Salaries, Wages & Compensated Absences

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

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

##### 7.2 Superannuation

Alwyndor makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Alwyndor's involvement with the schemes are reported in Note 13.

#### (8) Leases

##### Leases and Right-of-Use Assets

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

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

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

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

##### i) Refundable Accommodation Deposits/Contributions

## Alwyndor Aged Care

### Notes to the Financial Statements

for the year ended 30 June 2021

#### Note 1. Summary of Significant Accounting Policies (continued)

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

##### ii) Resident Loans

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

*Resident loans - Aged Care Act 1997*

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

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

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

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

##### (9) GST Implications

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

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

##### (10) New accounting standards and UIG interpretations

###### New and amended standards and interpretations

Alwyndor applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. New standards and amendments relevant to Alwyndor are listed below. Alwyndor has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

###### Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Alwyndor.

##### (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 2021, Alwyndor has refundable loans (liability) payable that exceeds current liquid assets given that Alwyndor records Refundable Accommodation Deposits (RAD) as current liabilities due to the inability of Alwyndor to unconditionally defer settlement of any specific RAD for a period greater than twelve

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 1. Summary of Significant Accounting Policies (continued)

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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 the Financial Statements

for the year ended 30 June 2021

## Note 2. Income

\$	2021	2020
<b>(a) User Charges</b>		
Aged Care Residential Fees and Rentals	4,515,138	3,876,941
<b><u>Total User Charges</u></b>	<b><u>4,515,138</u></b>	<b><u>3,876,941</u></b>
<b>(b) Investment Income</b>		
Interest on Investments		
- Local Government Finance Authority	146,337	195,319
- Banks & Other	29,410	125,818
<b><u>Total Investment Income</u></b>	<b><u>175,747</u></b>	<b><u>321,137</u></b>
<b>(c) Reimbursements</b>		
Home Care	3,192,538	2,968,911
<b><u>Total Reimbursements</u></b>	<b><u>3,192,538</u></b>	<b><u>2,968,911</u></b>
<b>(d) Other income</b>		
Home Care Management Fees	1,523,818	1,744,056
Residential Daily Accommodation Fees	1,631,864	1,882,278
Means Tested Care Fees	465,302	542,961
Other	14,555	16,306
<b><u>Total Other income</u></b>	<b><u>3,635,539</u></b>	<b><u>4,185,601</u></b>
<b>(e) Grants, Subsidies, Contributions</b>		
Grants, Subsidies and Contributions	12,183,734	10,811,842
<b><u>Total Grants, Subsidies, Contributions</u></b>	<b><u>12,183,734</u></b>	<b><u>10,811,842</u></b>
<b>(i) Sources of grants</b>		
Commonwealth Government	11,028,903	9,838,223
State Government	1,154,831	973,619
<b>Total</b>	<b><u>12,183,734</u></b>	<b><u>10,811,842</u></b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 3. Expenses

\$	Notes	2021	2020
<b>(a) Employee costs</b>			
Salaries and Wages		13,573,079	12,415,642
Employee Leave Expense		171,002	259,240
Superannuation - Defined Contribution Plan Contributions	13	1,327,159	1,219,482
Superannuation - Defined Benefit Plan Contributions	13	56,679	60,512
Workers' Compensation Insurance		484,301	310,644
<b><u>Total Operating Employee Costs</u></b>		<b><u>15,612,220</u></b>	<b><u>14,265,520</u></b>
Total Number of Employees (full time equivalent at end of reporting period)		174	166
<b>(b) Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		9,150	12,000
Lease Expense - Low Value Assets / Short Term Leases		16,816	17,480
<b><u>Subtotal - Prescribed Expenses</u></b>		<b><u>25,966</u></b>	<b><u>29,480</u></b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		2,996,481	3,140,522
Professional Services		325,975	208,080
Sundry		1,454,462	1,314,774
Materials		1,585,923	1,579,400
<b><u>Subtotal - Other Material, Contracts &amp; Expenses</u></b>		<b><u>6,362,841</u></b>	<b><u>6,242,776</u></b>
<b><u>Total Materials, Contracts and Other Expenses</u></b>		<b><u>6,388,807</u></b>	<b><u>6,272,256</u></b>
<b>(c) Depreciation, Amortisation and Impairment</b>			
<b>Depreciation and Amortisation</b>			
Buildings & Other Structures		793,234	783,446
Plant & Equipment		228,629	246,324
Furniture & Fittings		212,312	212,691
<b><u>Total Depreciation, Amortisation and Impairment</u></b>		<b><u>1,234,175</u></b>	<b><u>1,242,461</u></b>
<b>(d) Finance Costs</b>			
Interest on Aged Care Facility Deposits		1,226,842	1,535,138
<b><u>Total Finance Costs</u></b>		<b><u>1,226,842</u></b>	<b><u>1,535,138</u></b>

## Alwyndor Aged Care

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 4. Asset Disposal &amp; Fair Value Adjustments

\$	2021	2020
<b>Infrastructure, Property, Plant &amp; Equipment</b>		
<b>Assets Surplus to Requirements</b>		
Proceeds from Disposal	11,818	–
Less: Carrying Amount of Assets Sold/Disposed	(26,359)	(75,402)
<b>Gain (Loss) on Disposal</b>	<b>(14,541)</b>	<b>(75,402)</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>	<b>(14,541)</b>	<b>(75,402)</b>

## Note 5. Current Assets

\$	2021	2020
<b>(a) Cash &amp; Cash Equivalents</b>		
Cash on Hand at Bank	267,101	121,448
Deposits at Call	3,989,936	16,102,603
Short Term Deposits & Bills, etc.	14,500,000	4,266,639
<b>Total Cash &amp; Cash Equivalent Assets</b>	<b>18,757,037</b>	<b>20,490,690</b>

**(b) Trade & Other Receivables**

Accrued Revenues	518,842	57,303
Debtors - General	332,975	196,632
GST Recoupment	53,404	65,887
Prepayments	63,000	212,239
Aged Care Facility Deposits	610,000	1,942,000
<b>Total Trade &amp; Other Receivables</b>	<b>1,578,221</b>	<b>2,474,061</b>

## Note 6. Non-Current Assets

Nil

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 7. Infrastructure, Property, Plant &amp; Equipment &amp; Investment Property

## (a(i)) Infrastructure, Property, Plant &amp; Equipment

\$	Fair Value Level	as at 30/06/20				Asset movements during the reporting period					as at 30/06/21			
		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	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Capital Work in Progress		–	40,700	–	40,700	1,496	–	–	–	(40,700)	–	1,496	–	1,496
Land	2	5,288,840	–	–	5,288,840	–	–	–	–	–	5,288,840	–	–	5,288,840
Buildings & Other Structures	3	40,014,392	–	(9,497,881)	30,516,511	256,640	68,136	–	(793,234)	40,700	40,379,868	–	(10,291,115)	30,088,753
Plant & Equipment		–	2,637,752	(1,199,604)	1,438,148	89,562	111,628	(26,358)	(228,629)	–	–	2,791,942	(1,407,591)	1,384,351
Furniture & Fittings		–	2,043,560	(891,716)	1,151,844	68,567	86,729	–	(212,312)	–	–	2,198,856	(1,104,028)	1,094,828
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>45,303,232</b>	<b>4,722,012</b>	<b>(11,589,201)</b>	<b>38,436,043</b>	<b>416,265</b>	<b>266,493</b>	<b>(26,358)</b>	<b>(1,234,175)</b>	<b>–</b>	<b>45,668,708</b>	<b>4,992,294</b>	<b>(12,802,734)</b>	<b>37,858,268</b>
Comparatives		45,236,191	4,923,942	(10,734,363)	39,425,770	93,231	234,905	(75,402)	(1,242,461)	–	45,303,232	4,722,012	(11,589,201)	38,436,043

Notes to the Financial Statements

for the year ended 30 June 2021

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

(a(ii)) Investment Property

Total Investment  
Property

-	-	-	-	-	-	-	-
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## Alwyndor Aged Care

### Notes to the Financial Statements

for the year ended 30 June 2021

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

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

###### Valuation of Assets

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

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

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

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

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

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

###### Information on Valuations

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

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

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

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

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

for the year ended 30 June 2021

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

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

#### Highest and best use

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

#### Transition to AASB 13 - Fair Value Measurement

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

#### Land & Land Improvements

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

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

The next revaluation is expected to be undertaken in the 2021-2022 financial year.

#### Buildings & Other Structures

Buildings and other structures were revalued as at 30 June 2017

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

The next revaluation is expected to be undertaken in the 2021-2022 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 the Financial Statements

for the year ended 30 June 2021

## Note 8. Liabilities

\$	2021 Current	2021 Non Current	2020 Current	2020 Non Current
<b>(a) Trade and Other Payables</b>				
Trade Creditors	369,818	–	615,656	–
Payments Received in Advance				
- Grants, Subsidies, Contributions	59,494	–	70,612	–
Accrued Expenses - Employee Entitlements	235,830	–	230,470	–
Accrued Expenses - Other	128,642	–	112,934	–
Aged Care Facility Deposits	30,600,820	–	33,504,465	–
Other	2,323,668	–	1,840,668	–
<b><u>TOTAL Trade and Other Payables</u></b>	<b><u>33,718,272</u></b>	<b><u>–</u></b>	<b><u>36,374,805</u></b>	<b><u>–</u></b>

**(b) Provisions**

Employee Entitlements (including oncosts)	1,797,946	198,202	1,616,173	156,821
<b><u>TOTAL Provisions</u></b>	<b><u>1,797,946</u></b>	<b><u>198,202</u></b>	<b><u>1,616,173</u></b>	<b><u>156,821</u></b>

## Note 9. Reserves

\$	as at 30/06/20 Opening Balance	Increments (Decrements)	Transfers	Impairments	as at 30/06/21 Closing Balance
<b>(a) Asset Revaluation Reserve</b>					
Land - Other	4,943,268	–	–	–	4,943,268
Buildings & Other Structures	4,127,389	–	–	–	4,127,389
<b><u>Total Asset Revaluation Reserve</u></b>	<b><u>9,070,657</u></b>	<b><u>–</u></b>	<b><u>–</u></b>	<b><u>–</u></b>	<b><u>9,070,657</u></b>
Comparatives	9,070,657	–	–	–	9,070,657

\$	as at 30/06/20 Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	as at 30/06/21 Closing Balance
<b>(b) Other Reserves</b>					
General Reserves	6,414,354	–	–	–	6,414,354
<b><u>Total Other Reserves</u></b>	<b><u>6,414,354</u></b>	<b><u>–</u></b>	<b><u>–</u></b>	<b><u>–</u></b>	<b><u>6,414,354</u></b>
Comparatives	6,414,354	–	–	–	6,414,354

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 9. Reserves (continued)

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#### (c) Purpose of Reserves

##### **Asset Revaluation Reserve**

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

##### **Other Reserves**

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

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 10. Assets Subject to Restrictions

\$	2021	2020
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The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Alwyndor, or for which the revenues were originally obtained.

**Cash & Financial Assets**

Aged Care Facility Deposits	610,000	1,942,000
<b>Total Assets Subject to Externally Imposed Restrictions</b>	<b>610,000</b>	<b>1,942,000</b>

## Note 11. Reconciliation to Statement of Cash Flows

\$	Notes	2021	2020
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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 Balance Sheet as follows:

Total Cash & Equivalent Assets	5	18,757,037	20,490,690
<b>Balances per Statement of Cash Flows</b>		<b>18,757,037</b>	<b>20,490,690</b>

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

<b>Net Surplus/(Deficit)</b>		(773,889)	(1,226,345)
<b>Non-Cash Items in Income Statements</b>			
Depreciation, Amortisation & Impairment		1,234,175	1,242,461
Net (Gain) Loss on Disposals		14,541	75,402
		<b>474,827</b>	<b>91,518</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		(436,160)	(94,185)
Net Increase/(Decrease) in Trade & Other Payables		247,112	381,603
Net Increase/(Decrease) in Unpaid Employee Benefits		223,154	240,760
<b>Net Cash provided by (or used in) operations</b>		<b>508,933</b>	<b>619,696</b>

# Alwyndor Aged Care

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 12. Financial Instruments

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#### Recognised Financial Instruments

##### Bank, Deposits at Call, Short Term Deposits

**Accounting Policy:**

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

**Terms & Conditions:**

Deposits are returning fixed interest rates between 0.65% and 1.7% (2020: 1.05% and 2.73%). Short term deposits have an average maturity of 100 days and an average interest rate of 1% (2020: 158 days and 1.8%).

**Carrying Amount:**

Approximates fair value due to the short term to maturity.

##### Receivables - Fees & Other Charges

**Accounting Policy:**

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

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

##### Receivables - Aged Care Facility Contributions

**Accounting Policy:**

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

**Terms & Conditions:**

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

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

##### Liabilities - Creditors and Accruals

**Accounting Policy:**

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

**Terms & Conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying Amount:**

Approximates fair value.

##### Liabilities - Aged Care Facility Contributions

**Accounting Policy:**

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

**Terms & Conditions:**

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 12. Financial Instruments (continued)

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

**Carrying Amount:**

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

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

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

**LIQUIDITY ANALYSIS**

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>					
<b>2021</b>					
Cash & Cash Equivalents	18,757,037	–	–	18,757,037	18,757,037
Receivables	1,578,221	–	–	1,578,221	1,578,221
<b>Total Financial Assets</b>	<b>20,335,258</b>	<b>–</b>	<b>–</b>	<b>20,335,258</b>	<b>20,335,258</b>
<b>Financial Liabilities</b>					
Payables	33,692,062	–	–	33,692,062	33,658,778
<b>Total Financial Liabilities</b>	<b>33,692,062</b>	<b>–</b>	<b>–</b>	<b>33,692,062</b>	<b>33,658,778</b>
<b>2020</b>					
Cash & Cash Equivalents	20,490,690	–	–	20,490,690	20,490,690
Receivables	2,474,061	–	–	2,474,061	2,474,061
<b>Total Financial Assets</b>	<b>22,964,751</b>	<b>–</b>	<b>–</b>	<b>22,964,751</b>	<b>22,964,751</b>
<b>Financial Liabilities</b>					
Payables	36,304,193	–	–	36,304,193	36,304,193
<b>Total Financial Liabilities</b>	<b>36,304,193</b>	<b>–</b>	<b>–</b>	<b>36,304,193</b>	<b>36,304,193</b>

**Net Fair Value**

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

**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/or made with banks with a short term credit rating from S&P of not less than A1. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Alwyndor's boundaries, and there is no material exposure to any individual debtor.

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

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 12. Financial Instruments (continued)

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

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

## Alwyndor Aged Care

### Notes to the Financial Statements

for the year ended 30 June 2021

#### 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 (9.50% in 2020/21; 9.50% in 2019/20). 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. 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 2019/20) 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), 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 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 Alwyndor's contribution rates at some future time.

##### **Contributions to Other Superannuation Schemes**

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

## Alwyndor Aged Care

### Notes to the Financial Statements

for the year ended 30 June 2021

#### Note 14. Interests in Other Entities

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

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

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

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

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

#### Note 17. Events after the Balance Sheet Date

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

#### Note 18. Related Party Transactions

##### Key Management Personnel

##### Transactions with Key Management Personnel

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

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

\$	2021	2020
<b>The compensation paid to Key Management Personnel comprises:</b>		
Short-Term Employee Benefits	171,611	175,287
Post-Employment Benefits	16,303	16,652
Payments to Alwyndor Management Committee	27,976	29,032
<b>Total</b>	<b>215,890</b>	<b>220,971</b>

##### 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	210,189	655

Description of services provided:

Group class services, brokerage fees to delivery community services, interest charged on loaned funds and staff physiotherapy services for early intervention.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 18. Related Party Transactions (continued)

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	<b>Sales of goods and Services</b>	<b>Amounts Outstanding to Related Parties</b>
Services received from City of Holdfast Bay	788,264	60,173

Description of services received:

Fee for use of land, brokerage fees to deliver community services, contribution to public liability insurance premium, management fees, 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 2021

#### Note 19. Segment Reporting

\$	2021	2020
<p>Alwyndor operates in the aged care industry within South Australia and within 3 primary business segments:</p> <ul style="list-style-type: none"> <li>- provision and management of residential aged care accommodation</li> <li>- aged care services to the community,</li> <li>- rehabilitation and support services (day therapy)</li> </ul>		
<b>RESIDENTIAL AGED CARE</b>		
<b>Residential Aged Care</b>		
<b>Income Statement</b>		
for the year ended 30 June 2021		
<b>Care Income</b>		
Subsidies & Supplements (Commonwealth)	8,301,415	7,922,800
Resident Fees - Means Tested Care Fees	460,922	538,244
<b>Total Residential Care Income</b>	<b>8,762,337</b>	<b>8,461,044</b>
<b>Accommodation Income</b>		
Subsidies & Supplements (Commonwealth)	981,456	977,096
Resident Accommodation Payments and Charges	1,631,864	1,882,278
Accommodation Bond Retention amounts	-	-
<b>Total Residential Accommodation Income</b>	<b>2,613,320</b>	<b>2,859,374</b>
<b>Other Resident Fee Income</b>		
Basic Daily Fee	2,646,132	2,493,012
Additional Service Fee	28,554	-
<b>Total Other Residential Fee Income</b>	<b>2,674,686</b>	<b>2,493,012</b>
<b>Financing Income</b>		
Interest Income	175,747	321,137
<b>Total Financing Income</b>	<b>175,747</b>	<b>321,137</b>
<b>Other Income</b>		
Donations and Fundraising	134	19,362
Other Income	27,663	43,435
<b>Total Other Income</b>	<b>27,797</b>	<b>62,797</b>
<b>Total Revenue</b>	<b>14,253,887</b>	<b>14,197,364</b>

## Alwyndor Aged Care

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2021

## Note 19. Segment Reporting (continued)

\$	2021	2020
<b>Residential Aged Care</b>		
<b>Income Statement (continued)</b> for the year ended 30 June 2021		
<b>Care Expenses</b>		
Labour Costs	8,015,858	8,091,585
Other Expenses	293,793	269,478
<b>Total Care Expenses</b>	<b>8,309,651</b>	<b>8,361,063</b>
<b>Accommodation Expenses</b>		
Labour Costs	242,642	261,268
Property Repairs, Maintenance and Replacement	264,213	272,444
Other Accommodation Expenses	307,865	424,279
<b>Total Accommodation Expenses</b>	<b>814,720</b>	<b>957,991</b>
<b>Hotel Services Expenses</b>		
Labour Costs	451,477	439,436
Contracted Services - External Service Organisations	1,483,077	1,300,671
Other Hotel Services Expenses	157,772	306,370
<b>Total Hotel Services Expenses</b>	<b>2,092,325</b>	<b>2,046,477</b>
<b>Administration Expenses</b>		
Labour Costs	1,159,381	1,166,624
Management Fees	14,273	37,059
Other Administration Expenses	551,917	521,930
<b>Total Administration Expenses</b>	<b>1,725,571</b>	<b>1,725,613</b>
<b>Capital and Financing Expenses</b>		
Depreciation	1,107,591	1,142,447
Interest Expenses	1,226,843	1,466,057
<b>Total Capital and Financing Expenses</b>	<b>2,334,434</b>	<b>2,608,504</b>
<b>Other Expenses</b>		
Loss on Sale of Assets	13,667	75,402
<b>Total Other Expenses</b>	<b>13,667</b>	<b>75,402</b>
<b>Total Expenses</b>	<b>15,290,368</b>	<b>15,775,049</b>
<b>Net Profit (Before Tax)</b>	<b>(1,036,481)</b>	<b>(1,577,685)</b>

## Alwyndor Aged Care

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2021

## Note 19. Segment Reporting (continued)

\$	2021	2020
<b>Residential Aged Care</b>		
<b>Statement of Financial Position</b>		
as at 30 June 2021		
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	15,803,741	20,490,690
Trade & Other Receivables	1,578,220	2,474,061
<b>Total Current Assets</b>	<b>17,381,961</b>	<b>22,964,751</b>
<b>Non-Current Assets</b>		
Property, Plant & Equipment	37,858,269	38,436,043
<b>Total Non-Current Assets</b>	<b>37,858,269</b>	<b>38,436,043</b>
<b>TOTAL ASSETS</b>	<b>55,240,231</b>	<b>61,400,794</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade & Other Payables	631,905	943,925
Employee Provisions	917,948	928,521
Aged Care Facility Deposits	30,600,820	33,504,465
Other Current Liabilities	59,494	-
<b>Subtotal</b>	<b>32,210,167</b>	<b>35,376,911</b>
Liabilities relating to Non-Current Assets Held for Sale	-	-
<b>Total Current Liabilities</b>	<b>32,210,167</b>	<b>35,376,911</b>
<b>Non-Current Liabilities</b>		
Employee Provisions	122,439	77,976
<b>Total Non-Current Liabilities</b>	<b>122,439</b>	<b>77,976</b>
<b>TOTAL LIABILITIES</b>	<b>32,332,605</b>	<b>35,454,887</b>
<b>Net Assets</b>	<b>22,907,625</b>	<b>25,945,907</b>

## Alwyndor Aged Care

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2021

## Note 19. Segment Reporting (continued)

\$	Rehabilitation and Support Services	Consumer Directed Care	Other Home Care	Total
<b>2021</b>				
Revenue	1,183,723	5,884,523	2,380,563	9,448,809
Expenses	<u>1,351,584</u>	<u>5,548,344</u>	<u>2,286,289</u>	<u>9,186,217</u>
<b>Surplus/(Deficit)</b>	<b><u>(167,860)</u></b>	<b><u>336,179</u></b>	<b><u>94,274</u></b>	<b><u>262,592</u></b>
Assets	-	2,953,296	-	2,953,296
Liabilities	<u>230,365</u>	<u>2,953,296</u>	<u>198,154</u>	<u>3,381,815</u>
<b>Total Equity</b>	<b><u>(230,365)</u></b>	<b><u>0</u></b>	<b><u>(198,154)</u></b>	<b><u>(428,519)</u></b>
<b>2020</b>				
Revenue	1,128,410	5,751,979	1,086,679	7,967,068
Expenses	<u>1,181,935</u>	<u>5,494,728</u>	<u>939,065</u>	<u>7,615,728</u>
<b>Surplus/(Deficit)</b>	<b><u>(53,525)</u></b>	<b><u>257,251</u></b>	<b><u>147,614</u></b>	<b><u>351,340</u></b>
Liabilities	<u>182,395</u>	<u>2,444,307</u>	<u>66,210</u>	<u>2,692,912</u>
<b>Total Equity</b>	<b><u>(182,395)</u></b>	<b><u>(2,444,307)</u></b>	<b><u>(66,210)</u></b>	<b><u>(2,692,912)</u></b>

## Alwyndor Aged Care

### General Purpose Financial Statements

for the year ended 30 June 2021

### Independent Auditor's Report - Financial Statements

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## General Purpose Financial Statements

for the year ended 30 June 2021

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### Statement by Auditor

I confirm that, for the audit of the financial statements of Alwyndor Aged Care for the year ended 30 June 2021, 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*.

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Auditor's Name

Audit Firm Name

Date: dd MMMM yyyy

# Attachment 3b





# Audit Completion Report

Alwyndor Aged Care

Year Ended 30 June 2021

**DeanNewbery**

# Executive Summary

16 September 2021

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 2021 external audit.

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

We are pleased to advise that subject to finalisation of the outstanding matters outlined within this report, our audit opinion for financial year ended 30 June 2021 is expected to be issued as an unmodified audit report.

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

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

If you require clarification on any matters, please contact me on the details provided below.

Your sincerely

**DEAN NEWBERY**



**Samantha Creten**  
Partner

E. [sam@deannewbery.com.au](mailto:sam@deannewbery.com.au)

P. 8267 4777

# 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 2021.

## Independence

In accordance with our professional ethical requirements, we confirm that, for the audit of the Entity for the financial year ended 30 June 2021, all members of our audit team have maintained their 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 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 2021 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 2021
- Complete a review of the draft Financial Statements and obtain certified financial statements as required
- Receipt of the signed Management Representation Letter

## Fraud & Litigation

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

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

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

# Summary of Misstatements

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

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

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

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

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

# Materiality

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

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

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

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

For FY2021 our materiality was set as:

- Overall Materiality \$293,000

# 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.

During our Interim Audit stage, key audit matters identified were reported as part of our Management Report issued to the Entity dated 21 July 2021.

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
Financial Report Disclosure	<ul style="list-style-type: none"><li>Detailed review of the financial statement disclosures for compliance with Australian Accounting Standards</li><li>Testing of financial report to underlying accounting records</li><li>Reviewed disclosures that represent the legal relationship with Council</li></ul>	<ul style="list-style-type: none"><li>Our audit procedures have not identified any material misstatements.</li><li>Additional disclosures were requested to adequately disclose the legal relationship</li></ul>
Compliance with Prudential Return Requirements	<ul style="list-style-type: none"><li>Testing of compliance with the Aged Care Act 1997 and User Rights Principles 2014 additional testing was conducted.</li></ul>	<ul style="list-style-type: none"><li>Our audit procedures have not identified any material misstatements.</li></ul>
Grants and Fees	<ul style="list-style-type: none"><li>Review of financial statements disclosures</li><li>Testing of year end cut-off between revenue and revenue in advance</li><li>Reviewed funding deeds</li></ul>	<ul style="list-style-type: none"><li>Our audit procedures have not identified any material misstatements</li></ul>

# Key Audit Matters Considered (cont.)

Key Audit Matter Description	Audit Work Undertaken	Outcomes of Testing Completed
Litigation	<ul style="list-style-type: none"> <li>Review of legal expenses incurred during the year to identify any potential litigation</li> <li>Review minutes of the AMC</li> <li>Review of legal representation letters received from the Entity's external legal advisors</li> </ul>	<ul style="list-style-type: none"> <li>Our audit procedures have not identified any material misstatements.</li> </ul>
Employee Entitlements	<ul style="list-style-type: none"> <li>Testing of long service leave and annual leave entitlements completed for a sample of employees</li> <li>Review of long service leave calculation to the requirements of Australian Accounting Standards</li> </ul>	<ul style="list-style-type: none"> <li>Our audit procedures have not identified any material misstatements</li> </ul>
Trade Receivables	<ul style="list-style-type: none"> <li>Review of receipts subsequent to balance date</li> <li>Review of the provision for impairment adequacy</li> <li>Analytical review of the ageing of trade receivables</li> </ul>	<ul style="list-style-type: none"> <li>Our audit procedures have not identified any material misstatements</li> </ul>
Property, Plant & Equipment	<ul style="list-style-type: none"> <li>Review the reconciliation between the fixed asset register and the general ledger</li> <li>Review estimates and assumptions used to calculate useful lives and depreciation rates</li> </ul>	<ul style="list-style-type: none"> <li>Our audit procedures have not identified any material misstatements</li> </ul>
Resident Accommodation Bonds	<ul style="list-style-type: none"> <li>Testing the balance outstanding as at 30 June 2021</li> <li>Reviewing transactions that occurred during the year</li> </ul>	<ul style="list-style-type: none"> <li>Our audit procedures have not identified any material misstatements</li> </ul>

# 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 for the Entity's consideration and actioning relevant for future financial years.

Audit Matter	Audit Work to be Undertaken
Revaluation of Land and Buildings	As it is expected that the Land and Buildings assets will be revalued in the 2021/2022 financial year, a review of the basis of the valuation, useful lives, depreciation rates and other estimates used in the valuation will be conducted.
Prudential Compliance	A review of prudential compliance issues and controls around these key requirements will be undertaken.
Budgeted Depreciation FY2022	With the valuation to occur for Land and Buildings in FY2022, budgeted depreciation will be required to be updated to reflect the impact of the valuation movements. Depending on the timing of the valuation, budgeted depreciation should be updated as soon as possible to reflect any changes.

# Draft Audit Report

## INDEPENDENT AUDITOR'S REPORT

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

#### Opinion

We have audited the financial report of the Alwyndor Aged Care (the Entity), which comprises the Statement of Financial Position as at 30 June 2021, the Statement Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, Alwyndor Management Committee Declaration and the Certification of the Financial Statements.

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

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2021 and of its performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

#### Basis for Opinion

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

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

#### Responsibility for the Financial Report

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

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

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

# Draft Audit Report

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

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

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

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

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

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

**DEAN NEWBERY**

**Samantha Creten**

**Partner**

Signed on the      day of                      2021,  
at 214 Melbourne Street, North Adelaide

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Dean Newbery

ABN 30 164 612 890

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**DeanNewbery**

# Attachment 4





[holdfast.sa.gov.au](http://holdfast.sa.gov.au)

Brighton Civic Centre 24 Jetty Road, Brighton SA 5048

PO Box 19 Brighton SA 5048

P 08 8229 9999 F 08 8298 4561

Glenelg Customer Service Centre and Library

2 Colley Terrace, Glenelg SA 5045

## DATE

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

Dear Samantha

### **Management Representations: External Audit, Financial Year Ended 30 June 2021**

This Management Representation letter is provided in connection with your audit examination of the General Purpose Financial Report (**2021 Financial Report**) of City of Holdfast Bay (**'the Council'**) for the financial year ended 30 June 2021.

**We hereby confirm, at your formal request, that to the best of our knowledge and belief, the following representations relating to the 2021 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 2021 as prescribed by the *Local Government Act 1999*, for the express purpose of your expressing an opinion as to whether the 2021 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 2021. 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 2021 Financial Report and that management, as appropriate, have approved the Financial Report. Accordingly, management of the Council are of the opinion that the 2021 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 2021 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 2021.
- (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 the Council.

### **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.

### **Inventories**

- (1) All inventories were the property of the Council and have either been paid for or the liability has been brought to account.
- (2) All inventories have been physically counted and valued in accordance with the applicable Australian Accounting Standard.

### **Other Current Assets**

- (1) Prepayments at balance date represented payments for goods and services to be received in the 30 June 2021 financial year.
- (2) There are no non-current assets held for sale.

### **Financial Assets – Loans to Community Groups**

- (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 2019-20 statements of \$517,780 for the Glenelg Football Club.

### **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 2021 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	358,336	1,115	-	359,451
Buildings & Other Structures	135,499	16,507	(53,590)	98,416
Infrastructure	369,806	31,355	(136,217)	264,944
Plant & Equipment	-	10,723	(5,157)	5,566
Furniture & Fittings	-	5,893	(2,968)	2,925
Library Lending Materials	-	1,366	(533)	833
Total Infrastructure, Property, Plant & Equipment	863,641	66,959	(198,465)	732,135

- (2) The additions during the 2021 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 2021 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 2021 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 2021, 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 2021 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 2021 Statement of Comprehensive Income. Finance Leasing commitments have been fully disclosed in the notes to the 2021 Balance Sheet.
- (8) The asset revaluations of infrastructure assets undertaken during the 2021 financial year by Asset Engineering as at 30 June 2021 were based on the principle of written down replacement value. Accordingly, total replacement value, total economic working life, residual economic working life were reliably established for each asset and the financial records of Council were restated in accordance with all applicable Australian Accounting Standards, and the Financial Report reflects all such accounting entries.
- (9) Valuations of all infrastructure assets are reflected in the 2021 Financial Report and will be considered by Audit Committee and Council as part of the adoption of the Financial Statements.
- (10) The asset revaluations of all land and buildings owned by Council were undertaken by independent valuers Maloney Field Services as at 30 June 2017.  
  
Valuations have been formally accepted by Council and recognised in the 2021 Financial Report.
- (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 2021.

- (12) Depreciation expense reported in the 2021 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 2021 financial year have been included in the 2021 Financial Report.
- (2) All outstanding trade payables at balance date have been taken up as at the 2021 balance date.
- (3) All applicable accrued wages and salaries and accrued employee entitlements at the 2021 balance date have been taken up.
- (4) All accrued interest at the 2021 balance date have been taken up.
- (5) All revenue received in advance as at the 2021 balance date have been taken up.
- (6) Provisions for employee benefits, inclusive of on-costs, all discounted as at the 2021 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 2021 balance date.
- (8) Borrowings as at the 2021 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 2021 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 2021; which are not fully disclosed in the notes to the 2021 Financial Report.

## **EQUITY**

- (1) There have been no adjustments to the Accumulated Surplus other than those allowable under the Australian Accounting Standards.
- (2) There have been no adjustments to the Asset Revaluation Reserve other those allowable under the Australian Accounting standards and the balance of the reserve has been reconciled to each class of asset.
- (3) All reserve funds required by legislation to be maintained have been at all times maintained in the accounting records of the Council.
- (4) All transfers to and from reserve funds (including the Accumulated Surplus) have been prior authorised by Council.
- (5) Other than for the Asset Revaluation Reserve, all other reserve accounts are those applied for 2021 Council budget purposes and have the same balances as at 30 June 2021.

## **2021 STATEMENT OF COMPREHESIVE INCOME**

- (1) Please find attached a summary of all material variations for all income and expense amounts (variances less than \$5,000 have been deemed immaterial and not included) disclosed in the 2021 Statement of Comprehensive Income, compared to 2020.
- (2) No 2019-20 amounts that have been re-classified in the 2021 Statement of Comprehensive Income.
- (3) All depreciable physical resources received free of charge have been included in the appropriate asset register and depreciated from the date when Council assumed control (of the asset).
- (4) Depreciation expense for 2021 is in accordance with Council's asset registers and has been determined on the same basis as for 2020.
- (5) Salaries and Wages expense disclosed in the 2021 Statement of Comprehensive Income reconciles to the last budgeted salaries and wage amount approved by Council for 2021 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 2021 report to be included in the 2021 Financial Report.

### **OTHER REQUIRED REPRESENTATIONS**

- (1) No events have occurred (or are known to occur) subsequent to the 30 June 2021 that would require any consideration for adjustment to or additional disclosure in the 2021 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 2021.
- (3) The Council has complied with all aspects of contractual arrangements and agreements that would have a material effect on the 2021 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 2021 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 2021 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 2021 financial year and to the date of this letter. All other statutory records were properly kept at all times during the year and have been made available to you for audit purposes.
- (11) All audit correspondence has been formally and promptly responded.
- (12) All audit correspondence has been referred to Council and Council's Audit Committee.
- (13) Salaries and wages records together with records for the Goods and Service Tax were at all times fully maintained in accordance with the requirements of the Australian Taxation Office, as applicable.
- (14) All documentation relating to the capture of Related Party Disclosures and Transactions (AASB 124 Related Party Disclosures) including all authorised forms provided by the deemed Key Management Personnel, evidence of review of total related party transactions processed during the financial year by the Council e.g. Transaction reports of payments made by Council to related parties and any working papers of calculation methodologies for the disclosures in the 30 June 2021 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 2021 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 2021 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 2021 Financial Report has been adjusted for all agreed audit adjustments for the year ended 30 June 2021.
- (18) There were no changes in accounting practices and accounting policies made for the financial year ended 30 June 2021 compared to the financial year ended 30 June 2020.
- (19) Council's Audit Committee has addressed all of its prescribed responsibilities and no member of the Committee has undertaken other professional services for the Council.

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

Yours sincerely

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**Chief Executive Officer**

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**Manager Financial Services**

**Attachment**

## **Attachment**

### **2020-21 Statement of Comprehensive Income - Summary of material prior year variations. Note References refer to the General Purpose Financial Statements**

#### **Note 2(b) - Statutory Charges \$2,263,000 (2019-20 \$2,230,000)**

Increased by \$33,000 due to increased development assessment fees \$81,000 and on-street parking fines \$67,000 offset by reduced off-street parking fines \$48,000 and hoarding fees \$110,000.

#### **Note 2(c) - User Charges \$7,754,000 (2019-20 \$7,603,000)**

Municipal user charges decreased by \$466,000 with the major explanation being a change in recording income (and expenditure) for the Brighton Caravan Park. During 2019-20 the Caravan Park Management changed and this included a different payment methodology. Previously it was gross income less management expenditure reimbursed on a monthly basis. The new arrangement records net income received. Overall the Caravan Park net result for 2020-21 was a \$998,000 surplus being a \$34,000 increase over the prior year. Other positive variances occurred in off-street parking ticket machine income \$136,000, Partridge House hire fees \$61,000 and leases \$40,000 offset by reduced winter activation event income \$99,000.

Alwyndor user charges increased by \$638,000 due to an increase in residential occupancy and third party services and consumables for Home Care Packages (offset by third costs at note 3(b)).

#### **Note 2(g) – Operating Grants, Subsidies and Contributions \$15,515,000 (2019-20 \$13,988,000)**

Municipal operating grants increased by \$369,000. A major variance occurred due to receiving new funding for stage 1 and 2 of the federal Local Roads and Community Infrastructure (LRCI) Program which totalled \$1,053,000. Due to accounting standard requirements this payment was required to be recorded as income at time of receipt. Other positive variances refer to new grants for FOGO weekly collection trial \$98,000 and funding for the ANZAC dawn service \$29,000. These variances were offset by a negative variance of \$108,000 in the timing of the payment of the Financial Assistance Grants and the part transfer of the community wellbeing grant program to Alwyndor of \$711,000.

Alwyndor grants and subsidies increased by \$1,372,000. This is due to \$868,000 Commonwealth Home Support Program (CHSP) clients moving from City of Holdfast Bay to Alwyndor, \$185,000 Transition Care Programme, and \$271,000 additional residential funding mainly relating to COVID-19 and an increase in the Aged Care Funding Instrument (ACFI) revenue generated throughout the year.

**Note 2(d) - Investment Income \$191,000 (2019-20 \$411,000)**

Municipal reserve fund investment reduced by \$58,000 due to less available cash for investing. In accordance with Councils Treasury Management policy available cash was used to fund major operating and capital expenditure in preference to new borrowings which occurred late in 2020-21.

Alwyndor investment income decreased by \$145,000 due to a reduction in interest rates.

**Note 2(e) – Reimbursements \$3,575,000 (2019-20 \$3,493,000)**

Municipal reimbursements decreased by \$147,000 mostly due to a refund of, and interest on overcharges for street lighting in 2019-20 of \$203,000 offset by increased GPT reimbursements in 2020-21 \$81,000.

Alwyndor reimbursements increased by \$224,000 due to an increase in direct services provided to Support at Home clients.

**Note 2(f) -Other Income \$4,398,000 (2019-20 \$4,915,000)**

Municipal other income has increased by \$194,000 largely due to an increase in the workers compensation rebates received of \$170,000 combined with additional apprenticeship training and education payments.

Alwyndor other income decreased by \$550,000 due to recording \$295,000 lower income compared to prior year for consideration recognised regarding Refundable Accommodation Deposits in accordance with AASB 16 accounting standards (\$1,157,000 FY21, \$1,452,000 FY20). The consideration recognised is offset against the interest expense noted at Note 3(d) below. The remaining variance of \$255,000 is mainly due to a decrease in Home Care Package fees following the changes imposed by the Department of Health on fee structures which commenced in 2019-20.

**Note 19 - Net gain – EQUITY ACCOUNTED COUNCIL BUSINESSES \$87,000 (2019-20 \$99,000)**

This refers to Council's 15% share (\$66,000 surplus) in the SRWRA. For 2020/21 SRWRA achieved a \$438,000 operating surplus (\$658,000 in 2019/20). Major prior year variances included an increase in landfill operation income \$1,028,000 with a corresponding \$1,028,000 increase in EPA levy payments. Depreciation increased by \$146,000 primarily for plant and equipment. The full SRWRA financial statements are attached to the covering report. They indicate significant investment on new assets and contributed assets being the Southern Materials Recycling Facility joint venture (refer note 13 of the SRWRA Financial Statements). The financial results, provisions and expanded notes of Councils equity share of the SRWRA are included in Note 19 to the Council financial statements.

**Note 3(a) - Employee Costs \$32,712,000 (2019-20 \$31,646,000)**

Overall municipal employee costs decreased by \$293,000 from prior year. This is made up of savings in direct employment costs due to vacancies \$484,000 less increase in leave provisions

\$226,000 and increased workers compensation \$54,000. Capitalised employment costs increased by \$77,000.

Alwyndor employment costs increased by \$1,347,000. This is due to additional costs to support increased residential client needs (refer higher Aged Care Funding Instrument (ACFI) revenue noted in 2g), \$220,000k from 2.0% annual remuneration increase, \$396,000 in increased Support at Home and Therapy following growth in these areas, \$107,000 higher Superannuation costs resulting from higher wages and \$174,000 higher Workers Compensation costs partly due to reduced Local Government Authority rebates. During 2020-21, employment costs also experienced the full year impact of COVID-19 initiatives to manage visitors, increased cleaning regimes and reduced agency usage that were introduced in January to June of 2019-20.

**Note 3(b) - Materials, Contracts and Other Expenses \$25,240,000 (2019-20 \$26,807,000)**

Municipal expenses in this grouping decreased by \$1,368,000. This comprised numerous items either included in the original budget or varied throughout the year. Major prior year variances occurred in other contractual services including the changed method of recording Caravan Park expenditure \$573,000, the transfer of the Community Wellbeing Home Support programs to Alwyndor \$176,000, deferment of community events due to COVID-19 \$132,000, reduction in expenditure on Strategy and Governance studies and projects \$134,000, reduction in Asset Delivery projects \$110,000, reduction in depot temporary staff \$71,000, and reduction in Jetty Road Mainstreet expenditure \$ 165,000 (carried forward into the 2021-22 budget).

Alwyndor expenses increased by \$117,000. This is due to a \$134,000 increase in third party costs paid for Home Care Package clients, which is offset by User Charges at Note 2(c), increased City of Holdfast Bay shared service costs \$155,000, and decreased agency costs \$198,000.

**Note 3(c) - Depreciation \$10,684,000 (2019-20 \$10,416,000)**

Overall municipal depreciation increased by \$276,000 reflecting new and revalued assets including buildings \$139,000 and open space coastal assets \$139,000.

Alwyndor depreciation decreased by \$8,000 with most of this decrease applicable to equipment.

**Note 3(d) - Finance Costs \$1,814,000 (2019-20 \$2,117,000)**

Municipal finance charges increased by \$21,000 due to the timing of cash advance debenture draw downs and internal borrowings with Alwyndor.

Alwyndor Finance charges decreased by \$308,000 due to a reduction \$295,000 of interest recognised in accordance with the new AASB 16 accounting standards. The interest expense recognised is offset against the consideration noted at Note 2(f). The balance of \$13,000 is due to a decrease in the interest rate payable on Refundable Accommodation Deposit refunds.

***Note 4 - Asset Disposal and Fair Value Adjustments (\$1,379,000 loss) - (2019-20 \$3,396,000 - loss)***

Municipal assets were sold, or disposed of, throughout the year resulting in a \$1,365,000 loss. The assets are itemised as follows:

- \$1,380,000 – Loss - Capital renewal program. Refers to existing infrastructure assets removed or disposed as part of the annual capital program.
- \$15,000 – Net Profit - Sale of vehicles.

Alwyndor conducted a thorough asset register review where a number of historical assets were identified as being previously disposed and written off in 2021 to the total value of \$15,000.

***Note 2(g) - Amounts Received for New/Upgraded Assets \$5,631,000 (2019-20 \$4,728,000)***

New grants were accounted for in 2020-21 including the following major projects - Brighton Oval redevelopment \$3.157m, Jetty Road Glenelg Masterplan \$877,000, Glenelg Oval Masterplan \$787,000, Wigley Reserve Playspace \$500,000 and Stormwater Management \$300,000.

***Note 9(a) - Change in Revaluation Surplus – \$5,567,000 increase (2019-20 \$710,000 decrease)***

Other Transport assets were revalued by Asset Engineering. This class included bridges, car parks and traffic control devices. The last revaluation on these assets was performed in 2016. Based on current replacement rates this resulted in a valuation increase of \$5,580,000. Library materials were also valued by senior library officers resulting in a valuation decrease of \$13,000.

# Attachment 5



**2020-21 Financial Statements - Summary of material prior year variations.*****Note 2(b) - Statutory Charges \$2,263,000 (2019-20 \$2,230,000)***

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**Note 4 - Asset Disposal and Fair Value Adjustments (\$1,379,000 loss) - (2019-20 \$3,396,000 - loss)**

Municipal assets were sold, or disposed of, throughout the year resulting in a \$1,365,000 loss. The assets are itemised as follows:

- \$1,380,000 – Loss - Capital renewal program. Refers to existing infrastructure assets removed or disposed as part of the annual capital program.
- \$15,000 – Net Profit - Sale of vehicles.

Alwyndor conducted a thorough asset register review where a number of historical assets were identified as being previously disposed and written off in 2021 to the total value of \$15,000.

**Note 2(g) - Amounts Received for New/Upgraded Assets \$5,631,000 (2019-20 \$4,728,000)**

New grants were accounted for in 2020-21 including the following major projects - Brighton Oval redevelopment \$3.157m, Jetty Road Glenelg Masterplan \$877,000, Glenelg Oval Masterplan \$787,000, Wigley Reserve Playspace \$500,000 and Stormwater Management \$300,000.

**Note 9(a) - Change in Revaluation Surplus – \$5,567,000 increase (2019-20 \$710,000 decrease)**

Other Transport assets were revalued by Asset Engineering. This class included bridges, car parks and traffic control devices. The last revaluation on these assets was performed in 2016. Based on current replacement rates this resulted in a valuation increase of \$5,580,000. Library materials were also valued by senior library officers resulting in a valuation decrease of \$13,000.

**Note 5(a) - Cash and Cash Equivalents**

As at 30 June 2021, cash and cash equivalents amounted to \$19,200,000 (2019-20 \$21,355,000). This comprises \$443,000 (2019-20 \$865,000) of municipal funds and \$18,757,000 of Alwyndor funds as shown in the cash flow statements. The significant variance of municipal cash in prior years is due to the receipt of prepayments of large capital government grants received in 2018/19 subsequently applied to capital projects in 2019/20 including the Brighton Oval redevelopment.

Alwyndor funds include monies received and invested for accommodation bonds. Accommodation bonds total \$30,600,820 (2019-20 \$33,504,465) and are subject to externally imposed restrictions with the requirement to be used for capital purposes.

**Note 5(b) - Trade and Other Receivables – Current \$4,000,000 (2019-20 \$5,513,000)**

Municipal debtors increased by \$618,000 to \$2,421,000 due to reduction in rates outstanding \$711,000 (prior year allowed additional payment time due to COVID), and reduction in general debtors \$248,000. The allowance for doubtful debts was reduced by \$297,000 primarily due to a reduction in outstanding infringements which occurred as a result of a review conducted with the Fines Recovery Unit which commenced in 2019-20, and was completed in 2020-21.

Alwyndor debtors had a net decrease of \$896,000 due to a decrease in current aged care facility deposits outstanding of \$1,332,000 offset by an increase in accrued revenues of \$462,000 from Commonwealth funded Home Care packages.

**Note 6 (a) & 5 (b) - Loans to Community Organisations**

Council's normal practice for larger loans is to borrow from the Local Government Finance Authority and on-lend to the community organisation on similar terms along with an additional 0.5% credit margin to cover administrative costs. The total amount of principal owing as at 30 June 2021 is \$1,870,000 comprising \$219,000 current (note 5b) and \$1,651,000 non-current (note 6a) components.

During 2016-17 Council received correspondence for the Glenelg Football Club and considered strategies to support the Club in its objective of long term financial sustainability. Further reports

were considered in May 2017 and October 2019 accepting a principal reduction scheme over six years (via the SANFL) and agreeing to waive interest up to 31 October 2022. As at 30 June 2020 the Club had met its financial obligations. The total amount of principal owing from the Glenelg Football Club as at 30 June 2021 is \$1,663,256.

On 25 August 2021 the Audit Committee received a report assessing community loan receivables as at 30 June 2021 (Report 269/21). On 14 September 2021 Council noted the minutes of the Audit Committee (Minute C140921/2412). The financial statements include maintaining the loan impairment provision of \$517,780 for the Glenelg Football Club loan in accordance with the recommendations.

***Note 6 (b) - Regional Subsidiaries – \$3,314,000 (2019-20 \$3,227,000)***

This refers to Council's 15% share in the net assets of SRWRA. As at 30 June 2021 SRWRA had \$22,091,000 total net assets. The increase is due to total comprehensive income of \$578,000 in 2020/21. The financial results, provisions and expanded notes of both entities are included in Note 19 to the Council statements.

***Note 6 (c) – Other Non-Current Assets - Capital Works-in-Progress \$4,497,000 (2019-20 \$4,511,000)***

This includes \$1.489m of works for the upgrade of Chapel Street and Hindmarsh Lane, \$1.115m for the installation of a unisex change room at Glenelg Oval, \$347,000 on continuing development of the Business Transformation Program, \$313,000 for various stormwater projects and \$188,000 on the upgrade of the Mawson Oval including tennis courts. Also included are design and preliminary works for the implementation of the Gully Masterplan of \$177,000, interior improvements at Glenelg Town Hall of \$172,000 and the Kingston Park masterplan of \$132,000. The remaining amounts are for other incomplete municipal capital projects.

***Note 7 - Capital Expenditure***

In 2020-21 asset additions totaled \$18,532,000 (2019-20 \$22,621,000).

For municipal activities this comprised \$8.4m on completed new and upgraded assets. The major projects included \$5.13m for development of the open space area at Brighton Oval, \$1.14m on the Wigley Reserve playspace upgrade, \$612,000 on new plant and equipment and \$493,000 for the construction of a new GPT at Wattle Avenue.

Asset additions for renewed and replaced assets totaled \$9.4m. These included \$2.85m on the refurbishment of Glenelg Town Hall exterior, \$2.51m on infrastructure including roads, kerb, footpaths and stormwater, \$1.23m for the replacement of plant and equipment and \$565,000 for the replacement of the Holdfast Tennis Club building. The renewal of Open Space assets totaled \$1.39m including \$771,000 on playground equipment and sporting infrastructure, \$298,000 on coastal headwall drainage, \$121,000 for works at North Brighton and St Judes cemeteries and \$92,000 on signage.

For Alwyndor activities this comprised \$682,000 including \$416,000 on new assets and \$266,000 on renewal and replacement of existing assets.

**Note 8(a) – Payments Received in Advance \$1,582,000 (2019-20 \$4,291,000)**

The prior year amount largely comprised grant income received in 2019-20 for Jetty Road \$1.666m and Brighton Oval redevelopment \$1.082m, Glenelg Oval master plan \$487,000, Wigley Reserve playspace \$500,000 and weekly FOGO grant \$98,000.

Current year payments in advance total \$1,523,000 and includes grant income received of \$789,000 for Jetty Road Masterplan, \$100,000 for revitalisation of the former Buffalo site, \$55,000 for Dover Square Tennis Club lighting, \$54,000 for a seawall remediation study and \$46,000 for the continuation of the FOGO trial.

The grant conditions stipulate that Council has an obligation to repay any unspent funding, therefore Council does not control the funds until spent. This means that the portion of unspent funds for these grants are recognised as payments received in advance. The remaining balance includes the payment of Rates in advance.

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

The liability for Alwyndor accommodation bonds has decreased by \$2,903,645 from the previous year. The overall liability is \$30,600,820.

**Note 8(b) – Borrowings \$15,912,000 (2019-20 \$13,610,000)**

Net borrowings increased by \$2,302,000 to \$15,912,000. Principal repayments during 2020-21 included \$905,000 fixed term principal and \$2,150,000 short term cash advance repayments. New fixed term loan borrowings of \$5m were required at year end to meet cash flow needs and fund major capital works including Brighton Oval redevelopment and the Glenelg Town Hall restoration in accordance with Councils Treasury Management Policy.

**Note 8(c) – Provisions**

Municipal employee leave provisions decreased by \$114,000 and Alwyndor leave provisions increased by \$223,000.

**Note 9 - Reserve Funds**

All reserve funds required by legislation have been maintained.

**Equity**

Council's consolidated net equity increased by \$11,129,000 during the year as a result of:

- \$1,289,000 operating surplus
- (\$1,379,000) deficit on disposal of assets
- \$5,631,000 capital revenue received specifically for new or upgraded assets
- \$5,567,000 net increase of assets on revaluation
- \$21,000 Other Comprehensive Income - SRWRA

# Attachment 6



# **SOUTHERN REGION WASTE RESOURCE AUTHORITY**

## **General Purpose Financial Report for the year ended 30 June 2021**

### **Contents**

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Audit Certificate of Audit Independence	

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### ANNUAL FINANCIAL STATEMENTS For the year ended 30 June 2021

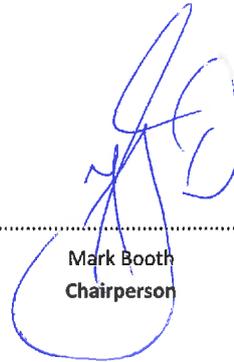
#### CERTIFICATION OF FINANCIAL STATEMENTS

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 2021 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: 23/8/2021

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
<b>Income</b>			
User charges	2	11,774	10,746
Investment income	2	487	501
Other	2	454	493
Net gain - equity accounted Joint Venture	13	1,032	745
<b>Total Income</b>		<u><b>13,747</b></u>	<u><b>12,485</b></u>
<b>Expenses</b>			
Employee costs	3	1,131	1,248
Materials, contracts & other expenses	3	11,176	9,719
Depreciation, amortisation & impairment	3	1,002	860
<b>Total Expenses</b>		<u><b>13,309</b></u>	<u><b>11,827</b></u>
<b>Operating Surplus</b>		<u><b>438</b></u>	<u><b>658</b></u>
Asset disposal & fair value adjustments	3	140	-
Amounts received specifically for new/upgraded assets		-	-
<b>Net Surplus</b>		<u><b>578</b></u>	<u><b>658</b></u>
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - property, plant & equipment		-	1,222
<b>Total Other Comprehensive Income</b>		<u><b>-</b></u>	<u><b>1,222</b></u>
<b>Total Comprehensive Income</b>		<u><b>578</b></u>	<u><b>1,880</b></u>

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 2021

	Notes	2021 \$'000	2020 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	4,643	15,506
Trade & other receivables	4	3,008	2,230
Loan - Related Party	11,13	1,500	-
<b>Total Current Assets</b>		<u>9,151</u>	<u>17,736</u>
<b>Non-current Assets</b>			
Equity accounted joint venture		5,801	677
Property, plant & equipment	5	25,745	19,319
<b>Total Non-current Assets</b>		<u>31,546</u>	<u>19,996</u>
<b>Total Assets</b>		<u>40,697</u>	<u>37,732</u>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & other payables	6	4,752	2,339
Provisions	6	128	145
Borrowings		-	-
<b>Total Current Liabilities</b>		<u>4,880</u>	<u>2,484</u>
<b>Non-Current Liabilities</b>			
Borrowings		-	-
Provisions	6	13,726	13,735
<b>Total Non-current Liabilities</b>		<u>13,726</u>	<u>13,735</u>
<b>Total Liabilities</b>		<u>18,606</u>	<u>16,219</u>
<b>Net Assets</b>		<u>22,091</u>	<u>21,513</u>
<b>Equity</b>			
Accumulated surplus		20,869	20,291
Asset revaluation reserve		1,222	1,222
<b>Total Equity</b>		<u>22,091</u>	<u>21,513</u>

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

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**

**STATEMENT OF CHANGES IN EQUITY  
for the year ended 30 June 2021**

	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
<b>Balance at start of period - 1 July 2020</b>	<b>20,291</b>	<b>1,222</b>	<b>21,513</b>
Net Surplus/ (Deficit) for Year	578	-	578
<b>Other Comprehensive Income</b>			
Gain on revaluation of property, plant & equipment	-	-	-
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
<b>Balance at end of period - 30 June 2021</b>	<b>20,869</b>	<b>1,222</b>	<b>22,091</b>
<b>Balance at start of period - 1 July 2019</b>	<b>19,633</b>	<b>-</b>	<b>19,633</b>
Net Surplus/ (Deficit) for Year	658	-	658
<b>Other Comprehensive Income</b>			
Gain on revaluation of property, plant & equipment	-	1,222	1,222
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
<b>Balance at end of period - 30 June 2020</b>	<b>20,291</b>	<b>1,222</b>	<b>21,513</b>

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

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**

**STATEMENT OF CASH FLOWS**  
**for the year ended 30 June 2021**

	Notes	2021 \$'000	2020 \$'000
<b>Cash Flows from Operating Activities</b>			
Operating receipts from customers		11,450	11,743
Investment receipts		487	501
Operating payments to suppliers & employees		(9,920)	(11,886)
Finance payments		-	-
<b>Net Cash provided by (or used in) Operating Activities</b>	7	<b>2,017</b>	<b>358</b>
<b>Cash Flows from Investing Activities</b>			
Amounts specifically for new or upgraded assets		-	-
Sale of replaced assets	3	244	-
Distributions from equity accounted Joint Ventures	13	600	900
Contributions to equity accounted Joint Ventures	13	(513)	-
Expenditure on equity accounted contributed assets	13	(5,679)	-
Expenditure on renewal/replacement of assets		(634)	(759)
Expenditure on new/upgraded assets		(6,898)	(2,490)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(12,880)</b>	<b>(2,349)</b>
<b>Cash Flows from Financing Activities</b>			
Distribution to Member Councils		-	-
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in cash held</b>		<b>(10,863)</b>	<b>(1,991)</b>
Cash & cash equivalents at beginning of period	4	15,506	17,497
<b>Cash &amp; cash equivalents at end of period</b>	4	<b>4,643</b>	<b>15,506</b>

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

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

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**Note 1 – Significant Accounting Policies**

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

**1 Basis of Preparation**

**1.1 Compliance with Australian equivalents to International Financial Reporting Standards**

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

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

**1.2 Historical Cost Convention**

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

**1.3 Critical Accounting Estimates**

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

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

**1.4 Rounding**

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

**2 The Local Government Reporting Entity**

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

**3 Income recognition**

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

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

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

Receivables are generally unsecured and do not bear interest.

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

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

**5 Infrastructure, Property, Plant & Equipment**

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

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

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**Note 1 (cont.) – Significant Accounting Policies**

**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

**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.

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

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**Note 1 (cont.) – Significant Accounting Policies**

**7.2 Superannuation**

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

**Accumulation Fund Members**

*Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation 9.5% in 2020/21 (9.5% in 2019/20).*

*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 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 the Authority's contribution rates at some future time.*

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

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

**8 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.

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:

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

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

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**Note 1 (cont.) – Significant Accounting Policies**

**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.

**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**

The Authority applied for the first-time certain new standards and amendments, which are effective for annual reporting periods beginning on or after 1 January 2020. New standards and amendments relevant to the Authority are listed below. The Authority has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**Amendments to AASB 101 and AASB 108 Definition of Material**

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity".

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Authority.

**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.

Land assets held by the Authority were valued by AssetVal with an effective valuation date of 30 June 2020 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 item 5.3 Depreciation of Non-Current Assets.

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

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**Note 1 (cont.) – Significant Accounting Policies**

**15 COVID-19**

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

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2021**

	2021 \$'000	2020 \$'000
<b>Note 2 - Income</b>		
<b>User Charges</b>		
Landfill Operations	11,774	10,746
	<u>11,774</u>	<u>10,746</u>
<b>Investment Income</b>		
Interest on investments	102	249
Banks & other	-	12
Rental income	385	240
	<u>487</u>	<u>501</u>
<b>Other Income</b>		
Other income	171	204
Southern Recycling Centre	283	289
	<u>454</u>	<u>493</u>
<b>Note 3 - Expenses</b>		
<b>Employee Costs</b>		
Salaries and Wages	1,092	1,151
Employee leave expense	(25)	10
Superannuation	98	102
Workers' Compensation Insurance	47	58
Less: Capitalised and distributed costs	(81)	(73)
	<u>1,131</u>	<u>1,248</u>
<b>Materials, Contracts &amp; Other Expenses</b>		
Auditor's Remuneration	21	19
Board Expenses	36	39
Contractors	397	271
Fuels & oils	128	161
Equipment hire	10	18
Maintenance	450	217
Legal	160	32
Levies - EPA	9,570	8,542
Professional services	26	12
Southern Recycling Centre	108	183
Sundry	270	225
	<u>11,176</u>	<u>9,719</u>

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2021**

**Note 3 - Expenses (cont)**

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Depreciation, Amortisation &amp; Impairment</b>		
Buildings	184	138
Plant & Equipment	408	274
Office Equipment	8	9
Super Cell	205	196
Super Cell Capping	174	215
Post Closure Rehabilitation	19	24
Future Restoration Costs	4	4
Work in Progress	-	-
	<u>1,002</u>	<u>860</u>
<b>Asset Disposals</b>		
Proceeds from disposal	244	-
Less: Carrying amount of assets sold	(104)	-
<b>Gain (Loss) on disposal</b>	<u>140</u>	<u>-</u>
<b>Note 4 - Current Assets</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on Hand and at Bank	4,519	1,601
Short-term deposits	124	13,905
	<u>4,643</u>	<u>15,506</u>
<b>Trade &amp; Other Receivables</b>		
Debtors - general	3,008	2,207
Accrued Revenues	-	23
	<u>3,008</u>	<u>2,230</u>

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2021**

**Note 5 - Property, Plant & Equipment**

	2020 \$'000			2021 \$'000		
	At Fair Value	At Cost	Accumulated Depreciation	At Fair Value	At Cost	Accumulated Depreciation
Land	5,205	-	-	5,205	-	-
Buildings	560	4,081	(772)	560	5,810	(955)
Plant & Equipment	-	5,350	(3,252)	-	4,938	(2,718)
Office Equipment	-	160	(133)	-	172	(141)
Super Cell	-	8,202	(5,391)	-	8,970	(5,599)
Super Cell Capping	5,426	-	(2,395)	5,426	-	(2,570)
Post Closure Rehabilitation	6,143	-	(5,799)	6,143	-	(5,818)
Future Restoration Costs	4,228	-	(4,165)	4,228	-	(4,169)
Work in Progress	-	1,871	-	-	6,263	-
	<b>21,562</b>	<b>19,664</b>	<b>(21,907)</b>	<b>21,562</b>	<b>26,153</b>	<b>(21,970)</b>
			<b>19,319</b>			<b>25,745</b>

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2021**

**Note 5 - Property, Plant & Equipment**

	Movement in Property, Plant & Equipment during the Financial Year									
	2020 \$'000	Carrying Value	Renewal/ Replacement	Additions New/Upgrade	Disposals	Revaluation	Adjustment/ Transfer	Depreciation	Carrying Value	2021 \$'000
Land	5,205	-	-	-	-	-	-	-	5,205	
Buildings	3,869	-	45	-	-	1,685	(184)	5,415		
Plant & Equipment	2,098	634	-	(104)	-	-	(408)	2,220		
Office Equipment	27	-	12	-	-	-	(8)	31		
Super Cell	2,811	-	766	-	-	(1)	(205)	3,371		
Super Cell Capping	3,031	-	-	-	-	(1)	(174)	2,856		
Post Closure Rehabilitation	344	-	-	-	-	-	(19)	325		
Future Restoration Costs	63	-	-	-	-	-	(4)	59		
Work in Progress	1,871	-	11,754	-	-	(7,362)	-	6,263		
	<b>19,319</b>	<b>634</b>	<b>12,577</b>	<b>(104)</b>	<b>-</b>	<b>(5,679)</b>	<b>(1,002)</b>	<b>25,745</b>		
<b>2020 \$'000</b>	<b>15,440</b>	<b>759</b>	<b>2,793</b>	<b>-</b>	<b>1,222</b>	<b>(35)</b>	<b>(860)</b>	<b>19,319</b>		

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

#### Note 6 - Liabilities

	2021 \$'000		2020 \$'000	
	Current	Non-current	Current	Non-current
<b>Trade &amp; Other Payables</b>				
Goods & services	4,752	-	2,323	-
Payments received in advance	-	-	16	-
	<b>4,752</b>	<b>-</b>	<b>2,339</b>	<b>-</b>
<b>Provisions</b>				
Annual Leave	70	-	80	-
Long Service Leave	58	8	65	17
Super Cell Capping	-	7,980	-	7,980
Post Closure Rehabilitation	-	4,064	-	4,064
Future Restoration Costs	-	1,674	-	1,674
	<b>128</b>	<b>13,726</b>	<b>145</b>	<b>13,735</b>

<b>Reconciliation of Movement in Landfill &amp; Restoration Provisions</b>	<b>Super Cell Capping</b>	<b>Post Closure Rehabilitation</b>	<b>Future Restoration Costs</b>	<b>Total</b>
<b>Opening Balance</b>	<b>7,980</b>	<b>4,064</b>	<b>1,674</b>	<b>13,718</b>
Additional Amounts Recognised/ (Derecognised)	-	-	-	-
Payments	-	-	-	-
Unwinding of Present Value Discounts	-	-	-	-
<b>Closing Balance</b>	<b>7,980</b>	<b>4,064</b>	<b>1,674</b>	<b>13,718</b>

An independent review and update of key assumptions and estimates included in the calculation of landfill capping and post closure liabilities is expected to be undertaken in 2021/22 at which time the liability will be updated.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

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#### 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:

	2021 \$'000	2020 \$'000
Total cash & equivalent assets	4,643	15,506
Less: Short-term borrowings	-	-
Balances per Cash Flow Statement	<u>4,643</u>	<u>15,506</u>

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

Net Surplus (Deficit)	578	658
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,002	860
Net (Gain) Loss on equity accounted joint ventures	(1,032)	(745)
Net (Gain) Loss on disposal of assets	(140)	-
	<u>408</u>	<u>773</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(778)	(564)
Net increase (decrease) in trade & other payables	2,411	138
Net increase (decrease) in other provisions	(24)	11
<b>Net Cash provided by (or used in) operations</b>	<u>2,017</u>	<u>358</u>

##### (c) Financing Arrangements

Corporate Credit Cards	18	18
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## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

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#### Note 8 - Financial Instruments

##### Recognised Financial Instruments

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

##### Short Term Deposits

**Terms & conditions:** Deposits on Call do not have a maturity period and have an average interest rates of 0.3% (2020: 1.25% - 2.25%).

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

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

**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 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 AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2021**

**Note 8 - Financial Instruments**

**Liquidity Analysis**

	2021	Maturity			Non-interest bearing	Total
		≤ 1 year	> 1 year ≤ 5 years	> 5 years		
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>						
<b>Amortised Cost</b>						
Cash Assets		4,643	-	-	-	4,643
Receivables		-	-	-	3,008	3,008
<b>Total</b>		<b>4,643</b>	<b>-</b>	<b>-</b>	<b>3,008</b>	<b>7,651</b>
<b>Financial Liabilities</b>						
Payables		-	-	-	4,752	4,752
Borrowings		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>4,752</b>	<b>4,752</b>
	2020					
		≤ 1 year	> 1 year ≤ 5 years	> 5 years	Non-interest bearing	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>						
<b>Amortised Cost</b>						
Cash Assets		15,506	-	-	-	15,506
Receivables		-	-	-	2,230	2,230
<b>Total</b>		<b>15,506</b>	<b>-</b>	<b>-</b>	<b>2,230</b>	<b>17,736</b>
<b>Financial Liabilities</b>						
Payables		-	-	-	2,339	2,339
Borrowings		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,339</b>	<b>2,339</b>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

#### Note 9 - Commitments for Expenditure

	2021 \$'000	2020 \$'000
<b>Capital Commitments</b>		
Capital expenditure committed at reporting date but which is not recognised in the financial statements as liabilities are as follows:		
Committed Projects	1,250	12,580
	<u>1,250</u>	<u>12,580</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

	2021 \$'000	2020 \$'000
Salaries, allowances & other short term benefits	404	404
Termination benefits	-	37
<b>Total</b>	<u>404</u>	<u>441</u>

#### 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	6,626	362	Provision of waste disposal services
City of Holdfast Bay	1,233	107	Provision of waste disposal services
City of Marion	3,015	270	Provision of waste disposal services
Southern Recycling Centre	7,096	503	Provision of waste disposal services

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

The Authority has an outstanding receivable loan with the Southern Materials Recovery Facility totalling \$1.5 million as at reporting date. The Authority has recorded no sales with the Southern Materials Recovery Facility during 2020/21 given operations are not due to commence until 2021/22.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

#### Note 12 - Uniform Presentation of Finances

	2021 \$'000	2020 \$'000
Income	13,747	12,485
Expenses	(13,309)	(11,827)
Operating Surplus / (Deficit)	<u>438</u>	<u>658</u>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	(634)	(759)
Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	1,002	860
Proceeds from Sale of Replaced Assets	-	-
	<u>368</u>	<u>101</u>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets	(6,898)	(2,490)
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	-	-
	<u>(6,898)</u>	<u>(2,490)</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<u>(6,092)</u>	<u>(1,731)</u>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

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#### Note 13 - Equity Accounting Joint Ventures

##### Southern Recycling Centre (SRC)

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

	2021	2020
	\$'000	\$'000
<b>The Authority's respective interests are:</b>		
- 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	677	832
New Capital Contributions	-	-
Share in Operating Result	1,087	745
Equity Adjustment	-	-
Distributions Received	(600)	(900)
<b>Share in Equity of Joint Operation</b>	<b>1,164</b>	<b>677</b>

##### Expenditure Commitments

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

##### Contingent Liabilities

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

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

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#### 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. The Joint Venture entity was established as from 13 April 2021.

As at reporting date, plant and equipment was still being commissioned and the facility has not commenced processing waste. The facility is expected to commence operations and processing recycled waste in July 2021.

	2021 \$'000
<b>The Authority's respective interests are:</b>	
- interest in operating result:	50.00%
- ownership of equity	50.00%
- the proportion of voting power	50.00%

##### Movement in Investment in Joint Operation:

Opening Balance	-
Capital Contributions (cash contribution)	513
Capital Contributions (transfer of plant assets)	5,679
Capital Contribution (conversion to loan)	(1,500)
Share in Operating Result	(55)
<b>Share in Equity of Joint Operation</b>	<b>4,637</b>

The Authority provided the following contributions to the SMRF:

- Cash Contribution	513
- Transfer of Plant and Equipment	5,679
<b>Total Contribution</b>	<b>6,192</b>

The amounts above resulted in a total initial contribution of \$6.192 million made by the Authority. Re.Cycle (Adelaide) Pty Ltd contributed an additional amount of \$6.192 million in cash. After the contributions described above were made by both joint venturers, the federal government agreed to contribute \$5.35 million to fund the purchase of plant and equipment. The Southern Materials Recovery Facility Joint Venture Advisory Committee resolved that \$3 million of the \$5.35 million funding from the Federal government is to be repaid to the joint venturers on the receipt of the grant as a loan from each joint venturer as at 30 June 2021.

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

##### **Expenditure Commitments**

The Joint Venture has a \$5.813 million capital commitment as at reporting date relating to the construction of plant and equipment which is expected to be completed in the 2021/22 period.

##### **Contingent Liabilities**

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

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2021**

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**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 2021

**Note 14 (cont.) - Fair Value Measurements**

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2021</b>					
Recurring fair value measurements					
<b>Property, Plant &amp; Equipment and Landfill Assets</b>					
- Land	5	-	3,450	1,755	5,205
- Buildings	5	-	560	-	560
- Super Cell Capping	5	-	-	5,426	5,426
- Post Closure Rehabilitation	5	-	-	6,143	6,143
- Future Restoration Costs	5	-	-	4,228	4,228
<b>Total financial assets recognised at fair value</b>		-	<b>4,010</b>	<b>17,552</b>	<b>21,562</b>
<b>2020</b>					
Recurring fair value measurements					
<b>Property, Plant &amp; Equipment and Landfill Assets</b>					
- Land	5	-	3,450	1,755	5,205
- Buildings	5	-	560	-	560
- Super Cell Capping	5	-	-	5,426	5,426
- Post Closure Rehabilitation	5	-	-	6,143	6,143
- Future Restoration Costs	5	-	-	4,228	4,228
<b>Total financial assets recognised at fair value</b>		-	<b>4,010</b>	<b>17,552</b>	<b>21,562</b>

**(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 2021**

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**Note 14 (cont.) - Fair Value Measurements**

<p>There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.</p>	<p>3</p>	<p>Cost Approach</p>	<p>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.</p>
<p>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.</p>	<p>3</p>	<p>Market Value</p>	<p>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.</p>

Item No: 6.5  
Subject: **2020-21 ANNUAL REPORT**  
Date: 20 October 2021  
Written By: Corporate Planning Officer  
General Manager: Strategy and Corporate, Ms P Jackson

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## **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 2020-21 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.

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## **RECOMMENDATION**

**That the Audit Committee recommends that Council adopts the 2020-21 Annual Report, subject to design and minor alterations, and the inclusion of the audited financial statements.**

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## **COMMUNITY PLAN**

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

## **COUNCIL POLICY**

Not applicable

## **STATUTORY PROVISIONS**

Section 131 *Local Government Act 1999*.

## BACKGROUND

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

A copy of this Annual Report must be submitted by Council to the Presiding Members of both Houses of Parliament, the Parliamentary Library, State Library and National Library as well as the SA Local Government Grants Commission by 31 December.

## REPORT

The 2020-21 Annual Report meets all the requirements of the *Local Government Act 1999* and provides an overview of Council's substantial achievements.

*Refer Attachment 1*

The achievements include:

- completion of stage 1 of the Glenelg Oval Masterplan;
- completion of the \$13.7 million Brighton Oval Sports Complex redevelopment;
- completion of the Wigley Reserve playspace and fitness hub;
- commencement of the construction for Chapel Street Plaza and Hindmarsh Lane upgrade adjacent to Jetty Road Glenelg;
- undertook works on 28km of roads, 21km of kerb and 3.7km of footpath;
- supported 97 local businesses to access qualified business advisors;
- The Tiati Wangkanthi Kumangka exhibition at Bay Discovery Centre won the 2020 Museum and Galleries National Awards (MAGNA) for outstanding achievement;
- planted 950 street trees and 23,000 native plants in our dunes and gullies; and
- developed and commenced implementation of our Environment Strategy.

We also achieved significant strides towards a number of strategic measures in *Our Place 2030* such as:

- Achieving a score of 8.7 out of 10 for "Holdfast Bay as a place to live" in our annual Quality of Life survey.
- In this same survey residents rated the walkability and access to amenities of our City at a record 8.9 out of 10.
- 15 customer service functions are now available through a digital platform as well as traditional channels.
- 7,886 tonnes of waste diverted from landfill.
- The number of YourHoldfast.com subscribers has increased to 7,414. This represents 21 per cent of the population.

Our projects and innovations were recognised with a number of awards (in addition to the MAGNA award)

- Local Government Professionals Awards:
  - Partnerships and Collaboration Award (Winner)
- Local Government Excellence Awards:
  - People and Culture (Finalist)
- Parks and Leisure Australia (SA/NT):
  - Community Facility of the Year (High Commendation)
- Institute of Public Work Engineering Australasia (SA):
  - Excellence in Environment and Sustainability (Winner)

These achievements have been accomplished within a framework of tight financial control with all financial indicators well within each of our financial targets.

The attached report includes the audited financial statements, as are the annual reports of Council's regional subsidiary; Southern Region Waste Resource Authority.

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

## **BUDGET**

The cost of design and publishing of the Annual Report is incorporated in the 2020-21 Budget.

## **LIFE CYCLE COSTS**

There are no full life cycle cost implications.

# Attachment 1





# OUR PLACE



**2020-21  
ANNUAL REPORT**

# OUR VISION

Balancing our progress with our heritage, we lead in coastal management to deliver high quality public spaces and services to build a welcoming, safe, and active community where resident, visitor and business prosperity meet.

## WELCOME TO OUR PLACE

This annual report is part of a strategic planning and reporting framework that guides Council's direction and measures our performance against the goals set out in the City of Holdfast Bay strategic plan—*Our Place: 2030*.

It records our achievements in line with the ambitious program of work outlined in our *Annual Business Plan 2020–21*, and reports our performance compared to last financial year's budget and strategic aims.

In 2020–21, Council undertook a range of improvements on behalf of the community and continued to deliver an extensive suite of high-quality services—while containing our rate revenue increase to a modest 1.9 per cent, of which 0.8 per cent was due to the State Government Waste Levy.



## 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.



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**TO BE UPDATED**



# OUR PLACE

## Adelaide's Favourite Coastal Destination

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

In 1836, Colonel William Light arrived on a ship named Rapid on a mission to survey the South Australian coast in search of a place for settlement. While the Rapid stood offshore near the mouth of the Patawalonga River, a storm blew in and the anchor held. Colonel Light consequently named the bay 'Holdfast Bay'.

The Province of South Australia was proclaimed at Pathawilyangga in 1836, which became the municipality of Glenelg in 1855. Wituwaringga became the municipality of Brighton in 1858. In 1997, the City of Holdfast Bay was formed through the amalgamation of the Glenelg and Brighton councils.

Located just eleven kilometres from Adelaide's city centre and five minutes from Adelaide Airport, our City is now home to almost 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.



# MESSAGE FROM THE MAYOR

Staying local, supporting local and shopping local has never been more important.

And this focus on looking after our own patch of the world has of course been a direct response to the COVID-19 pandemic. Around the world, people have been forced to change their behaviour and usual routines. And that has meant staying home more.

As a result, there's been a great push to shop local and support Holdfast Bay businesses, traders, service providers and tourism operators.

And this focus on staying local is something that we, as a community, should all have in the front of our minds. Not just now because of COVID, but also into the future.

We can all play a part in helping our community thrive—not only economically, but socially too.

At the City of Holdfast Bay, we have made a concerted effort in the past 12 months to support the business and tourism sector with the establishment of the Economic Recovery Taskforce and COVID-19 fund.

The taskforce comprised of local business representatives and council staff who worked together to promote economic stimulus across the city and attract people to Holdfast Bay.

The fund also provided targeted financial assistance to those in need as another means of support and recovery.

We launched an advertising campaign to attract visitors to the Holdfast Bay and a city-wide Spend and Win competition which injected much-needed funds into the local economy.

We created an eye-catching entry statement at the start of Jetty Road, Glenelg by wrapping the Telstra Exchange building in pink, together with images showing the attractions offered at the Bay—great food, retail therapy and coastal experiences.

During the height of the campaign the city increased its total spend by 14% compared to the same period in 2019.

The reinvigoration of Jetty Road Glenelg continued with the start of a \$3.6m project to transform Chapel Street into a pedestrian plaza and upgrade the public amenities in Hindmarsh Lane.





As well as business support, we reinvigorated our events calendar and were lucky enough to hold several major activations on the Glenelg Foreshore, which attracted people to the city from across Adelaide and South Australia.

We had the Bay City Rolling roller-skating attraction and The Local live music event which focused entirely on local emerging musicians. Over the summer months, we enjoyed two hugely successful beach concerts, all of which were held in line with COVID safe regulations and requirements.

Across our suburbs, smaller events were held to encourage the local community to come together, with the inaugural Rendez-vous Market held at Brighton and Hove and the Summer Night Community Outdoor Cinemas held at various locations across the city.

We wrapped up the financial year with the Brighton Winter Solstice street party which was a roaring success and once again, directly benefited the local traders on Jetty Road Brighton.

In total, our city still hosted more than 250 COVID- Safe events, which attracted more than 48,000 attendees.

We were lucky enough to gather together earlier this year to celebrate and give thanks to our wonderful volunteers who are the unsung heroes of our community.

Across Holdfast Bay we have more than 300 volunteers, who contributed 35,900 hours to the community. That's the equivalent of \$1.615 million in economic value.

Our volunteers work across all areas of the community—from removing weeds from our nature reserves or driving elderly people to appointments and social outings. Without them, Holdfast Bay would be a much poorer place.

The desire and willingness to help others has always been very strong in our community. But since the onset of COVID, this value we hold so dear has certainly been the shining light among the darkness of the pandemic.

I hope you enjoy reflecting on our city's achievements over the past 12 months which have been significant in the face of a very challenging year.

I believe all of us—Holdfast Bay residents, business owners and council staff—have certainly risen to the occasion, if not risen above it.

I look forward to watching our economy and community continue to prosper in the coming year.



**Amanda Wilson**

Mayor  
City of Holdfast Bay

# MESSAGE FROM THE CEO

Our core value as a local government organisation is to service our local community—to invest our time, energy and resources into building a better place to live, work and play.

And that mission has certainly been fulfilled in the past 12 months, in the face of many challenges brought on by the COVID-19 pandemic. This couldn't have been achieved without the continued efforts and dedication of our staff.

This drive to deliver on projects and initiatives that benefit the community has been buoyed by the Quality of Life survey results. The community told us how much they appreciate where they live and the way the council supports them.

Our investment has been across several key areas from supporting the economy in the way of major infrastructure and development projects, to financial assistance to the business community.

Two major building projects were completed in Glenelg and Brighton—both of which are accessible to everyone in our community, as well as visitors to Holdfast Bay.

We unveiled the \$1 million redevelopment of the Wigley Reserve Playspace and Fitness Hub in Glenelg and celebrated the completion of the Brighton Oval redevelopment after an 18-month construction period.

The community came together in April to celebrate the milestone Brighton Oval project which was the result of a \$13.7 million investment (including funding from both State and Federal Governments and peak sporting bodies).

At Brighton Oval, we now have the largest sporting hub within the City of Holdfast Bay with three major sporting grounds, three new purpose-built buildings which serve as clubrooms and community spaces that are available for hire, and a new playspace, dedicated to former Mayoress Gladys Mathwin.

At Glenelg Oval, we completed Stage 1 of the masterplan with the official opening of the \$1 million upgrade of courts and clubrooms at the Holdfast Tennis Club.

Stage 2 of the masterplan is underway with the installation of two new unisex change rooms, which will support the growth of women's sport, increase female participation and provide the opportunity for Glenelg Oval to host state and national events.

Also in Glenelg, the \$3.6 million upgrade to Chapel Plaza and Hindmarsh Lane commenced in April 2021 with completion scheduled for October 2021.

At a grassroots level, our community centres continued to provide essential social activities and programs, with more than 17,000 patrons using these facilities.

Many of the activities run in our community centres wouldn't be possible without the assistance of our unsung heroes—a dedicated group of volunteers who give up their time each week across a host of programs.

The work of our volunteers has also been critical to implementing our environmental program, which has continued to be a major focus for council.

In December 2020, council endorsed the Environment Strategy, which sets out the practical and meaningful actions we will undertake, leading to many positive outcomes for our community and environment.





Among the strategy’s goals is to increase the tree canopy across Holdfast Bay. Work on this has already started with a record-breaking winter tree planting program, which saw more than 950 new trees planted. Another 22,000 native plants were added to our dune systems and natural reserves at Barton, Pine and Gilbertson gullies.

We launched South Australia’s first weekly green household bin collection trial, with more than 850 Holdfast Bay households taking part.

As part of the pilot program, the green-lid FOGO bins (Food Organics Garden Organics) are collected weekly and the red-lid landfill bins collected fortnightly, which has significantly increased the amount of waste diverted from landfill.

We’ve also continued to nurture our valued heritage, history and relationship with the Kurna Nation in the past 12 months.

Together, the City of Holdfast Bay and the Kurna Nation was awarded the National Local Government Professionals Award for Partnerships and Collaboration, which recognises the work that Kurna Nation and the city—in particular the Repatriation of Kurna remains at Kingston Park and the Tiatí Wangkanthi Kumangka (Truth-Telling Together) exhibition.

The Tiatí exhibition also won the Australian museum sector’s most prestigious award in the Museums and Galleries National Awards for 2020.

It was named national overall winner and also won the Indigenous Project or Keeping Place category.

The Mayor and Elected Members helped unveil the first stage of restoration works at the Glenelg Town Hall. The town hall clock was turned back on and Bay Discovery Centre entrance reopened on the southern side after a painstaking restoration.

We’ve seen the services offered by Alwyndor, our aged care provider, steadily increase. The start of a Day Respite program has been extremely successful with demand now seeing the service increase to four times a week. The staff at Alwyndor have continued to provide exceptional service while navigating the challenges of a global pandemic.

Work has begun on preparing a new Strategic Plan, which will be Holdfast Bay’s roadmap for the next 30 years and beyond.

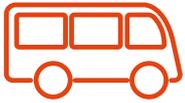
Our extensive community consultation extended to the younger members of our community—namely school children—who were invited to share their vision for the future of Holdfast Bay. After seeing their ideas come to life through their drawings, it’s safe to say the City of Holdfast Bay is in good hands.



**Roberto Bria**  
Chief Executive Officer  
City of Holdfast Bay

# 2020-21 HIGHLIGHTS

In 2020-21:



**5,422**

community transport trips helped residents get out and about



**4,890**

Holdfast Hounds were registered and 88 animals were reunited with their owners



**274**

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



**5,000**

people participated in Aboriginal heritage and culture events



**2,166**

immunisations were administered at our local clinics



**450,709**

library items were lent to 13,420 members

**950**

street trees were planted



**23,000**

native plants were planted in our dunes and natural reserves



**27,585m<sup>2</sup>**

of road, 2001lm of kerb and 3668m<sup>2</sup> of footpath were maintained



**827,000**

people visited Holdfast Bay



**1,063**

development applications were processed



**205**

new dwellings were approved (valued at \$131 million)



**383,000**

people attended Holdfast Bay hosted events



**7,886**

tonnes of waste was diverted from landfill



**319**

invaluable volunteers contributed 35,900 hours within council programs (\$1.615 million economic value)



**44,785**

phone enquiries resolved



**97**

businesses assisted through council's mentoring and support services



**900**

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



# QUALITY OF LIFE SURVEY RESULTS (2020–21)

HOW YOU RATED YOUR COUNCIL OUT OF 10

## COMMUNITY



**8.7**

Providing library services



**8.2**

Providing sporting facilities



**7.7**

Delivering services for the elderly and people with a disability



**8.0**

Providing programs and services that encourage an active lifestyle



**7.4**

Providing arts & cultural experiences



## PLACEMAKING



**7.2**

Maintaining roads and kerbing



**7.3**

Maintaining cycle networks



**8.9**

Access to shops, services and open space



## ENVIRONMENT



**8.1**

Maintaining beaches and coastal areas



**8.3**

Providing adequate waste management services

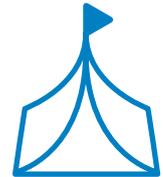


## ECONOMY



**8.1**

Encouraging a diverse range of businesses and services in the area



**7.6**

Supporting and promoting tourism and events



**Overall rating of Holdfast Bay as a place to live**



## CULTURE



**6.75**

Council provides good financial management and value for rates



**7.1**

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



**8.3**

Maintaining well laid out parks and reserves



**7.8**

Providing programs that foster social interaction and community wellbeing



**8.45**

Providing a sense of safety in neighbourhoods

Council would like to express their appreciation and thanks to those who participated in this survey.

# ECONOMIC ACTIVATION PLAN 2018–2023

Progress 2018–2020:



**75%**

of all businesses are now transacting online – an increase of 40% from 2017



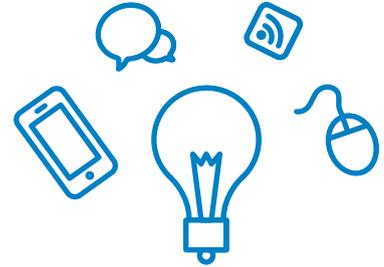
**900**

local businesses are registered in the Holdfast Bay business directory



**58%**

of businesses are using a webstore to complement their shopfront – increased from 44% in 2017



**85%**

of businesses are staying informed through face-to-face and e-communication



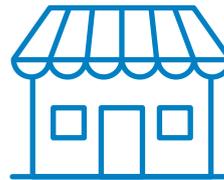
**87**

products made in Somerton Park have experienced strong five year growth in global demand

## SHOPFRONT GRANTS

**\$73,670**

in shopfront grants stimulating improvements of around \$240,000



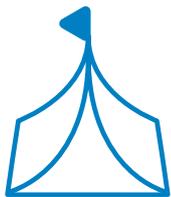
In 2019, Brighton Jetty Road precinct became one of the first

**single use plastic free precincts**



**827,000**

visitors to Holdfast Bay in 2020–21



**383,000**

people attended Holdfast Bay events in 2020–21





SUMMERTOWN STUDIO

HOT	SM	LG
MILK COFFEE	4	5
BLACK COFFEE	4	5
HOT CHOCIE	4	5
MOCHA	5	6
CHAI	4	5
TEA - FREE REFILL		6
COLD		
ICED LATTE	4	5
ICED LONG BLACK	4	5
ICED COFFEE		5
FRUIT & YOGURT		5
HEALTHY SMOOTHIE		5



# COMMUNITY

## A HEALTHY, CREATIVE, CONNECTED COMMUNITY

In 2020–21, Council delivered many projects and services that contributed to building a healthy, active, and resilient community; celebrating culture and diversity; providing welcoming, accessible facilities; and fostering an engaged community.

### Active Communities

Highlights of our active communities program for 2020–21 include:

- › Continued implementation of the *Playspace Action Plan (2019–2028)*, including completing the Wigley Reserve Playspace and Fitness Hub and the Da Costa Reserve Playspace, and commencing refurbishment of the Glenelg Foreshore Playspace
- › Commencing construction of the Glenelg Oval Masterplan
- › Concept planning for a shared-use path along the Sturt Creek Corridor, which will link Pine Ave, Glenelg North with Tapleys Hill Rd, completing the missing section of the Sturt Creek linear path
- › Undertaking community engagement on concept plans for the redevelopment of the Buffalo site at Wigley Reserve
- › Conducting community engagement and planning for the redesign of Dover Square Reserve to ensure equity of access for all user groups
- › Facilitating the Youth HoldUp Committee, which delivered nine activities, attracting 417 young people.

### Sporting Facilities

#### Brighton Oval Masterplan

Council celebrated the completion of the final stage of the \$13.7 million Brighton Oval redevelopment with a free community open day in April. The project was made possible through Council, State and Federal Government funding.

Brighton Oval now provides three brand new, purpose-built community club rooms, a new playspace, shelters, seating and car parking. The high-quality community facilities will support increased female and youth participation in sport.

#### Glenelg Oval Masterplan

Stage 1 of the Glenelg Oval redevelopment was completed in January with the official opening of the \$1 million Holdfast Tennis Club, incorporating new clubrooms, eight new tennis courts, LED court lighting and replacement fencing.

Stage 2 of the redevelopment, completed in September 2021, provides unisex change rooms and umpire rooms for the Glenelg Football Club and Glenelg District Cricket Club.



## PROJECTIONS AND PLANS

Council's projections and plans for the next financial year are outlined in our 2021–22 *Annual Business Plan*. Some of the strategic activities to be undertaken include:



In May, Council also received a \$1.4 million contribution from the State Government to complete Stages 3 and 4 of the masterplan. These works will commence later in 2021.

### Sporting Club Development

Council continued to support local sporting clubs and recreation groups to develop positive and sustainable club management practices—delivering workshops on strategic planning, volunteer management, financial management and succession planning. While the number of workshops was restricted due to COVID-19, topics covered this year included financial management, grant writing, making meetings work, sports taping, and succession planning.

### Community Wellbeing

Highlights of our community wellbeing programs in 2020–21 include:

- › Over 17,000 visits to our community centres across more than 90 low fee programs
- › Providing 5,400 community transport trips to help our vulnerable residents get out and about
- › Provided 4,250 activity packs over 10 fortnights for our most vulnerable residents during COVID-19 restrictions
- › Supporting the flourishing Glenelg North and North Brighton community gardens
- › Facilitating the development of the *Local Government Grants Best Practice Guidelines*.
- › Facilitating the development of a Local Government Food Resilience Strategy
- › Coordinating the contribution of 319 volunteers who were active across 44 Council volunteer programs, contributing 35,900 hours, equating to \$1.615 million in economic value
- › Distributing \$49,511 to the Holdfast Bay community via community grant and donation programs to support community wellbeing initiatives
- › HoldUp Youth Committee delivered the first large scale e-sports Rocket League Tournament in the City of Holdfast Bay
- › Delivered a PC building workshop using e-waste, in collaboration with City of Marion Youth Collective.

**\$64,500**

for reserve improvements program for northeast Brighton

## Community Centres

The City of Holdfast Bay has four dedicated community centres:

- › Glenelg Community Centre
- › Glenelg North Community Centre
- › Brighton Community Centre
- › Holdfast Bay Community Centre.

Council staff work closely with each centre's management committee and staff to assist with governance, operations, and volunteer support.

Before COVID-19 restrictions, the centres attracted over 9,600 visitors each month and delivered more than 90 low-fee health and fitness, education, arts and crafts, social and personal development programs.

The centres also hosted luncheons, charity events, Adelaide Fringe and Adelaide Festival shows.

While COVID-19 restrictions continue to apply, participation rates have somewhat recovered, with the centres attracting new and returning users.

In 2020–21, Holdfast Bay's community centres collaborated with local charities, schools, and not-for-profit organisations to share resources, deliver social events, and share information about local services.

The centres returned funding to the community through partnerships to produce events and capacity building programs. For example, Brighton Community Centre worked with Brighton Primary School's Year 6 and 7 students to fund the purchase of a Pedal Prix vehicle valued at \$8,000.

Though many events were cancelled or limited because of the pandemic, the centres managed to host community lunches, Christmas events, seniors and seasonal luncheons, and concerts, including the Glenelg Brass Band and Brighton Senior Secondary School Band.

## Kauri Community and Sports Centre

The Kauri Community and Sports Centre is home to the Holdfast Music Centre, Seacliff Uniting Church Netball Club, Seacliff Tennis Club, and Seacliff Hockey Club. Since 2019, Belgravia Leisure has operated the Centre on behalf of Council, with a directive to maximise its use by the broader community. Private bookings increased in 2020–21, with the function room booked for 372 hours (compared to 253 hours in 2019–20).

## Community Gardens

Council supports community gardens in Glenelg North and North Brighton through project development funding, grant administration, governance direction and volunteer recruitment.

The gardens remained popular in 2020–21, attracting dozens of community members each week. The gardens' management committees adapted quickly to COVID-19 restriction by delivering content online. Information about home gardening, sustainable practices, planting and cooking helped increase both gardens' membership and social media following.

The gardens also took part in sustainable and environmental projects that reached across local government areas and sectors.

## Special Projects

### Local Government Grants Best Practice Guidelines

The SA Local Government Grants Network is a community of practitioners that supports grant officers across 16 councils to ensure grants are administered fairly and equitably for the benefit of the community. As a member of the network, the City of Holdfast Bay contributed to the development of a Best Practice Guide for Grants Management. The guide will help councils with performance assessment, benchmarking and continuous improvement to ensure that grants build community capacity sustainably. The project is possible thanks to funding from an LGA Research and Development grant.

### Local Government Food Resilience Strategy

Across Australia, state and local governments are seeking to understand how the current food system influences economic, social, and environmental outcomes for communities. In 2019, the Food Systems Network was established to collate data and develop guidelines and toolkits for councils to map local food systems and food security.

With funding from an LGA Research and Development grant, The City of Holdfast Bay is facilitating the development of a strategy to:

- › Understand, advocate for, and foster local food systems
- › Identify and prioritise the best ways to invest and promote local food system initiatives
- › Develop and embed food systems policy and planning in governmental responses to climate change.

The *Local Government Food Resilience Strategy* will be completed and evaluated in 2022.





## Volunteers

During 2020–21, 319 volunteers were active across 44 Council programs, contributing 35,900 hours, equating to \$1.615 million in economic value. This was a 26 per cent reduction compared to previous years due to COVID-19 restrictions. However, there were 47 people who undertook additional volunteering to assist with Council's COVID-19 response.

52 potential volunteers were referred to other organisations, including St Vinnies, Salvation Army, Minda, St Andrews, Glenelg Cricket Club, Brighton Sculptures, Glenelg Community Centre, Holdfast Bay Community Centre, and community gardens.

A new program was introduced at Alwyndor, connecting young volunteers with aged care residents to help support their wellbeing.

## Community Donations

In 2020–21, Council distributed \$49,511 to the Holdfast Bay community via community grant and donation programs to support community wellbeing initiatives, including:

- › A community pantry
- › Amenity improvements for sporting clubs
- › A community concert
- › Public art and development
- › A children's book
- › Social media development
- › A little library
- › A Harmony Day event
- › Community centre workshop tools
- › A defibrillator
- › A range of food relief initiatives
- › 20 youth achievement sponsorships.

## Support Programs For Vulnerable Residents

Council continued to provide transport and social support groups under the Commonwealth Home Support Program.

Services were significantly affected by COVID-19 restrictions between July and October 2020. During this period, Council adapted its service to ensure that older community members remained connected and continued to feel supported. Safe transport was offered where possible, welfare checks were undertaken, and close to 500 residents received activity packs regularly over a 20 week period to occupy them and stimulate their minds.

# ALWYNDOR AGED CARE

Alwyndor aims to support Adelaide's southern metro community to live healthy, engaged and fulfilled lives through a range of personalised, professional support services.

Established in 1949, Alwyndor delivers a continuum of care, including on-site residential living, therapy and wellness services, and support at home services—ranging from nursing care to home maintenance and gardening.

## Royal Commission into Aged Care, Quality and Safety

On 1 March 2021, the Australian Government released the Royal Commission's final report into Aged Care, Quality and Safety. The *Care, Dignity and Respect* report has been welcomed as a catalyst to drive transformational structural and financial reform.

The report included 148 wide-ranging recommendations, structured around five key themes:

1. Home care – at-home support and care based on assessed needs
2. Residential aged care services and sustainability – improving service suitability that ensures individual care needs and preferences are met
3. Residential aged care quality and safety – improving access to and quality of residential care

4. Workforce – growing a bigger, more highly skilled, caring and values-based workforce
5. Governance – new legislation and stronger governance.

Of the report's 148 recommendations, the Australian Government has accepted 126, suggested alternatives to four, are giving further consideration to twelve, and did not accept six. The Commonwealth Government's funding response to support enactment of these recommendations is unclear. This is problematic in a sector that has been subject to increasing regulation while experiencing a systemic reduction in funding by successive governments over the past 20 years.

## Alwyndor's Strategic Plan 2020–23

Delivery of Alwyndor's Strategic Plan progressed on target this year. The plan is based on four themes:

- › **Customer experience** is at the centre of all that we do, aiming to ensure we understand and meet the needs of all clients at all stages of support and care with well trained and long-serving employees.
- › **Connecting communities** supports the role of Alwyndor in the wider community, promoting Alwyndor as a community hub and contributing to the social capital of the local area.
- › **Growth** enables a business development focus for our therapy and wellness and our support at home services as well as promoting our residential services to ensure we continue to be a care home of choice.
- › **Sustainability** ensures Alwyndor takes a multi-faceted sustainable approach to our business with financial, environmental, and social strategies as well as sound asset management and ensuring we continue to meet all quality standards.



Alwyndor’s residential service includes 144 residential, respite, transitional care and care awaiting placement beds. In 2020–21, our residential care occupancy rate was 98.6 per cent occupancy.

Our support at home service grew by 24.4 per cent during the year to 274 home care packages and private clients. Home care packages include a full range of services from domestic to complex clinical and end of life care.

Therapy and wellness programs are offered one-on-one and in group settings at Alwyndor, as well as in client’s homes and online. Despite the COVID-19 pandemic, we expanded the number and type of services offered throughout the year. Our services and classes now include:

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

### Day Respite

Alwyndor’s day respite program offers half and full-day respite for carers by providing care and activities for clients at Alwyndor. Indoor and outdoor

activities are tailored to individual capability and need, and provided together with clinical care. This year the program expanded to four days a week with up to ten people per day.

### Customer Experience Plan

In 2020–21 we developed a Customer Experience Plan to support quality and consistency of care in an environment of client choice and control.

The plan introduced two new measures:

- › A net promoter score (NPS) asks, ‘How likely are you to recommend Alwyndor to a friend?’. Data collection began in January 2021, with Alwyndor scoring a pleasing average of 83.5 per cent.
- › A customer effort score assesses the ease of client entry into our services—noting that entry into the aged care system can be confusing and lengthy. Alwyndor’s average score was 4.85 out of a possible 5, demonstrating that we welcome new clients with a minimum of complexity.

A competitor quality analysis for residential services analysed 71 other residential care homes and found that Alwyndor rated highly in staff care, responsiveness and expertise, organisational management and resident independence. We continue to focus on improvement, especially ensuring our residents are informed and engaged in all aspects of their care, the quality of our food and dining experience, and ensuring that residents feel like Alwyndor is home.

### Accreditation

Alwyndor has full accreditation in all business areas.



## Aboriginal Culture and Heritage

The City of Holdfast Bay fosters and strengthens relationships with the Kurna people to honour, promote, and protect their culture, heritage, and connection to the land.

- › Regular meetings were held with Kurna elders to discuss Council projects, cultural initiatives and to support their ongoing culture, heritage, beliefs, and connection to country.
- › Council provided a series of cultural awareness and Kurna language sessions for staff, volunteers and consultants.
- › Various workshops, activities and language sessions were held throughout the year that encouraged cultural sharing and a greater understanding and respect for Aboriginal heritage and culture and significant cultural sites throughout the City.
- › In celebration of National Reconciliation Week, History Month and NAIDOC week, cultural workshops and tours were facilitated by Kurna elders.
- › Schools, community organisations and members of the public visited the multi-award-winning *Tiati Wangkanthi Kumangka (Truth Telling Together)* exhibition at the Bay Discovery Centre with Kurna representatives and staff hosting many talks and tours.

- › Kurna heritage and dual naming signage were installed at reserves and cultural sites throughout the City.
- › Kurna elders performed traditional Welcome to Country and smoking ceremonies at community events and civic ceremonies.
- › We distributed Discover Our Place resource packages to kindergartens and schools, helping students learn about our history, culture and local natural landscapes.

The City of Holdfast Bay and the Kurna Nation were awarded the National Local Government Professionals Award for Partnerships and Collaboration. The award recognises the work of the Kurna Nation and the Council, particularly the Repatriation of Kurna remains at Kingston Park and the *Tiati Wangkanthi Kumangka (Truth-Telling Together)* exhibition. The judges recognised the nomination as outstanding and highlighted the leadership role councils can have in Aboriginal reconciliation.

This award is the fourth award the City of Holdfast Bay has won with the Kurna Nation.

## Art and Activations

### Creative Holdfast Summer and Winter Programs and Monthly Newsletters

Council's summer and winter creative programs provide a range of arts, history and cultural events, including workshops, talks, tours and exhibitions. The Creative Holdfast monthly newsletter promotes and celebrates the creative initiatives and events in the community.

### Sculpture

Council purchased Papa Tjukurpa/Dingo Story from the 2021 Brighton Jetty Sculptures Festival. The artwork, created by artist Clancy Warner and Aboriginal artist Elizabeth Close features a pair of bronze dingoes and represents Aboriginal people's connection to country.

### New Public Art Policy and Public Art Guidelines

The development of a new Public Art Policy is one of the key actions arising from the Arts and Culture Strategy. The updated policy and associated guidelines reflect best-practice for public art. The documents will continue to ground Council's direction for future planning, management, and investment in quality public art in line with industry standards.

## Holdfast Bay History

### Tiati Wangkanthi Kumangka (Truth-Telling Together)

Held annually, the Museum and Gallery National Awards (MAGNA) celebrate and recognise excellent work in exhibitions, public programs, and sustainability projects. The MAGNAs are open to all Australian cultural collecting institutions that are members of the Australian Museums and Galleries Association, except Indigenous Programs or Keeping Places which is open to all.

In October 2020, *Tiati Wangkanthi Kumangka (Truth-Telling Together)*, on show at Glenelg's Bay Discovery Centre, won the Indigenous Project or Keeping Place (Level 2) category and the prestigious National Award.

The National Award judges commented on the "wonderful drive and execution with long term commitment by Council" and said, "the story is told in such an open and honest way. It has a lesson for us all."

### Bay Discovery Centre

In 2020–21, the Bay Discovery Centre delivered a comprehensive cultural program, presenting a broad range of projects and exhibitions. Volunteers dedicated over 950 hours in support of the centre's extensive program.

This year's highlights include:

- › A total of 14,703 visitors, including school and community groups (a decrease on 2019–20 figures due to COVID-19 restrictions, Glenelg Town Hall construction works, and closure of the gallery)
- › An increase of 33 per cent in school and community group visitation
- › Installation of permanent exhibitions *To the Bay*, *Boy Phoenix* and *Casa Paquita*
- › Volunteer cultural awareness training with Kurna man Jack Buckskin and senior Kurna elder Lynette Crocker
- › A range of school holiday programs attracting over 4,000 attendees to various workshops
- › A range of National Reconciliation Week and NAIDOC Week activities in partnership with the Kurna Nation
- › 6,700 views of Tiati online tour and Discovering Pathhawilyangga with Jack Buckskin across YouTube and Facebook.

### Casa Paquita

Casa Paquita is a new permanent exhibition at the Bay Discovery Centre featuring the personal shawls of Paquita Mawson (1891–1971) which were acquired by Council via the National Cultural Heritage Account. Lady Paquita Mawson contributed significantly to Brighton and the wider South Australian community through her work with various charities, advocacy for refugees during and after WWII, and her role as President of the Mothers' and Babies' Health Association.

Once Paquita Mawson married Sir Douglas Mawson, her life was inextricably linked to all things polar. Casa Paquita sheds the image of a dedicated wife and shares Paquita Mawson's legacy in her own right.

## Streets of Honour

The installation of new street signs in Glenelg North is part of a Council-funded project to honour highly decorated WWI and WWII service members from South Australia. The suburb already has a rich history of remembrance and became a memorial site after WWII.

On the western side of the Sturt River, 14 streets are named after South Australian service members, including Kibby Avenue—named after William Kibby, who lived in Glenelg. A red-coloured blade has been added to each street signpost carrying the service member's full name and details of their service honours or awards.

## Holdfast Bay History Centre

The Holdfast Bay History Centre celebrates and shares Holdfast Bay's unique history. It works to preserve the nationally significant collection to make it accessible to our community and ensure its safekeeping.

Despite COVID-19 restrictions, volunteers dedicated over 1,000 hours to help deliver the centre's extensive program during 2020–21.

This year's highlights include:

- › Answering over 1,000 community history enquiries, including the delivery of house history, war history, and family history programs
- › Digitising over 200 collection items, including photographs, objects, and paintings
- › Installation of the Squadron Leader Robert Wilton Bungey memorial in Somerton Park
- › Research for installation of the Casa Paquita, To the Bay, and Boy Phoenix exhibitions at the Bay Discovery Centre
- › Research and installation of Streets of Honour Victoria Cross project in Glenelg North

- › Attracting \$17,000 in grant funding
- › Providing research and content for exhibitions in the Bay Discovery Centre Museum and across online platforms
- › Delivering the 2021 History Festival, including 15 events attracting over 500 attendees
- › Delivering the inaugural Seaside History Talk program
- › Purchasing a new cataloguing system to allow greater public access to the history collections.

## Cemeteries

The North Brighton and St Jude's cemeteries are owned by Council, with daily operations managed by the Adelaide Cemetery Authority. Council continues to maintain the cemeteries, with a renewed focus in the last two years, including new paths featuring permeable paving, repairs to collapsed gravesites and landscaping to soften the environment. Improvements will continue into the next financial year.

## Memorial Programs

Council offers two programs to help people commemorate their loved ones—seaside stone memorials, where names are engraved on granite sculptures by the Glenelg and Brighton jetties, and commemorative plaques placed on public benches. There are currently 208 benches carrying plaques, most of them located on the beachfront. Council is undertaking a review of the memorial seat program to improve service delivery and record keeping.

## Libraries

Our accessible, progressive library services support research and recreational reading needs and also foster lifelong learning and spark curiosity and creativity. At our Brighton and Glenelg libraries, borrowing and visits returned to pre COVID-19 levels. Events recommenced in September. Whilst COVID-19 restrictions limited the number of people who could attend the events, smaller sessions were introduced as community confidence to attend events began to return from March.

This year's highlights include:

- › More than 450,709 items lent, a 3% increase
- › 13,420 members, 1,364 of whom are new borrowers
- › 182,971 visits
- › 8705 attendees to library sessions
- › 7,857 attended 120 Wriggle and Rhyme and Toddler time sessions, 80 storytime sessions
- › Introduced a new Stay and Play program with self – directed activities.
- › Early learning outreach programs supporting 69 children
- › Regular kindy visits seeing 545 children
- › 69 children from a local playgroup and 60 OHSC children attended our holiday programs.

## Community Safety

Council's community safety services team (formerly known as regulatory services) protects the health and safety of residents and visitors. Services include immunisation, animal management, public and environmental health; permits, litter and nuisance control; security, parking control and public safety. Staff use various strategies, including education and enforcement to ensure that the City of Holdfast Bay is a safe place. They operate patrols of the Holdfast Bay area at night, work with Neighbourhood Watch groups and regularly liaise with SAPOL. Officers are available 24-hours a day, seven days a week, to respond to various matters.

This year's highlights include:

- › Providing 2,166 immunisations
- › Registering 4,890 dogs
- › Reuniting 88 animals with their owners
- › Conducting 436 investigations into littering and local nuisance issues
- › Undertaking 256 food business inspections
- › Patrolling traffic safety at schools twice a day during school days.

### Beach Patrols

Additional patrols were conducted along the coast to educate and enforce local laws to protect native wildlife, improve responsible dog ownership, and maintain general compliance. The patrols at Seacliff have helped create an environment in which Australia's most endangered shorebird, the Hooded Plover, has bred successfully for the first time in decades—a major achievement for a threatened species in a highly urbanized setting.

### COVID Compliance Checks

Following a reduction in COVID compliance activities by SAPOL toward the end of the financial year, Council incorporated COVID compliance checks into its routine food safety and public health inspections at the request of SA Health.



# ENVIRONMENT

## A COMMUNITY CONNECTED TO OUR NATURAL ENVIRONMENT

This year, Council undertook a range of actions to protect biodiversity; build an environmentally resilient City; use resources efficiently; and foster an environmentally connected community, including:

- › Maintenance and rehabilitation of natural reserves and coastal areas
- › Continuation of the Sturt River (Warriparri) nature corridor
- › Protection and improvement of habitats for native flora and fauna, including sand dunes
- › Planting more than 23,000 native plants in our dunes, natural reserves and in the biodiversity corridor
- › Providing support for volunteer groups taking care of our natural reserves and dunes
- › Providing workshops and subsidies for sustainable living
- › Holding Clean Up Australia Day, National Tree Day, and World Environment Day community activities
- › Managing waste collection services
- › Delivering programs that improved the diversion rate of household waste from landfill
- › Awarding six Greening Our Community grants
- › Continuing our participation in the Resilient South Regional Climate Partnership
- › Improving stormwater infrastructure and constructing new water sensitive urban design installations
- › Installing three sand groynes.

### Environment Strategy

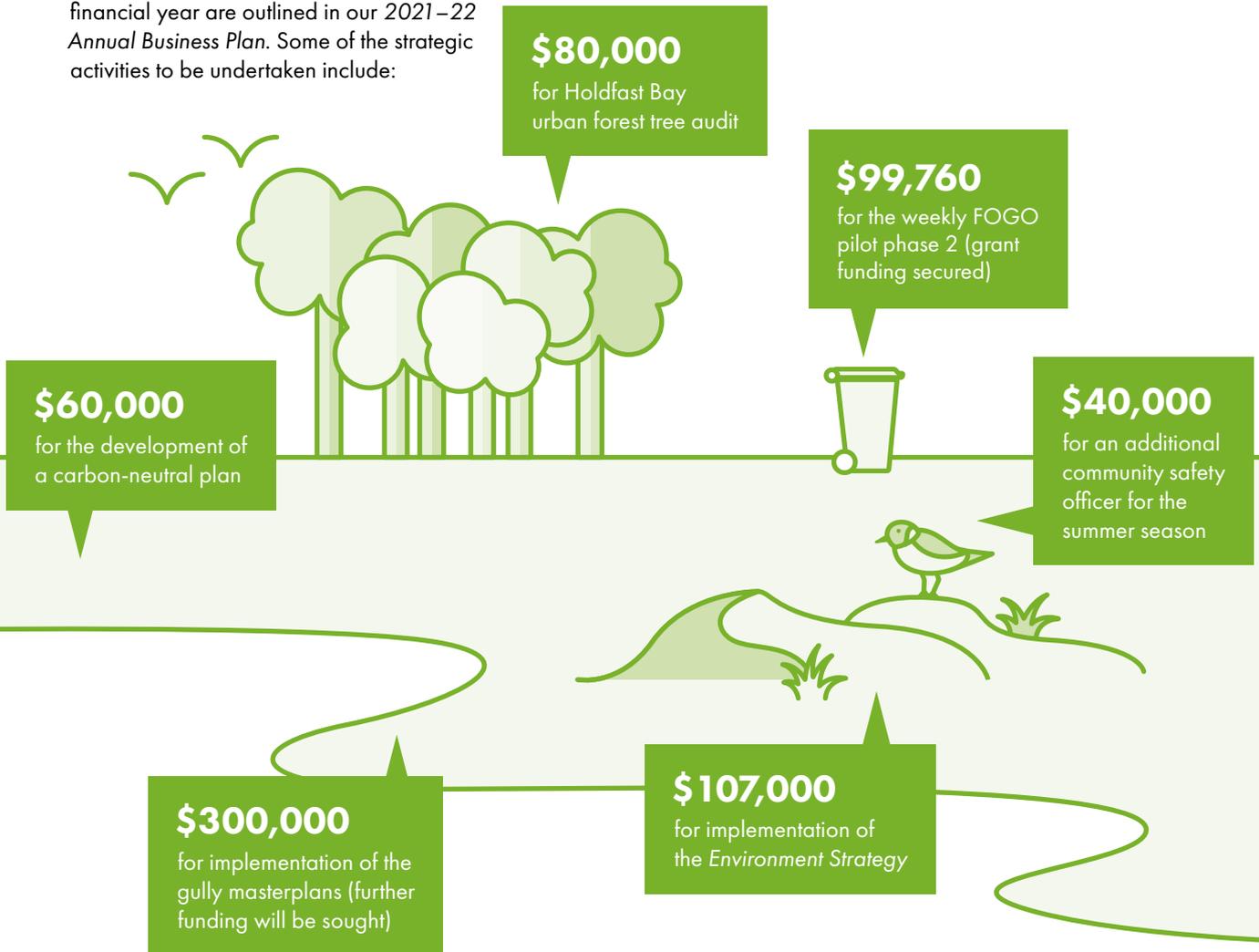
This year, Council approved a new *Environment Strategy (2020–25)* which incorporates five themes:

1. Climate change resilience and working towards a carbon-neutral community
2. Managing our coastal ecosystem
3. Managing and improving biodiversity
4. Waste and resource management
5. Working together as a community.



## PROJECTIONS AND PLANS

Council's projections and plans for the next financial year are outlined in our 2021–22 *Annual Business Plan*. Some of the strategic activities to be undertaken include:



## 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 and the Kingston Cliff Face represent most of our natural areas (other than the dunes). They are important refuges for native animals and plants, including some regionally rare species. This year, weed control and revegetation took place at all four locations:

- › Barton Gully – 1,300 plants
- › Pine Gully – 680 plants
- › Gilbertson Gully – 1,845 plants
- › Kingston Cliff Face – 330 plants.

The environment team also facilitated native plantings at the following locations:

- › Cedar Avenue Reserve – 500 native plants
- › Bob Lewis Reserve – 260 native plants
- › Good Neighbour Garden – 311 native plants.

## WHAT IS A MICRO-BAT?

Micro-bats common to the Adelaide region include Gould's wattled bats, lesser long-eared bats, southern free-tail bats, little forest bats, southern forest bats, chocolate wattled bats and western broad-nosed bats. These tiny bats are less than 10cm long and weigh less than 20 grams. They eat insects, playing a critical role in supporting biodiversity in our natural areas. Cats are a primary predator of these micro-bats, so providing sanctuary for these nature warriors is essential.



Image:  
Bat boxes in  
Pine Gully

## Gullies Masterplans

Holdfast Bay's three gullies—Pine, Barton, and Gilbertson Gullies are some of the most prominent and valuable natural areas in our City. The masterplans for these gullies are high-level plans that describe how Council will manage them now and for the future. This is a key element of our *Environment Strategy*.

## Biodiversity Corridor

Council continued developing a nature corridor for plants and animals along the Sturt River (Warriparri) in Glenelg North. 2020–21 represented the third year of works (Stage 3) in Fordham Reserve, and included a community planting day, planting of 3,150 native plants in three new borders, and the installation of seven micro-bat and bird boxes.

## Improving our Dune Biodiversity

For the second year, we partnered with Trees For Life, who won a second Green Adelaide Grassroots Grant to provide 9,000 native dune plants in the Brighton to Seacliff dunes. To assist the planting, a community event was held in partnership with the Seacliff Surf Life Saving Club and the Brighton and Seacliff Yacht Club, where 50 volunteers planted more than 1,000 dune plants.

Friends of Minda Dunes also secured a Green Adelaide Grassroots Grant and planted 5,015 native dune plants in the Minda Dunes.



## Greening our Community Grants

In 2020–21, Council provided six local community organisations with a total of \$18,596 in grant funding to support environmentally themed projects involving biodiversity and water conservation, energy and waste reduction, renewable energy and educational programs. The recipients were:

- › Somerton Park Kindergarten – \$1,785 for a nature connection garden
- › Baden Pattinson Kindergarten – \$1,000 for growing vegetables and composting facilities
- › Brighton Primary School – \$2,821 for a water education garden
- › Glenelg North Community Garden – \$5,000 for renewal of raised garden beds
- › Seacliff SLSC – \$5,000 for additional solar panels
- › Somerton SLSC – \$2,990 for water-efficient showers.

## Green Living

Green living is not only about reducing our environmental impact; it's also about having a positive effect. To support this, Council undertook a range of community engagement activities during the year, including:

- › Fifteen waste talks and tours (fewer than last year due to COVID-19 restrictions)
- › Clean Up Australia Day – 30 volunteers cleaned up Brighton Beach
- › World Environment Day – 70 volunteers planted 1,440 native plants in Fordham Reserve
- › National Tree Day – 50 volunteers planted 1,000 plants in the Seacliff dunes
- › A school planting day with two primary school classes
- › Five face-to-face green living workshops
- › Wildflower walk at Kingston Cliff Face
- › Ask an arborist session with Council's arborist
- › Australian Microplastic (AUSMAP) community day

We also provided subsidies totalling \$6,632 to 80 residents for a wide range of sustainable living products.

## Holdfast Habitat Heroes

Nature volunteers contributed more than 570 hours to looking after our natural areas.

Volunteer time was also contributed by the Friends of Minda Dunes, the Friends of Pine Gully, the Friends of Sturt River Landcare and Trees For Life—all groups that are supported by and work in partnership with Council.

## Hooded Plovers

Holdfast Bay's Hooded Plover family successfully raised one chick this year.

The family are a story of success against the odds. They are very popular on Council's Facebook page, with more hits than any other topic. The City of Holdfast Bay works with BirdLife Australia and Green Adelaide to protect the Hooded Plovers and their habitat.

## Coastal Adaptation Planning Stage 1

The City of Holdfast Bay is the custodian of one of South Australia's favourite coastlines. However, climate change and sea-level rise is placing our coastline at risk. Adaptation planning is considered a priority to secure the future of our coastal areas. Stage 1 included a review of best practice coastal adaptation planning; data collation and development of data and document registers; a preliminary assessment of erosion and inundation hazards; a gap analysis of key data and knowledge; development of an engagement strategy for future use; and a project plan with a clear roadmap for the next stage of the process.



## Weekly Food Organics Garden Organics (FOGO) Pilot

Commencing in September 2020, 3,200 households in Kingston Park, Seacliff, North Brighton and Somerton Park were invited to join SA's first weekly FOGO (green) bin and fortnightly landfill (red) bin collection trial. This change in bin collection frequency is designed to encourage the disposal of food organics into the FOGO (green) bin for commercial composting.

Jointly funded by Council and through a Green Industries SA Council Modernisation Grant, the trial showed positive results and has since been extended to April 2022. Key outcomes so far include:

- › 844 participating households
- › At mid trial, 84 percent of kerbside waste was being diverted from landfill
- › Food recycling efficiency (percentage of food waste placed in the FOGO bin) increased to 81 per cent—a significant improvement on the pre-trial rate of 30 per cent
- › 98.5 per cent of participants surveyed (in November 2020) said they would like to stay with the collection model after the pilot ends
- › 96 per cent of those surveyed said that they were very satisfied with the fortnightly landfill service.

## Water Sensitive Urban Design Improvements

Water sensitive urban design is a landscape design approach that integrates stormwater management into urban design to reduce the risk of flooding, improve amenity, replenish groundwater, and improve the quality of stormwater entering the marine environment. During the 2020–21 financial year, Council implemented water sensitive urban design improvements including tree net inlet pits, permeable pavers and rain gardens and a retention basin. Permeable paving was installed at Brighton Oval and Brighton Cemetery.

## Stormwater Management

To improve the capacity and efficiency of the City's stormwater system and reduce the risk of stormwater flooding, Council is implementing its Stormwater Management Plan in stages, according to priority.

In 2020–21 we invested \$690,000 in major projects, including:

- › Seaview Ave, Kingston Park – stormwater capacity and flood protection works
- › Augusta Street, Glenelg East – side entry pit upgrade and nuisance ponding reduction works
- › Barton Avenue, Kingston Park – laneway surface scour, and flood protection works
- › Marine St, Somerton Park – coastal headwall upgrade
- › A gross pollutant trap in Wattle Avenue.

Council continues to work closely with local builders and developers to reduce the impact of development on the City's stormwater system.



# ECONOMY

## A DIVERSE AND RESILIENT LOCAL ECONOMY

Council assists the Holdfast Bay economy by supporting and growing local businesses; making it easier to do business; harnessing emerging technology; and boosting the visitor economy.

The *Economic Activation Plan (2018–2023)* focuses on five key strategic areas:

1. Business capacity building
2. Investment growth and attraction
3. Innovation and digital evolution
4. Regional collaboration
5. Adelaide's premier seaside destination.

### Support during the COVID-19 Pandemic

At the onset of the pandemic, the Holdfast Bay Economic Task Force and Western Alliance Task Group were formed to coordinate rapid responses to assist the region's businesses.

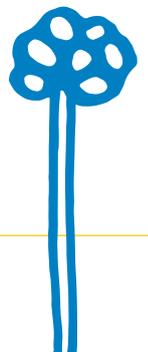
Council established a COVID-19 fund of \$250,000 to support economic recovery, including the development of a promotional campaign to bring residents and visitors back to the Bay.

Over 800 businesses took part in the campaign, which reached 1.15 million people through social and traditional media. At the height of the campaign, spending in the City increased by 14 per cent, up from \$92.4 million in December 2019 to \$106 million in December 2020.

Council also provided fully-subsidised programs to assist businesses to transition online and adapt their operations to suit the changing business climate. Programs and webinars covered digital marketing, social media, mental health and wellbeing and general business topics.

Achievements for 2020–21 include:

- › A 10 per cent increase in the number of businesses mentored through the Southern Adelaide Business Mentoring Program
- › Providing a crisis-support line and a webinar series on digital adaptation and resilience for businesses as part of the Western Alliance of Councils
- › Providing new and existing businesses with matched funding of up to \$5,000 through the Small Businesses Grants program for projects leading to employment growth, sustainable outcomes, export opportunities and collaboration to increase the capacity of a precinct
- › Stimulating investment through the Shopfront Grants program, resulting in over \$250,000 of commercial upgrades across the City and improving the vibrancy of our main streets
- › Activating Jetty Road, Brighton during winter by staging the inaugural Solstice Festival, which featured live local entertainment and street food by local hospitality venues.



## PROJECTIONS AND PLANS

**\$160,000**

Implementation of the Jetty Road Brighton Lighting Masterplan

**\$500,000**

Kingston Park kiosk

**\$1.2 million**

Brighton Beachfront Holiday Park redevelopment – Stage 2



## Tourism and Marketing

Council continued to develop an environment that supports the future viability of local businesses and creates opportunities to enhance the City's tourism offering.

Our visitor and business services include:

- › Planning, implementing and supporting a wide range of community events to increase visitation and length of stay
- › Consulting and communicating with the community through the community engagement program
- › Preserving and stabilising the Holdfast Bay history collection while making it more accessible to the community
- › Providing targeted tourism and marketing services aligned with community desires and needs
- › Developing city-wide commercial and economic opportunities
- › Providing a voice for business and property owners in the Glenelg precinct through the Jetty Road Mainstreet Committee.

The visitor economy has grown significantly in Holdfast Bay over the last five years, but COVID-19 has had a devastating impact on the tourism sector. In 2019, before the pandemic, 1.4 million people made day trips to Holdfast Bay, and another 140,000 people stayed overnight. With few international or interstate visitors and a significantly smaller event program in 2020–21, visitation decreased by 44 per cent (down to 827,000 people), and expenditure reduced by 50 per cent (down to \$128 million).

A three-year strategic plan to guide the recovery and ongoing development of the Holdfast Bay tourism industry has been endorsed by Council. The *Tourism Recovery Plan* aims to restimulate tourism in our region and help businesses and tourism operators recover from the impact of the COVID-19 pandemic. The plan targets local return visitors, day-trip audiences, people visiting friends and relatives in South Australia, and domestic overnight visitors.



## Events

Community events are a vital feature of the City's tourism offering. Despite pandemic restrictions, the City of Holdfast Bay still hosted more than 250 COVID-safe events, which attracted more than 480,000 attendees. Council continued to support many of these events through specialist advice, event planning, sponsorship, and in-kind support. Some of these events included the well-established Channel 7 Brighton Jetty Classic Swim, Patritti Brighton Jetty Sculptures, Bay Sheffield Carnival, Skyline Observation Wheel and Moseley Beach Club, and the Bay's first Alpine Winter Festival. Two major beach concerts, featuring Ice House and Missy Higgins, had a combined economic impact of \$1.7 million.

### South Australia's first COVID Management Plans

The team assisted Glenelg Football Club to bring supporters back to the game with one of the State's first approved COVID Management Plans.

### Brighton Sporting Complex Open Day

Similarly, a COVID Safe Management Plan was approved for the Brighton Sporting Complex Open Day celebrations. The Brighton Oval Open Day was a collaboration between Brighton Sports and Social Club, Brighton Lacrosse Club, Brighton Rugby Club and the Brighton Croquet Club. The redeveloped complex was officially opened with a VIP ceremony at the Gladys Mathwin Memorial Playspace followed by a community family fun day.

### 184th South Australian Proclamation Day

The official 184th South Australian Proclamation Day ceremony saw His Excellency Hieu Van Le, Governor of South Australia, read the Proclamation of South Australia, along with speeches from Mayor Amanda Wilson, Karna representative Tamaru, and Matt Cowdrey OAM MP, representing the Premier of South Australia. An estimated 300 people attended the official ceremonies, followed by a community barbecue.

## Australia Day

The Australia Day citizenship and awards ceremony saw 80 people from 17 different countries become Australian citizens. The event involved special guest, Australia Day Ambassador, Katrina Webb, and was followed by the free all-ages, family-friendly Australia Day at the Bay celebration.

## Anzac Day

Council worked closely with SA Health to ensure that Anzac Day commemorations could proceed in a COVID-safe manner. The service was moved from its traditional location at the Arch of Remembrance at Brighton Jetty to Brighton Oval—a safe venue for up to 10,000 people to gather to commemorate those who served our nation in wars, conflicts, and peacekeeping operations.

## Moseley Beach Club

The Moseley Beach Club returned to Glenelg for the 2020–21 summer. Offering sun lounges and beds with table service, it also featured a casual dining area and bar with live acoustic music. The Moseley Beach Club employed 40 new service staff and local musicians. The activation welcomed over 60,000 visitors and increased patronage to the Jetty Rd retail precinct. Organisers engaged local businesses and the kitchen and bar sourced local produce. The activation was well supported by the local community and visitors alike.

## Brighton Beachfront Holiday Park

With its beachfront location and views over the Gulf St Vincent, the Brighton Beachfront Holiday Park in Kingston Park is an important tourism asset for the City of Holdfast Bay.

Through a challenging year for the tourism industry, the Brighton Beachfront Holiday Park continued to generate income for Council, bringing in over \$1.3 million revenue in 2020–21, helping to reduce the financial burden on ratepayers.

The replacement of ageing cabins and construction of a new administration building has started and will continue into the 2021–2022 financial year. Council also commenced the scoping of works and design for a second stage of redevelopment.

## Partridge House

Built-in 1899, Partridge House was purchased by the former Glenelg Council in 1971 after it was threatened with demolition. With lush gardens, elegant interiors, and a welcoming ambience, Partridge House is used as a function and community centre and remains a valued community facility.

While COVID-19 impacted operations, Partridge House still hosted 221 one-off events and 327 sessions for community groups in 2020–21.

## Communications

We are committed to clear and open communication with our community. We provide many ways for people to get in contact, including telephone, mail, email, social media and via our website. People can directly engage with Council staff at the Brighton Civic Centre and in our libraries. Information is provided on our website ([holdfast.sa.gov.au](http://holdfast.sa.gov.au)) and through a range of Council publications.

A new, fortnightly e-newsletter, Holdfast News, was launched in July 2020. Sent to 1,920 subscribers, it features the latest Council news, project updates and upcoming events. Council's quarterly, printed magazine, *Our Place*, is distributed to all ratepayers with a digital copy shared via social media.

Social media is increasingly important as a channel for communication and engagement with our local community. In 2020–21:

- › Jetty Road Facebook followers increased from 29,218 to 29,671
- › Jetty Road Instagram followers increased from 15,337 to 18,800
- › City of Holdfast Bay Facebook page fans increased from 8,458 to 10,924
- › City of Holdfast Bay Instagram followers increased from 2,000 to 2,650
- › City of Holdfast Bay LinkedIn followers increased from 1,500 to 2,275.



# PLACEMAKING

## AN ACCESSIBLE, VIBRANT AND SAFE COASTAL CITY THAT CELEBRATES OUR PAST TO BUILD FOR OUR FUTURE

A well-planned, accessible, and safe city provides various movement, transport, employment, recreation, and housing choices. A balance between the natural and built environment and well-connected public spaces help to support community wellbeing.

In 2020–21, Council delivered a broad range of projects and services to enhance the design and function of our City—creating a place that is well planned, providing choice and improving the quality of life in our community.

### Kingston Park Kiosk

Council recently began the process of seeking a café services provider to operate and manage the new Kingston Park Kiosk. Feasibility studies and high-level conceptual designs were undertaken to determine the most appropriate location for the kiosk, given the high-profile nature of the project.

The kiosk will include an indoor seating area, outdoor seating area, kitchen and storage area. The kiosk will be adaptable to different weather conditions to maximise patronage throughout the year.

### Kingston Park Reserve

Concept master planning has commenced for Kingston Park Reserve (Tulukutangga). Because of the site's cultural significance, rehabilitation of the Tjilbruke Spring has been the main focus of the masterplan, with Kaurna stakeholders engaged in guiding the design team. The masterplan is also expected to include a nature play space, open lawns, performance space and a modified path network. Once complete, the plan will be presented to the broader Kaurna community for review and approval. Construction is expected to be staged over the next three years.

### Jetty Road Glenelg Chapel Street Plaza and Hindmarsh Lane Redevelopment

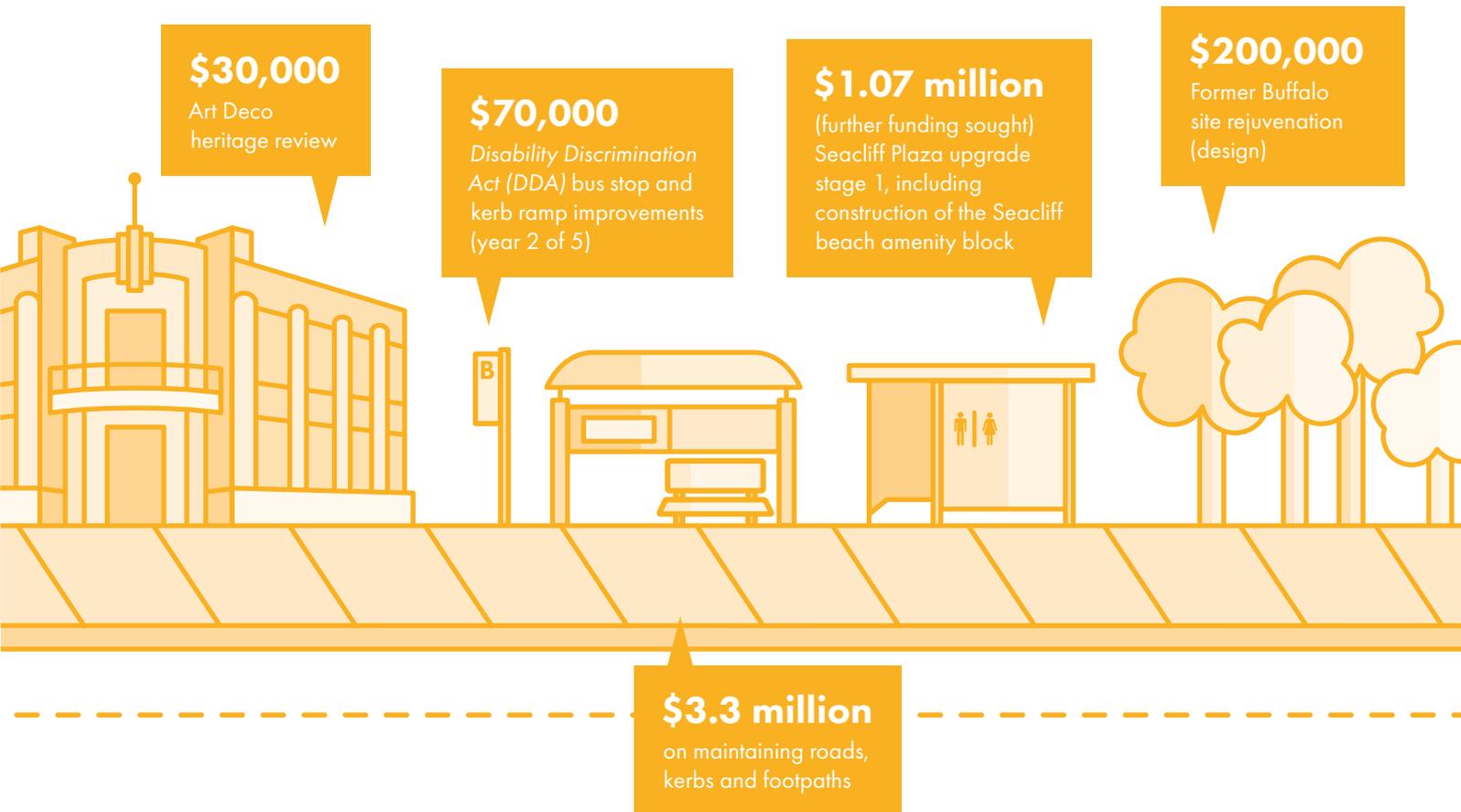
Stage 1 of the \$3.6 million Jetty Road Chapel Plaza and Hindmarsh Lane redevelopment commenced construction in April 2021, with completion scheduled for October 2021.

The project will transform existing spaces with new paved, pedestrian-orientated plazas, new seating, sculptural artwork, trees, and greened areas in both streets. The Hindmarsh Lane redevelopment will also include upgraded toilets and facilities to support the needs of people with profound disabilities.



## PROJECTIONS AND PLANS

Council's projections and plans for the next financial year are outlined in our *2021–22 Annual Business Plan*. Some of the strategic activities to be undertaken include:



Prior to construction, the project team worked with state funding agencies, private landowners and businesses to refine the design and develop construction staging plans to minimise the impact on local trade.

### Seacliff Plaza

The Seacliff Plaza upgrade responds to a range of community needs, including improved beach access—particularly for people with a disability, improved toilet facilities and general amenities, and seamless pedestrian activity.

Feasibility studies also suggested increased economic viability and functionality could be achieved by providing active space for events and activities.

In 2021–22, detailed design will commence as well as construction of Stage 1 which comprises the general amenities area.

### Maintaining our Built Heritage

#### Glenelg Town Hall Conservation

Originally known as the Glenelg Institute Building, Glenelg Town Hall was designed by Edmund Wright, architect, and former Mayor of Adelaide. The foundation stone was laid on 11 December 1875 by Sir Henry Ayers, and the Institute formally opened in 1877 with lecture rooms, a concert hall, and a library. The City of Glenelg acquired the hall in 1887. Today it hosts the Bay Discovery Centre, Glenelg Visitor Centre, and the Council Chambers. Restoration of this important historic building commenced in 2019.

To date, the following work has been completed:

- › Reconstruction of the southern portico
- › Replacement and upgrade of the southern roofing structure

- › Replacement of the lead cupola roof on the clock tower
- › Removal of the existing acrylic paint system from all rendered surfaces
- › Conservation and reconstruction of damaged rendered material
- › Removal of corroded steel embedded in the structure
- › Recasting and installation of new clock faces
- › Removal of existing cement pointing and repointing of bluestone surfaces
- › Replacement of end-of-life roofing materials
- › Upgrades to stormwater discharge systems
- › Replacement and repairs to external timber fabric on balcony and building façades.

## Development Services

Council's development assessment, development advice and building compliance services work to recognise opportunities while protecting the character and amenity of our suburbs. This year, we processed 1,063 development applications and approved 205 new dwellings with a construction value of \$131 million. In addition, the Council has transitioned to the new *Planning and Design Code*, which introduced major changes to the way that development applications are processed and assessed, requiring structural changes to the way the Council operates and engages with its customers.

### Shopfront and Heritage Grants

During 2020–21, Council continued with a grant scheme to support the conservation of our City's heritage premises and the character of our retail precincts. Aimed at encouraging people who own heritage listed and retail precinct properties to invest in maintaining, restoring, and preserving them, the grants replaced a previous rates rebate for heritage listed properties.

### Heritage Register

In 2020–21, Council prepared and submitted a *Local Heritage Development Plan Amendment (DPA)* to the Minister for Planning to add a further 27 properties to the Heritage Register. This initiative compensated for the loss of heritage protection under the newly introduced *Planning and Design Code*, ensuring that the City's built heritage continues to be protected through formal recognition.

## City Assets

Council staff manage, maintain, and develop community assets and infrastructure in an environmentally and financially sustainable way. This includes buildings, roads, coastal assets, stormwater assets, open space and general plant and equipment.

Ongoing services include:

- › Providing traffic management support, investigations, and installation of traffic calming devices
- › Maintaining buildings and facilities
- › Maintaining the Patawalonga River boat lock
- › Inspecting and resolving damage caused by developers and utility companies.

During 2020–21, City Asset staff:

- › Resealed 16,365 square metres of road
- › Rejuvenated 9,726 square metres of road
- › Patched 1,494 square metres of road
- › Replaced 2,001 linear metres of kerb
- › Replaced 3,668 square metres of footpath and undertook significant footpath maintenance as part of an accelerated maintenance program
- › Improved pedestrian access through new kerb ramps
- › Supplied and installed five bus shelters
- › Replaced several welcoming and other signs
- › Upgraded two roundabouts and two sets of traffic signals.

## Field Services

Council prides itself on maintaining a high-quality built and natural environment and continually strives to balance the needs of residents, business, and visitors; heritage and innovation; development and environment; and visual appeal and practical application.

A vigorous maintenance program is part of our commitment to enhancing the City's image and safety. As well as a scheduled maintenance and cleansing program, Council operates a rapid response team to ensure our City remains clean, safe and graffiti-free.

During 2020–21, our field services team:

- › Attended 3,476 customer service requests (in addition to scheduled maintenance and cleaning services)

- › Continued to refine routine maintenance, open space, and cleansing schedules to better meet community expectations
- › Maintained services and facilities along our coastline to improve amenity for residents and visitors
- › Implemented a defect inspection program for our assets
- › Planted 950 trees in Holdfast Bay's streets and open space reserves
- › Upgraded irrigation at Wigley Reserve and installed a new system at the Brighton Civic Centre
- › Rejuvenated over 30 garden beds along our streetscapes and in reserves
- › Repaired 609 square metres of concrete footpath and 3,059 square metres of paved footpath as part of the accelerated footpath program
- › Upgraded aging open space facilities, including bins, benches, showers and drinking fountains
- › Installed a Little Library at Brighton Oval to support community wellbeing
- › Upgraded North Brighton and St Jude's cemeteries to increase aesthetic appeal and improve functionality
- › Installed screening in the grounds of Partridge House to create dedicated event spaces for private events.

## Buildings and Facilities

The buildings and facilities team maintains and operates a range of Council property assets.

As part of its building portfolio, Council operates 24 public toilet facilities that are open 17 hours a day, all year round. These facilities are usually serviced daily; however, an enhanced cleaning schedule was implemented during the COVID-19 pandemic.

The building and facilities team also delivered 37 projects in 2020–21, including renewal and new work on Council buildings, open spaces and coastal assets.

Projects included:

- › Replacement of the air-conditioning at Partridge House
- › Upgrading the Glenelg District Cricket Club change rooms
- › Constructing three new sand groynes along Brighton beach
- › Refurbishing the Holdfast Bay Community Centre kindergarten building to improve accessibility
- › Refurbishing the Kingston Park and Sutherland Reserve public toilets
- › \$120,000 of building remedial defect works
- › Public lighting upgrades in Moseley Square and Colley Reserve
- › Reconstructing the tennis courts at Mawson Oval Reserve.





# CULTURE

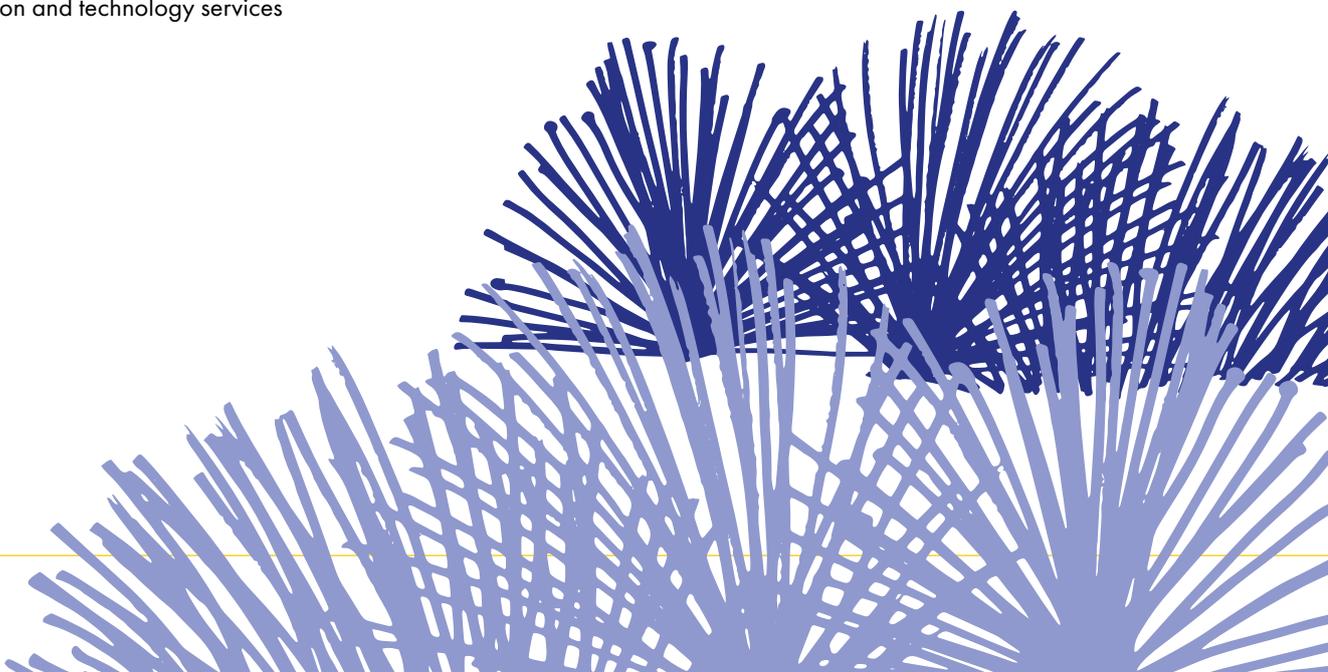
## AN EFFECTIVE, CUSTOMER-CENTRED ORGANISATION

At all times, the City of Holdfast Bay aims to provide customer-centred services; be financially accountable; enable high performance; and support excellent, efficient operations.

### Business Services

Council staff deliver services in an accountable, transparent way that meets legislative requirements and provides the best value for money. The business areas providing corporate services to support Council's administration include:

- › Business planning and improvement
- › Commercial and strategic services
- › Corporate communications and media management
- › Elected member and CEO support
- › Finance
- › Governance and policy
- › Information and technology services
- › People and culture
- › Procurement
- › Property management and leases
- › Rates
- › Records management
- › Risk management
- › Work health and safety.



## PROJECTIONS AND PLANS

Council's projections and plans for the next financial year are outlined in our 2021–22 *Annual Business Plan*. Some of the strategic activities to be undertaken include:



### Strategy and Governance

In 2020–21, Council undertook a range of strategy and governance activities to support the efficient and effective delivery of its roles and functions.

Highlights for the year include:

- › Establishing and administering a COVID-19 Support Fund, and collaborating with an Economic Recovery Taskforce to undertake activities that attracted visitors to the City and increased economic activity
- › Reviewing the existing *Strategic Plan* and developing a new draft *Strategic Plan* for public consultation that expands on Council's commitments to sustainability, community wellbeing and prosperity, with an ambitious vision to 2050 and beyond
- › Continuing development of the *Integrated Transport Strategy*, which will provide a strategic framework and high-level implementation plan for safe and efficient movement throughout the City, including a strong focus on healthy transport choices
- › Commencing a Representation Review of Council to ensure the interests of the community continue to be represented
- › Reviewing Council's procurement policy to encourage locally based procurement that supports improved social and environmental outcomes

- › Commencing concept designs for potential future redevelopment of the Civic Centre as a community hub
- › Commencing a trial of a car-sharing service in Glenelg in collaboration with the RAA and Flexicar to support the development of a greater range of transport options for residents and visitors.

In order to ensure good governance, our governance team provides the following services to our organisation:

- › Elected member support
- › Council meetings administration – deputations, petitions, minute taking and review
- › Council Meeting action notifications and review
- › Elected Member training, administration, Code of Conduct, etc
- › Internal compliance functions
- › Freedom of Information processing
- › Delegations and sub delegation management
- › Instruments of Appointment (Regulatory Services, Planning, etc)
- › Policies and procedure review, coordination and publication
- › Governance policy, procedure, review and publication

- › Employee Code of Conduct (Gifts and Benefits)
- › *Public Interest Disclosure Act* (replaced *Whistleblowers Act*)
- › Complaints associated with section 270 of the *Local Government Act 1999* and escalated complaints, Ombudsman enquiries etc)
- › Primary and Ordinary Returns (annually for prescribed officers)
- › Independent Commissioner for Against Corruption (ICAC) mandatory staff induction
- › Review, maintain and publish Council registers
- › Maintain legislative website content
- › Risk Management Framework, Policy, Procedures and Registers
- › Risk register review, maintenance, reporting and publication
- › Internal audit tracking
- › Confidential Register maintenance, review, reporting, release and publication
- › Manage Procurement Policy and related procedures
- › Maintain Preferred Contractor List and compliance documents
- › Insurance
- › Liaison for Public liability claims (from the public)
- › Liaison for assets claims
- › Liaison for motor vehicle claims – third party or council vehicles.

## Financial Services

The financial services team provides strategic, long-term financial planning; annual budget compilation and monitoring; rates administration; year-end financial accounting and audit; financial systems and internal control; payroll; and accounts payable/receivable services.

Highlights for 2020–21 include:

- › Responding to the financial impact, implications and restrictions resulting from the COVID-19 pandemic
- › Further refinement of Council's *Long Term Financial Plan* model in preparation for the draft 2021–22 budget, including presentation of funding scenarios to a series of budget workshops
- › Assessing the rating impact of the revaluation initiative by the Office of the Valuer General, including the introduction of additional one-off rating rebates for affected commercial and industrial properties
- › Policy updates for rating, treasury management and corporate credit cards
- › Development of new policies and procedures for entertainment and hospitality, and asset accounting.

Other achievements for the year included:

- › Budget revisions (2020–21) and budget adoption (2021–22)
- › Rate modelling, notice generation and distribution
- › Preparation of annual financial statements, audit finalisation and adoption (2019–20)
- › Updates to the *Long Term Financial Plan*
- › Contribution to organisational management software testing and implementation.

## Innovation and Technology

Council's business transformation program continued to deliver benefits throughout the year. Improvements in core business systems and technologies enabled service delivery and customer interaction to occur anywhere and anytime, which proved particularly valuable during the COVID-19 pandemic. Further enhancements will make Council systems and information more secure and accessible for ratepayers and visitors.

Council is continuing to work with the South Australian Government and other councils on Smart Cities which involves a range of initiatives that will, over time, provide improved information, safety, and security.



## Customer Experience

Council operates a face-to-face customer enquiry service between 8.30 am and 5.00 pm Monday to Friday (excluding public holidays) and a 24-hour, seven-day phone service.

In the 2020–21 year:

- › There was a 6.25 per cent reduction in average call wait time
- › Staff answered 44,758 phone calls with an average of 2 minutes 25 seconds talk time
- › The grade of service for phone calls was 91.5 per cent
- › 97 per cent of WebChat enquiries were rated as positive.

### Customer Experience Strategy

Council provides a wide range of services to many different types of customers, including residents, businesses, community and sporting groups, visitors and tourists.

To provide the foundation for a world-class, customer-centred service experience, we are developing a *Customer Experience Strategy*. Initial pillars of the draft strategy include:

- › Focusing on creating experiences from the perspective of the community
- › Seeking ways to improve our service to customers
- › Ensuring the Council is easy to do business with
- › Two-way engagement through listening and informing
- › Creating experiences that the customers want to tell others about.

## People and Culture

The people and culture team provide an advisory, support and education service to assist Council's leaders in leading and managing their staff safely and effectively.

Highlights for 2020–21 include:

- › One hundred per cent completion rate for our *Work Health and Safety (WHS) Risk Evaluation Action Plan*
- › Successful completion of the Local Government Risk Management Scheme WHS Procedure Validation Audit
- › Development and introduction of safety mascots to enhance WHS engagement and awareness
- › Development and implementation of an internal training calendar covering WHS and general topics for staff
- › Being selected as a finalist in the People and Culture category of the Local Government Excellence Awards for our Field Services Grow Our Own Program
- › Successful negotiation of the Field Services Enterprise Agreement
- › Completion of the Arising Stars Program, despite COVID-19 interruption
- › Development of People and Culture Service Standards.



# 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.

*Our Place: 2030 Strategic Plan (Our Place)* was adopted in April 2017 after an extensive community engagement campaign, 'Say September'. Our Place establishes the vision for our City, defining five key outcome areas, and providing objectives and strategic measures to track performance.

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 community Quality of Life Survey (2020–21) and Business Confidence Survey (2018).

People who participated in the surveys were asked to rate various Council services or performance out of 10 (0–5 being 'very poor to poor'; 5–7 'average to good'; 7+'good to very good').



# Strategic Measures



## COMMUNITY

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL
<b>Increase resident wellbeing</b> Using PERMA model (Positive emotion, Engagement, Relationships, Meaning, Accomplishment/Achievement)	5 per cent increase (life of plan)	2018–19 represents baseline	Measure no longer available. Program ceased by SAHMRI
<b>Deliver wellbeing and resilience workshops</b> Number of workshops undertaken annually	≥2 workshops (p/a)	N/A	Workshops for 2020–21 cancelled due to COVID-Safe restrictions. Not achieved for 2020–21
<b>Achieve a high level of community satisfaction with playgrounds and open space</b> Quality of Life Survey Results	≥7 (each measure)	N/A	The average rating survey participants provided for this indicator in the 2020–21 Quality of Life survey was 8.3 out of 10. Achieved for 2020–21
<b>Complete new sporting and community hubs</b> Completion of sporting and community hub Projects Kauri Parade Sporting Complex has been completed	2 (life of plan)	N/A	The Brighton Oval Masterplan redevelopment was completed in 2020–21. Stage 1 of the Glenelg Oval Masterplan has been completed. Stage 2 is under construction. Achieved
<b>Attract new community initiatives through our Community Donations Program</b> Number of new community initiatives	3 (p/a)	N/A	This year Council provided a total of \$49,511 in donations to 31 community groups and organisations for new community and wellbeing initiatives. Achieved for 2020–21
<b>Achieve a high level of community satisfaction with the range and quality of services and programs</b> Quality of Life Survey Results	≥7 (each measure)	N/A	The average rating survey participants provided for this indicator in the 2020–21 Quality of Life survey was 7.8 out of 10. Achieved for 2020–21

## Strategic Measures (continued)

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL
<p><b>Increase community engagement with culture and heritage and Aboriginal cultural programs through participation in events and activities</b></p> <p>Number of participants</p>	200 (p/a)	N/A	Approximately 5,000 people participated in a range of Aboriginal heritage and culture events, programs and workshops, Cultural awareness training and inductions and Kurna culture and language workshops and initiatives. Achieved for 2020–21
<p><b>Increase the number of people accessing our community centres and libraries</b></p> <p>Number of people accessing facilities</p>	5 per cent increase (p/a)	195,512	The community centres collect data regarding participation in classes, which equate to almost 90,000 visits per year. The libraries received 182,971 visits. Total of 272,971 visits. Achieved for 2020–21
<p><b>Achieve a high level of community satisfaction with community facilities including libraries, services and programs</b></p> <p>Quality of Life Survey Results</p>	≥7 (each measure)	N/A	The average rating survey participants provided for these indicators in the 2020–21 Quality of Life survey was 8.7 out of 10 for libraries and 8.0 for community centres. Achieved for 2020–21
<p><b>Increase the number of volunteering opportunities</b></p> <p>Number of volunteering opportunities</p>	5 per cent increase (p/a)	537	319 active volunteers fulfilling 412 active roles (many volunteers doing more than one role). This represents a 26 per cent reduction due to COVID-Safe restrictions. Not achieved for 2020–21
<p><b>Increase our “YourHoldfast” (online engagement site) subscription</b></p> <p>Number of people subscribed</p>	10 per cent sample of population (life of plan)	1,788 (4.9 per cent sample of population)	The number of YourHoldfast.com subscribers has increased to 7,414. This represents 21 per cent of the population. Achieved for 2020–21
<p><b>Increase awareness of volunteering opportunities within our city</b></p>	Develop successful partnerships with a range of groups/industries (life of plan)		We are working with 20 other organisations in Holdfast Bay who offer volunteering opportunities. We also work closely with Volunteer SA & NT. Progressing – trend on track

## Strategic Measures (continued)



### ENVIRONMENT

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL
<p><b>Increase native flora (species and population) in natural areas</b></p> <p>Types of species (flora) and density score using 'Bush Rat' assessment tool</p>	10 per cent increase (life of plan)	12.8	<p>We established a baseline for this measure of 12.8 (overall biodiversity Score). This score can be broken down into the following areas:</p> <p>Coastal Biodiversity – Average 15.63            Nature Reserve Biodiversity – Good 23.39            Parks and Ovals Biodiversity – Poor 9.77            Measured at 5 yearly intervals</p>
<p><b>Increase native fauna habitats in natural areas</b></p> <p>Type of species (flora) and density score using 'Bush Rat' assessment tool</p>	10 per cent increase (life of plan)	12.8	<p>An indicator of native fauna habitats is the measurement of native flora. The baseline of the native flora measure can also be used for this measure – baseline of 12.8.            Measured at 5 yearly intervals</p>
<p><b>Increase tree canopy within our city</b></p> <p>Per cent of tree canopy cover increase</p>	10 per cent increase (life of plan)	15.28 per cent	<p>A new, more accurate method was used to attain a tree canopy measure of 15.28% in 2018–19. New baseline is 15.28%.            Measured at 3 yearly intervals</p>
<p><b>Maintain our dune systems and increase recreational beach widths</b></p> <p>Recreational beach width (based on land survey and aerial photography)</p>	10 per cent increase (life of plan)	Not yet available	<p>Works are being undertaken to increase recreational beach width, including conservation works, sand bag groynes and sand replenishment program.            A baseline has yet to be established for this measure</p>
<p><b>Reduce heat island areas within our city</b></p> <p>Surface temperature (thermal imaging or equivalent) across the city</p>	10 per cent increase (life of plan)	Not yet available	<p>Heat mapping was undertaken in 2018–19 for the first time to identify heat islands.            Measured at 6 yearly intervals.</p>

## Strategic Measures (continued)

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL
<p><b>Reduce flash flooding within our city during rain events less than 20mm</b></p> <p>Registered events of flash floods</p>	0 flash floods less than 20mm (life of plan)	Nil events	One event. Nil flooding. Achieved for 2020–21
<p><b>Decrease Council's greenhouse emissions</b></p> <p>Carbon footprint assessment (only fuel and electricity usage at this time)</p>	12 per cent reduction (life of plan)	Fuel – 352 tonnes CO <sub>2</sub> e Electricity – 1,902 tonnes CO <sub>2</sub> e	Fuel – 381 tonnes CO <sub>2</sub> e. Electricity – 1,130 tonnes CO <sub>2</sub> e. Reduction of 33% overall. Achieved for 2020–21
<p><b>Increase waste diverted from landfill</b></p> <p>Tonnage diverted from landfill</p>	10 per cent increase (life of plan)	8,274.6 tonnes	7,886 tonnes were diverted from landfill in 2020–21, with packaging impacts from COVID-Safe measures as well as many workers continuing to work from home. The domestic diversion rate was 56 per cent.
<p><b>Reduce stormwater discharge</b></p> <p>Stormwater discharge to sea (M/L)</p>	30 per cent reduction (life of plan)	2,108 ML (p/a)	A number of tree inlets have been installed together with permeable paving to reduce stormwater discharge to the marine environment. Baseline only
<p><b>Increase number of environmental volunteering opportunities</b></p> <p>Number of volunteers</p>	50 per cent increase (life of plan)	0	46 events were held resulting in 570 volunteer hours. Target achieved

## Strategic Measures (continued)



### ECONOMY

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL
<p><b>Increase business satisfaction in Council's support for business</b></p> <p>Business Confidence Survey Results</p>	≥7 (each measure)	N/A	The business survey is conducted every two years with the next to occur in 2021–22.
<p><b>Increase business satisfaction in doing business with Council</b></p> <p>Business Confidence Survey Results</p>	≥7 (each measure)	N/A	The business survey is conducted every two years with the next to occur in 2021–22.
<p><b>Develop and commence implementation of a Digital Economy Strategy</b></p> <p>Endorsement of Strategy</p>	Endorsement (by 1 July 2017)	N/A	<p>A Digital Economy Strategy has been incorporated into the Economic Activation Plan 2018–2023, and was endorsed in July 2018.</p> <p>Strategy 3 of the Economic Activation Plan 2018–23 sets eight strategic actions in relation to the digital economy.</p> <p>Completed</p>
<p><b>Increase percentage of properties able to connect to high-speed internet</b></p>	100 per cent increase (life of plan)	0	<p>The volume build of NBN in Holdfast Bay is now completed. Additionally Jetty Road Glenelg and Somerton Park Industrial Precinct became an NBN Business Fibre Zone providing businesses with opportunity to link with nbn's premium direct fibre product – Enterprise Ethernet with speeds of up to 1 Gigabite per second.</p> <p>Completed</p>
<p><b>Increase the number of visitors to Holdfast Bay</b></p> <p>Number of visitors</p>	15 per cent increase (by 2022)	1,295,000 visitors	<p>827,000 people visited and/or stayed in Holdfast Bay. This is a significant decrease due to COVID restrictions.</p> <p>Not achieved for 2020–21</p>

## Strategic Measures (continued)



### PLACEMAKING

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL
<p><b>Achieve a high level of community satisfaction with the quality and feel of our major main street precincts</b></p> <p>Quality of Life Survey Results</p>	≥7 (each measure)	N/A	<p>The average rating that residents provided for this indicator in the 2020–21 Quality of Life survey was as follows:</p> <p>Jetty Road, Glenelg: 7.2 out of 10.</p> <p>Jetty Road, Brighton: 7.8 out of 10.</p> <p>The Broadway, Glenelg: 7.7 out of 10.</p> <p>Achieved for all precincts in 2020–21</p>
<p><b>Achieve a high level of community satisfaction with walkability and access to local shops, services, public transport and open space</b></p> <p>Quality of Life Survey Results</p>	≥7 (each measure)	N/A	<p>The average rating that residents provided for this indicator in the 2020–21 Quality of Life survey was 8.9 out of 10.</p> <p>Achieved for 2020–21</p>
<p><b>Increase the number of people travelling to local destinations via active travel options</b></p>	20 per cent increase (life of plan)		<p>Data not available at time of report. A baseline for this measure is yet to be established. Council is currently developing an Integrated Transport Strategy with active travel as a key objective.</p> <p>Measure not yet available</p>
<p><b>Achieve a high level of community satisfaction with the design of new buildings and their contribution to local character</b></p> <p>Quality of Life Survey Results</p>	≥7 (each measure)	N/A	<p>The average rating that residents provided for this indicator in the 2020–21 Quality of Life survey was 6.25 out of 10.</p> <p>Not achieved for 2020–21, however increased from 6.03 in 2019–20.</p>
<p><b>Increase the proportion of non-detached dwelling types (the ‘missing middle’) in our city</b></p>	10 per cent increase (life of plan)	43.3 per cent	<p>Result, based on trend data, shows a negligible (0.26 per cent) increase to be steady at 45 per cent. Based on this trend data, we are on track to record a 1 per cent increase to the proportion of our missing middle housing to 2030.</p> <p>Progressing – trend at risk</p>

## Strategic Measures (continued)



### CULTURE

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL
<p><b>Achieve a high level of community satisfaction with Council's services</b></p> <p>Quality of Life Survey Results</p>	≥7 (each measure)	N/A	<p>The average rating that residents provided for this indicator in the 2020–21 Quality of Life survey was 7.8 out of 10.</p> <p>Achieved for 2020–21</p>
<p><b>Increase number of customer services available through a digital platform in additional to other service channels</b></p>	100 per cent of customer services (life of plan)	N/A	<p>The following services are now available through a digital platform:</p> <ul style="list-style-type: none"> <li>› Dogs and Cats Online</li> <li>› My Aged Care Portal</li> <li>› Event applications (including sponsorships)</li> <li>› Development application tracking</li> <li>› Filming and photography permits</li> <li>› Volunteer applications</li> <li>› Grant applications – smarty grants</li> <li>› Outdoor Fitness applications</li> <li>› Library services</li> <li>› Online payments</li> <li>› Ezybill – electronic rates notices and help your self client details management</li> <li>› Event calendar</li> <li>› Community Directory</li> <li>› Your Holdfast engagement portal</li> <li>› Online Business Directory.</li> </ul> <p>Progressing – trend on track</p>
<p><b>Achieve delivery on Annual Business Plan</b></p> <p>Completion of projects and programs outlined in the Annual Business Plan</p>	100 per cent delivery (p/a)	N/A	<p>82 per cent of projects were completed during the 2020–21 financial year.</p> <p>Not achieved for 2020–21</p>
<p><b>Achieve a high level of satisfaction with our Culture Brand</b></p> <p>Organisational Culture Survey Results</p>	90 per cent (each measure)	N/A	<p>The average rating staff participants provided for this indicator in the 2020 survey was 85.03%.</p> <p>Not achieved for 2020–21</p>

## Strategic Measures (continued)

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL
<b>Achieve a high score in our annual leadership survey</b> Organisational Leadership Survey Results	≥8 (each measure)	N/A	The average rating staff participants provided for this indicator in the 2020 survey was 6.9 out of 10. Not achieved for 2020–21
<b>Achieve annual financial targets</b> Performance of annual financial targets	100 per cent achievement (p/a)	N/A	<b>STILL TO COME</b>
<b>Achieve high level of community satisfaction with Council’s provision of good financial management and value for the rate dollar</b> Quality of Life Survey Results	≥7 (each measure)	N/A	The average rating that residents provided for this indicator in the 2020–21 Quality of Life survey was 6.75 out of 10. Not achieved for 2020–21
<b>Reduce reliance on rate revenue</b> Percentage of total revenue	<70 per cent (life of plan)	2016/17 71 per cent (excluding separate rates)	<b>STILL TO COME</b>
<b>Achieve recognition in operating efficiency: target – benchmarked as top 5 metropolitan councils</b>	Benchmark as top 5 (life of plan)	Not yet available	Measure not yet available
<b>Achieve high level of community satisfaction on Council’s performance</b> Quality of Life Survey Results	≥7 (each measure)	N/A	The average rating that residents provided for Holdfast Bay as a place to live in the 2020–21 Quality of Life Survey was 8.7 out of 10. Achieved for 2020–21

INDICATOR	TARGET (TIMEFRAME)	BASELINE (IF APPLICABLE)	ACTUAL
<p><b>Achieve recognition for work undertaken across our organisation</b></p> <p>Number of awards received</p>	3 awards of excellence (p/a)	N/A	<p>Local Government Professionals Awards:</p> <ul style="list-style-type: none"> <li>› Partnerships and Collaboration Award (Winner)</li> </ul> <p>Local Government Excellence Awards:</p> <ul style="list-style-type: none"> <li>› People and Culture (Finalist)</li> </ul> <p>Parks and Leisure Australia (SA/NT):</p> <ul style="list-style-type: none"> <li>› Community Facility of the Year (High Commendation)</li> </ul> <p>Institute of Public Work Engineering Australasia (SA):</p> <ul style="list-style-type: none"> <li>› Excellence in Environment and Sustainability (Winner).</li> </ul> <p>Achieved for 2020–21</p>



# MAJOR ACHIEVEMENTS IN 2020-21

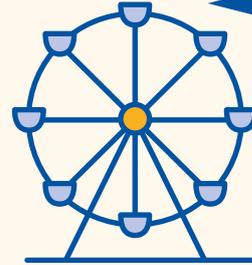
Tiati Wangkanthi Kumangka  
Exhibition won

## 2020 MUSEUM AND GALLERIES NATIONAL AWARDS (MAGNA)

outstanding achievement

Undertook works on  
**27,585m<sup>2</sup>** of road,  
**2,001lm** of kerb and  
**3,668m<sup>2</sup>** of footpath

Attracted  
**827,000**  
**EVENT**  
**VISITORS**  
spending  
\$38.4 million



Completed the  
**WIGLEY RESERVE  
PLAYSPACE &  
FITNESS HUB** upgrade

Completed Stage 1 of the  
**GLENELG OVAL  
MASTERPLAN**  
Holdfast Bay Tennis Club

Planted  
**950 STREET  
TREES** and  
**23,000 NATIVE  
PLANTS**

Supported  
**13,420 LIBRARY  
MEMBERS**  
to borrow  
**450,709  
ITEMS**

Completed the  
**\$13.7M BRIGHTON  
OVAL COMPLEX  
REDEVELOPMENT**

Supported  
**97 LOCAL  
BUSINESSES**  
to access qualified  
business advisors



Developed and commenced  
implementation of our  
**ENVIRONMENT  
STRATEGY**

Commenced construction  
of Chapel Street plaza  
and the Hindmarsh Lane  
upgrade adjacent to  
**JETTY ROAD  
GLENELG**

For further information on our achievements,  
please visit [holdfast.sa.gov.au/achievements](https://www.holdfast.sa.gov.au/achievements).



## ANNUAL PERFORMANCE: COMPLETED PROGRAMS

Each year council prepares an Annual Business Plan that describes the programs, projects and outcomes that support our City's strategic vision of building a welcoming, safe and active community where resident, visitor and business prosperity meet.

We completed approximately 82% of the projects identified in the *2020–21 Annual Business Plan*. The remaining projects are in progress or have been rescheduled. Details are presented below.

- › **Jetty Road Glenelg Masterplan – Stage 1 Construction (Chapel St Plaza and Hindmarsh Lane)**  
The project's construction commenced on time in April 2021 and was on track for completion by the beginning of October 2021. In the past few weeks the has experienced a number of delays due to heavy rain followed by a complete stop due to the government's announcement of the COVID-19 Lockdown and the inclusion of construction workers stay at home orders. With the shutdown overlaid with the inclement weather delays the project is projected to run at least 1 week late with an estimated completion date of the second week of October 2021.  
  
If there are further COVID-19 lockdowns or consecutive days of heavy rain the delivery date may extend further into October 2021.
- › **Kingston Park Kiosk Design**  
Concept design and feasibility study has been completed. Detailed designs are being developed.
- › **Brighton Caravan Park – Stage 2**  
Design documentation for the maintenance shed and mini-golf course have been completed with construction to commence soon. Designs for other facilities including ensuites, administration building and studios are in progress.
- › **Glenelg Library – fitout**  
Internal painting is complete. An internal window shading feature is to be completed shortly.
- › **Kingston Park Masterplan Review**  
The final Kingston Park Masterplan is progressing for presentation to the Kaurna reference group. The vegetation study and hydrology study of Tjilbruke Spring have been completed.
- › **Brighton Town Hall – Services – Mechanical**  
These works have been awarded.
- › **Partridge House Driveway and Fencing**  
Fencing works are complete. The paving works have been rescheduled due to weddings and event bookings.
- › **CCTV – Infrastructure renewal and replacement**  
These works have been incorporated into a broader project due for completion by the end of 2021–22.

- › **SB 01 GX Elevated Work Platform Truck and Boom Hino 717 Medium – Additional Work**  
These works have been rescheduled to the 2021–22 financial year.
- › **John Deere 1580 Front Mowers**  
1 of 2 mowers have been received.
- › **Council Chamber Technology Refit and Audio and Mobility**  
There have been delays in delivery of equipment. Cabling and delivered equipment has been installed.
- › **Data Centre – Server Infrastructure Maintenance/Replacement DR/BC**  
This project is in the initial stages of procurement.
- › **Customer Online Booking and Service Scheduling Experience**  
The requirements for this experience have been developed. Three possible options have been evaluated against requirements but all were cost prohibitive. Other options are being sourced.
- › **Pat Lock – Water level sensors (system)**  
The sensors will be installed during the dewatering of the Lock.
- › **Renewable energy upgrades (solar systems/energy monitoring) and Energy Efficient upgrades Council Facilities**  
A lighting upgrade is scheduled for installation in January.
- › **Energy efficiency, storage and renewable energy solutions for our Community Centres and Facilities**  
The solar upgrades tender is complete. The energy efficiency project is scoped but not awarded.
- › **Convert additional street & park lighting to LED**  
The project was delayed due to supplier issue. Work now underway.
- › **Somerton Park Yacht Club – tower and refurbishment**  
Construction has commenced. The works will be completed prior to the commencement of the yachting season.
- › **Tennis court Mawson Oval Reserve Brighton**  
The courts have been rebuilt and are usable. The acrylic top coats cannot be painted until the drier weather in Spring.
- › **Buffalo Site Redevelopment concept development and detailed design**  
Community engagement has been undertaken on the concept designs. Grant funding has been secured for the detailed design phase which is to be undertaken in 2021–22.
- › **Glenelg Oval Masterplan Stage 2**  
Construction of uni-sex change rooms was completed in September. The project was delayed by the July COVID lock down and alterations needed for the players race interface with building.
- › **War Animal Memorial Mural**  
The War Animal Memorial commission has been delayed due to the restoration works on the Glenelg Town Hall (GTH). A site on the GTH has been selected for the photographic historical install once the restoration works have been completed.
- › **Audio in Kingston Room**  
There have been delays in delivery of equipment. Cabling and delivered equipment has been installed.
- › **Council Chamber refit**  
There have been delays in delivery of equipment. Cabling and delivered equipment has been installed.
- › **Stage 3 – Glenelg Town Hall**  
Additional works were required associated with exterior render material and previous damage to northern end of the building. The works are due for completion by end of calendar year.
- › **Kauri Community and Sports Centre Public Toilets**  
Alternate locations and options are being considered and priced to reduce the implications associated with contaminated landfill and management issues.
- › **Brighton Oval Sporting Hub Master Plan – Stages 1 & 2**  
The project is complete except for the subsurface drainage works which will be undertaken in the next financial year.
- › **Road Reconstruction (inc reseal and kerb):**
  - › **Maxwell Terrace (Buttrose Street to Council Boundary)**  
These works have been deferred pending City of Marion work.
  - › **Oldham Street (Pier to Saltram)**  
These works have been deferred pending Seawall redevelopment.
  - › **Caravan Park – Road Reseal**  
These works have been incorporated into the Caravan Park redevelopment.

**COUNCIL OF  
THE CITY OF  
HOLDFAST BAY**



## 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 scheduled for November 2022.

## ELECTED MEMBERS



**Mayor**  
Amanda Wilson

### Brighton Ward



Rosemary Clancy

### Glenelg Ward



Rebecca Abley

### Seacliff Ward



Annette Bradshaw

### Somerton Ward



Mikki Bouchee



Jane Fleming



Phillip Chabrel



Clare Lindop



William Miller



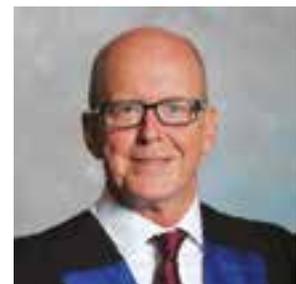
Robert Snewin



Bob Patton



Susan Lonie



John Smedley

# SAD PASSING OF COUNCILLOR MIKKI BOUCHEE

We were saddened by the sudden death of Holdfast Bay's long-serving elected member, Councillor Mikki Bouchee.

Her passing in July 2021 was an extraordinary loss to both the community and council as Mikki's advocacy for her constituents and the City of Holdfast Bay was second to none.

Mikki was first elected to council in 1987, when it was still the City of Glenelg. She served four years as a Councillor and four years as Alderman.

She went on to represent her community in the City of Holdfast Bay for 18 years and was Deputy Mayor from 2015–2016.

Mikki will be remembered as a trailblazer who was both compassionate and fierce.

Among her many achievements, Mikki was instrumental in establishing a new Public Library Service, the introduction of a Kerbside Recycling Collection Service and the implementation of a *Street Tree Planting Strategy* throughout the city.

Mikki was also a council representative to the Alwyndor Management Committee and worked hard to ensure the elderly and older residents were included in future strategies and infrastructure projects across the city.

For many years, Mikki championed the redevelopment of Glenelg Oval and her wishes were realised in 2020, with the implementation of the Glenelg Oval Masterplan and upgrade of the Holdfast Tennis Club.

She was a staunch and passionate supporter of animals and advocated fiercely for council to provide funding to protect the Hooded Plovers—Australia's most endangered shorebird—on our beaches.

Reflecting on her accomplishments, Mikki described them as a “mix of anxiety, elation, frustration, reading, networking, on-site education, community meetings, feelings of success/failure, ever changing political regimes, friendships made/lost and above all a real sense of community”.

## ELECTED MEMBER ATTENDANCE AT COUNCIL MEETINGS

	Number of Council meetings attended July 2020 – June 2021
Number of General Council Meetings Held	22
Number of Special Meetings of Council	0
<b>TOTAL</b>	<b>22</b>

### Elected Members

#### Mayor

Amanda Wilson	22
---------------	----

#### Brighton Ward

Rosemary Clancy	20
Bob Snewin	<b>Deputy Mayor December 19 to December 20</b> 21
Jane Fleming	21

#### Glenelg Ward

Bob Patton	22
Rebecca Abley	<b>Deputy Mayor December 20 – current</b> 22
Phillip Chabrel	18

#### Seacliff Ward

Susan Lonie	22
Clare Lindop	21
Annette Bradshaw	21

#### Somerton Ward

Rosalina (Mikki) Bouchee	21
John Smedley	19
William Miller	22

## ALLOWANCES

	<b>Allowances</b> July 2020 – June 2021	<b>Notes</b>
Mayor **	<b>\$78,978.31</b>	Inclusive of EM Base allowance. Calculated at 4 x annual allowance for Councillors.
Deputy Mayor to December 20 (Cr Snewin)	<b>\$23,936.67</b>	Inclusive of EM Base allowance. Calculated at 1.25 x Council Allowance.
Deputy Mayor from December 20 (Cr Abley)	<b>\$24,500.48</b>	Inclusive of EM Base allowance. Calculated at 1.25 x Council Allowance.
Councillors	<b>\$21,508.98</b>	Inclusive of EM Base allowance.
Audit Committee Chair	<b>\$5,400.53</b>	This amount is just for Audit Committee Chair Allowance. It does not include EM base allowance.
<b>Independent Members of the Audit Committee</b>		
Sean Tu	<b>\$3,047.00</b>	These are totals for all meetings attended for 2020–21 financial year.
Paula Davies	<b>\$3,484.00</b>	These are totals for all meetings attended for 2020–21 financial year.
David Powell (Commenced February 2021)	<b>\$1,748.00</b>	These are totals for all meetings attended for 2020–21 financial year.
Sam Spadavecchia (to January 2021)	<b>\$1,736.00</b>	These are totals for all meetings attended for 2020–21 financial year.
IT Allowance	<b>\$14,981.33</b>	Total inclusive of all member payments.
Vehicle Expenses – Mayor	<b>\$1,173.50</b>	
Legal Fees – Elected Members	<b>\$0.00</b>	

\*\* Due to the public health emergency (COVID-19), Mayor Wilson requested for her Mayoral allowance to be decreased by an amount of 20% for a period of 6 months with the intention that council administration reallocate the money to helping vulnerable and elderly members of the community during the pandemic.

The decrease for July 2020 to October 2020 are accounted for in the figures below. The decreased amounts for May 2020 to June 2020 were in the previous annual report.

## TRAINING AND DEVELOPMENT EXPENDITURE FOR 2020–21

	All Elected Members	Mayor Wilson	Deputy Mayor Abley	Councillor Smedley	Councillor Lindop	Total
<b>All of Council</b>						
Workshop training, provided in house by the Leadership Team	<b>Nil additional cost</b>					
<b>Council Delegate Activities</b>						
Australian Local Government Association, National General Assembly				<b>\$1,194.55</b>	<b>\$1,314.00</b>	<b>\$2,508.55</b>
Local Government Association and Annual General Meeting Conference		<b>\$836.00</b>				<b>\$836.00</b>
Murray Darling Association 76th National Conference					<b>\$195.00</b>	<b>\$195.00</b>
Australian of the Year Ceremony		<b>\$274.98</b>				<b>\$274.98</b>
Australian Local Government Womens Association Network Breakfast					<b>\$79.66</b>	<b>\$79.66</b>
<b>Mayor Training</b>						
Media Training (cost shared with joint CEO training)		<b>\$1,650.00</b>				<b>\$1,650.00</b>
<b>Elected Member Training</b>						
Public Speaking for Elected Members Training 3/5/21 (half cost paid by Elected Member)					<b>\$192.50</b>	<b>\$192.50</b>
Public Speaking for Elected Members Training 3/5/21 (half cost paid by Elected Member)			<b>\$192.50</b>			<b>\$192.50</b>
<b>Total training and development expenditure</b>						<b>\$5,929.19</b>



# DECISION-MAKING STRUCTURE



## PROVISIONS FOR MEETING PROCEDURES

The *Local Government Act 1999* is the primary legislation for the operation of Local Government in South Australia and its provisions are supported by *Local Government (General) Regulations 2013*.

All Council and committee meetings are conducted in accordance with the *Local Government Act (Procedures at Meetings) Regulations 2013*.

Meetings for the Council Assessment Panel are convened under the *Planning, Development and Infrastructure Act 2016*.

## COUNCIL

Throughout 2020–21, our Council met twice per month (on the second and fourth Tuesdays of the month). Only one General Council meeting was held in December 2020 and January 2021. During COVID-19 restrictions, meetings were held electronically and in accordance with Council's Code of Practice – Meeting Procedures.





## COUNCIL COMMITTEES

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

### 1. One management committee:

- › Alwyndor Management Committee.

### 2. Two statutory committees:

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

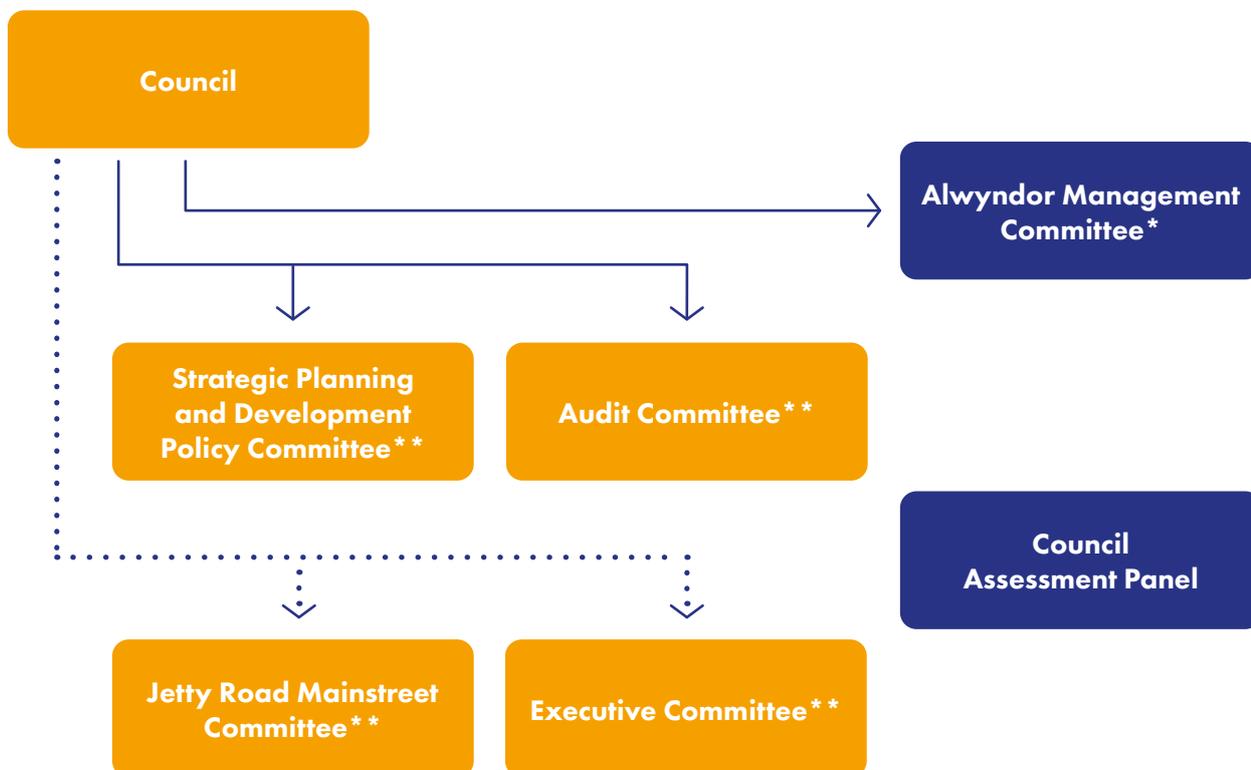
### 3. Two advisory committees:

- › Jetty Road Mainstreet Committee
- › Executive Committee.

The Council Assessment Panel is established under Section 83 of the *Planning Development and Infrastructure Act 2016* (The PDI Act).

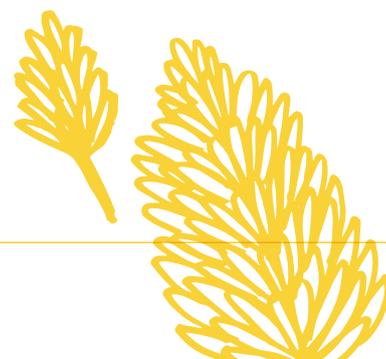
Committee meetings are open to the public unless confidential matters are considered. Notices of meetings, agendas, reports and minutes are available [www.holdfast.sa.gov.au/council/council-committees](http://www.holdfast.sa.gov.au/council/council-committees)

Council’s current committee structure is shown below:



\* delegated authority from Council to make decisions within budget and terms of reference.

\*\* advisory only, with no delegations.



## DELEGATIONS

In accordance with Sections 44 and 101 of the *Local Government Act 1999*, our Council delegates relevant powers and duties to the Chief Executive Officer, who may sub-delegate to individual officers or committees. Council also delegates powers to the Alwyndor Management Committee to make decisions within the Committee's terms of reference. Delegations and individual sub-delegations are reflected in the Delegations Schedule.

## STRATEGIC PLANNING AND DEVELOPMENT POLICY COMMITTEE

The Strategic Planning and Development Policy Committee is formed under Section 41 of the *Local Government Act 1999* and is a requirement of the *Development Act 1993*. The Committee provides advice to Council on strategic planning and development policy issues. The Committee comprises all members of Council and convenes as required.

## AUDIT COMMITTEE

The Audit Committee operates under Section 126 of the *Local Government Act 1999* and oversees our risk management and internal control frameworks. The Committee reports to the Council on a regular basis to confirm that these frameworks are in place and operating effectively, and to review our annual financial statements, *Annual Business Plan* and *Long-Term Financial Plan*.

The committee comprises of 2 Elected Members including the Presiding Member. The independent members each received an allowance per meeting attended of \$433.00 per meeting (July 2020 – November 2020) and then \$437.00 per meeting (November 2020 – June 2021).

The Committee Members are as follows:

### July 2020 to June 2021

- › Councillor Smedley – Presiding Member – Chairperson
- › Councillor Snewin

- › Mr S Spadavecchia – Independent Member – (July 2020 – January 2021)
- › Mr S Tu – Independent Member
- › Ms Paula Davies – Independent Member
- › Mr David Powell – Independent Member – (from January 2021).

## JETTY ROAD MAINSTREET COMMITTEE

The Jetty Road Mainstreet Committee is funded through the collection of a separate rate to assist Council to enhance and promote Glenelg's Jetty Road as a vibrant shopping, leisure and recreational precinct.

The 2020–21 committee comprised two elected members and nine independent members. The member term concluded on 31 March 2021, with 4 members leaving, 4 new members and 5 renominating. The members represent traders and property owners in the precinct, with no allowances paid. The Committee Members are as follows:

### July 2020 to June 2021

- › Con Maios, Maios Investments (Chair)
- › Gilia Martin, Attitudes Boutique (Deputy Chair)
- › Gina Britton, Daisy and Hen (from April 2021)
- › Tristan Chai, Good Physio (from April 2021)
- › Glen Watson, The Royal Moody (from April 2021)
- › Angus Warren, Beach Burrito
- › Tony Beatrice, Cibo Espresso
- › David Elmes, The Jetty Bar (from April 2021)
- › Adoni Fotopoulos, Ikos Holdings Trust
- › Councillor William Miller
- › Councillor Rebecca Abley
- › GU Filmhouse, Mr S Robinson (to March 2021)
- › Ottoman Grill, Mr O Soner (to March 2021)
- › Ms E Fassina (to March 2021)
- › Ms L Boys (to March 2021).

## COUNCIL ASSESSMENT PANEL

The Council Assessment Panel (CAP) is an autonomous authority that considers development applications and makes development decisions. It was established in accordance with the *Planning, Development and Infrastructure Act 2016* and has delegated powers that are administered in accordance with the Act's statutory requirements. It consists of one elected member who is appointed by the Council and four independent members. The Council Assessment Panel met on the fourth Wednesday of the month as required. During 2020–21, the panel met each month with the exception of November 2020. The Presiding Member received \$562 per meeting (July – October 2020) and \$568 per meeting (November 2020 – June 2021). Ordinary Panel members received \$433 per meeting (July – October 2020) and \$437 per meeting (November 2020 – June 2021). Noting that there was no meeting held in November, members received the revised allowance from the December meeting onwards.

In 2020–21, the Panel comprised:

- › Mr David Bailey (Presiding Member)
- › Mr Jim Gronthos
- › Sarah Reachill
- › Yvonne Svensson
- › Councillor Mikki Bouchee
- › Deputy Councillor Jane Fleming (from December 2020).

## ALWYNDOR MANAGEMENT COMMITTEE

The Alwyndor Management Committee oversees the governance of Alwyndor.

The 2020–21 Committee consisted of two Elected Members and seven independent members. Independent members received \$425 per meeting and the Chair received \$531 per meeting.

2020–21 members:

- › Mr Kim Cheater – Chair
- › Ms Julie Bonnici – Deputy Chair
- › Cr Philip Chabrel – Elected Member
- › Cr Mikki Bouchee – Elected Member (appointed February 2021)
- › Ms Julia Cudsi – Member (resigned September 2020)
- › Cr Susan Lonie – Elected Member (resigned January 2021) and replaced by Cr Mikki Bouchee from January 2021
- › Prof Judy Searle – Member
- › Prof Lorraine Sheppard – Member
- › Ms Trudy Sutton – Member
- › Mr Kevin Whitford – Member.



# ORGANISATIONAL STRUCTURE AS AT 30 JUNE 2021

**Note:** An organisational realignment was enacted on 3 May 2021



**Roberto Bria**  
CEO

## Assets and Delivery



**Michael de Heus**  
GENERAL MANAGER  
ASSETS AND DELIVERY



**Vacant**  
MANAGER  
ENGINEERING



**Bill Blyth**  
MANAGER  
FIELD SERVICES

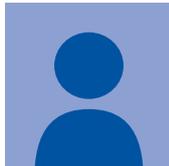


**Mathew Walsh**  
MANAGER, BUILDINGS  
& FACILITIES

## Community and Business



**Marnie Lock**  
GENERAL MANAGER  
COMMUNITY  
AND BUSINESS



**Vacant**  
MANAGER  
CITY  
ACTIVATION



**Monica Du Plessis**  
MANAGER  
COMMUNITY  
WELLBEING



**Tania Paull**  
MANAGER CUSTOMER  
EXPERIENCE AND  
LIBRARY SERVICES



**Adrian Hill**  
MANAGER  
COMMUNITY  
SAFETY



**Michelle Logie**  
COMMUNICATIONS  
AND ENGAGEMENT

## Strategy and Corporate



**Pamela Jackson**  
GENERAL  
MANAGER  
STRATEGY &  
CORPORATE



**John Newton**  
MANAGER  
FINANCE



**Sharon Somerville**  
MANAGER  
PEOPLE &  
CULTURE



**Robert Zanin**  
MANAGER  
INNOVATION &  
TECHNOLOGY  
SERVICES



**Matthew Rechner**  
MANAGER  
PUBLIC REALM  
AND DESIGN



**Anthony Marroncelli**  
MANAGER  
DEVELOPMENT  
SERVICES



**Ania Karzek**  
MANAGER  
STRATEGY &  
GOVERNANCE

## Alwyndor



**Beth Davidson-Park**  
GENERAL MANAGER  
ALWYNDOR



**Dan McCartney**  
MANAGER,  
PEOPLE & CULTURE



**Leisa Humphrey**  
FINANCIAL  
MANAGER



**Natasha Stone**  
(ACTING) RESIDENTIAL  
SERVICES MANAGER



**Molly Salt**  
MANAGER,  
COMMUNITY  
CONNECTIONS

# **CORPORATION OF THE CITY OF HOLDFAST BAY**



## OUR VALUES

Our ARISE values are the way we achieve our vision.

### Achievement

Deliver agreed outcomes for our community.

### Respect

Act with honesty and integrity.

### Innovation

Seek better ways.

### Simplicity

Easy to do business with.

### Engagement

Provide opportunities for all to participate.

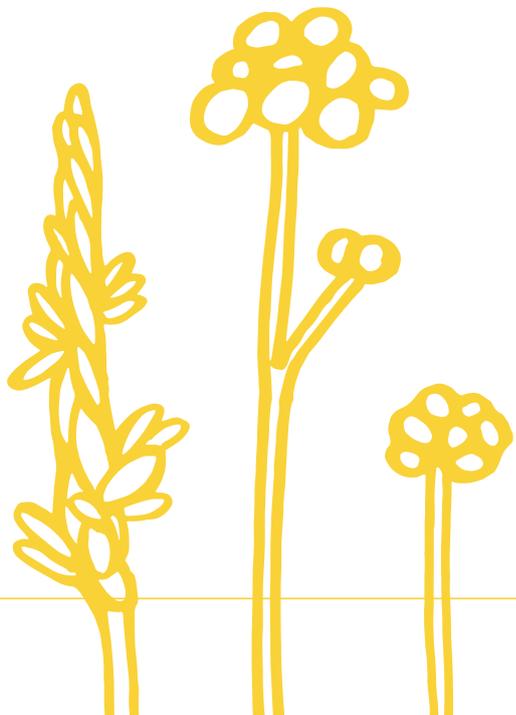
## SENIOR LEADERSHIP TEAM

Council is supported in its decision making by a senior leadership team, which comprises:

- › Chief Executive Officer, Roberto Bria
- › General Manager Alwyndor Aged Care, Beth Davidson Park
- › General Manager City Assets and Services, Howard Lacy (to February 2021)
- › Michael de Heus was appointed General Manager Assets and Delivery in May 2021
- › General Manager Community & Business, Marnie Lock
- › General Manager Strategy & 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.



## REMUNERATION PROFILE

Total remuneration as at 30.06.2021 (excluding superannuation)	COUNCIL		ALWYNDOR		TOTAL	
	Male	Female	Male	Female	Male	Female
< \$25,000	1	8	6	68	7	76
\$25,000 – \$35,000	3	7	1	33	4	40
\$35,001 – \$45,000	0	5	7	31	7	36
\$45,001 – \$55,000	1	17	8	36	9	53
\$55,001 – \$65,000	6	8	8	26	14	34
\$65,001 – \$75,000	41	13	4	20	45	33
\$75,001 – \$85,000	13	15	2	11	15	26
\$85,001 – \$95,000	11	11	1	11	12	22
\$95,001 – \$105,000	5	10	0	3	5	13
\$105,001 – \$115,000	1	1	2	0	3	1
\$115,001 – \$125,000	2	1	1	2	3	3
\$125,001 – \$150,000	5	3	0	1	5	4
>\$150,000	2	2	0	1	2	3
<b>Total</b>	<b>91</b>	<b>101</b>	<b>40</b>	<b>243</b>	<b>131</b>	<b>344</b>





## WORK HEALTH AND SAFETY

Total Hazards	<b>32</b>
Total Incidents	<b>136</b>
Total Injuries	<b>72</b>

Note: This table includes totals for Alwyndor.

The Local Government Association Workers Compensation Scheme (LGAWCS) provides the City of Holdfast Bay with a fully integrated Claims, Return to Work and Work Health Safety Service. Claims are determined and coordinated by LGAWCS as our Insurer.

## WORKFORCE PLANNING

Work continues on building skills and capability across our workforce to provide excellent customer experience and provide flexibility in times of changing service demands and technology. Recruitment focuses 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 developed to ensure the attraction of high quality candidates and retention of staff.

Voluntary employee turnover for Council was 7.84 per cent. Alwyndor Aged Care's turnover was 16.5 per cent.

## TRAINING AND DEVELOPMENT

Approximately \$156,049 was spent on developing workforce skills to meet current and future needs, and this included mandatory training to meet legislative requirements such as work health and safety as well as governance obligations. Work has been undertaken to determine the capabilities and key behaviour indicators required to be a leader within Council. Strategies will be implemented to measure and build capability across Council.

# TRANSPARENCY



## COMMUNITY ENGAGEMENT

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

There are a number of community engagements held throughout the year, where we invite you to share your view through a variety of methods, including online hubs, drop-in sessions, workshops, focus groups and surveys.

To find out more visit [www.yourholdfast.com](http://www.yourholdfast.com).

## COMMUNICATIONS

We are committed to communicating to and with our community in a clear and open way. We provide a number of ways for the community to contact and interact with us, including direct contact with council staff via the telephone or in person at the Brighton Civic Centre or in our libraries. We can also be contacted by telephone, mail, email and via our website, and social media. Council information is provided on our website ([holdfast.sa.gov.au](http://holdfast.sa.gov.au)), and through a range of council publications, e-newsletters including the new fortnightly Holdfast News, the quarterly *Our Place* magazine sent to all ratepayers, and social media.

A new fortnightly e-newsletter, Holdfast News, was launched in July 2020. It features the latest council news, project updates and forthcoming events and currently has 1,920 subscribers.

## COMMUNITY LAND MANAGEMENT PLANS

Community land management plans identify the purpose and objectives of land held for community use and operate in accordance with Section 196 of the *Local Government Act 1999*.

In the 2020–21 financial year Council purchased a portion (approx. 8m<sup>2</sup>) of private property located at 15 Pine Avenue Kingston Park to rectify a footpath encroachment.

## REGISTERS AND CODES

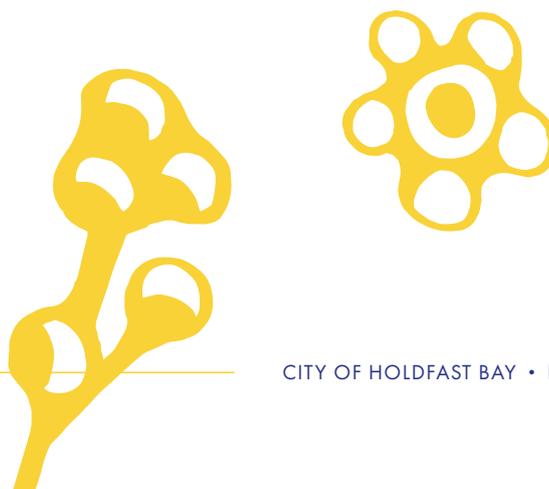
The following documents are available to the public:

### Registers

- › Register of Interests (Elected Members)
- › Register of Gifts and Benefits (Elected Members)
- › Register of Allowances and Benefits (Elected Members)
- › Register of Conflicts of Interest (Elected Members)
- › Register of Remuneration, Salaries and Benefits (Employees)
- › Register of Interests (Employees)
- › Register of Gifts and Benefits (Employees)
- › Register of Community Land
- › Register of Community Leases
- › Register of Public Roads
- › Register of By-Laws and certified copies
- › Register of Fees and Charges
- › Register of Building Upgrade Agreements
- › Register of Facilities
- › Record of Delegation

### Codes

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



## INTERNAL REVIEW OF COUNCIL ACTIONS – SECTION 270 OF THE LOCAL GOVERNMENT ACT 1999

We recognise the importance of transparency in decision making and the need to provide a fair procedure for the review of Council decisions, including matters relating to the impact of rates and service charges on ratepayers.

We received one request in 2020–21 to review Council decisions in accordance with the provisions of Section 270 of the *Local Government Act 1999 – Internal Review of Council Decisions*.

Year	Number of reviews
2020–21	1
2019–20	3
2018–19	4
2017–18	5
2016–17	1
2015–16	3
2014–15	3

The details for 2020–21 review was as follows:

- › Development Plans: Decision varied.

## FREEDOM OF INFORMATION APPLICATIONS

In 2020–21, 20 requests were received to release information under *Freedom of Information Act 1991*. All requests were resolved:

- › 11 granted full access
- › 6 granted partial access with redactions applied as necessary
- › 1 where there was no documents held
- › 2 refused access as documents available through other processes.

## INDEPENDENT AUDITORS

The *Local Government Act 1999* provides that auditors will be appointed on the recommendation of the Audit Committee for a term no longer than five years. As of 1 July 2020, Dean Newbery & Partners were appointed as Council’s external auditors for a period of five years. For the 2020–21 external auditing services for both Municipal and Alwyndor operations, Dean Newbery & Partners were paid \$30,500 (excluding GST).



## LOCAL NUISANCE AND LITTER CONTROL

In 2020–21 in accordance to the *Local Nuisance and Litter Control Act 2017*, 436 complaints were registered, 4 abatement notices were provided and 8 expiation notices were issued.

	Dust	Noise	Smoke	Odour	Animals	Litter (Asbestos)	Litter	Insanitary Conditions	Unsightly Conditions	Bill Posting	Total
<b>Complaints</b>	16	38	11	0	21	319	2	13	15	1	<b>436</b>
<b>Abatement Notices</b>	0	1	0	0	1	0	0	2	0	0	<b>4</b>
<b>Expiations</b>	0	1	0	0	0	6	0	0	0	1	<b>8</b>

## NATIONAL COMPETITION POLICY

Competitive neutrality is one of the key principles of the National Competition Policy. The principle is based on the concept of a level playing field for people competing for business and relates to any situation where there is, or there is the potential for, competition between the private and public sectors.

Councils are required to identify their business activities and disclose those in Category One (annual gross operating income greater than \$2 million per year) and Category Two (annual gross operating income less than \$2 million per year).

In 2020–21 we continued to maintain the following significant business activities:

- › Category One
  - » Alwyndor Aged Care Facility
- › Category Two
  - » Brighton Caravan Park
  - » Partridge House

- » Kauri Parade Sporting Complex
- » The Glenelg Visitor Information Centre
- » Partridge St Car Parks.

## COMPETITIVE TENDERING

Tenders are called for contracts in excess of \$100,000, provided Council is of the reasonable opinion that a competitive process is practicable and will deliver greater benefit than through other methods. Likewise tenders are used for contracts of a lesser amount where the process is considered to be most appropriate. All tendering is managed within the following procurement principles:

- › Value for money
- › Transparent, accountable, fair and ethical
- › Social responsibility
- › Environmental sustainability
- › Buy local
- › Work health and safety.



## REPRESENTATION QUOTA

Our Council is divided into four (4) Wards, with three (3) councillors representing each ward, plus a Mayor.

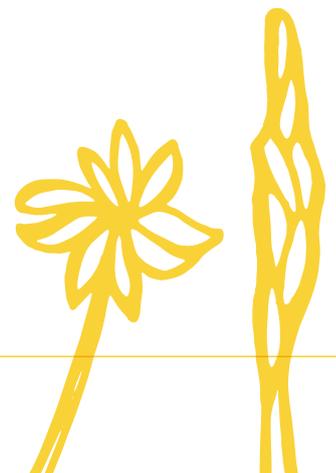
The details for the City of Holdfast Bay elector representation ratios are below and comparative data for similar councils (Electoral Commission SA – March 2021):

Council	No of Elected Members	Electors	Representation Quota
Norwood Payneham St Peters (15.1km <sup>2</sup> )	14	25,862	1:1,847
Unley (14.29km <sup>2</sup> )	13	27,602	1:2,123
Holdfast Bay (13.72km <sup>2</sup> )	13	28,562	1:2,197
Burnside (27.53km <sup>2</sup> )	13	32,083	1:2,468
West Torrens (37.07km <sup>2</sup> )	15	42,378	1:2,825
Campbelltown (24.35km <sup>2</sup> )	11	36,254	1:3,296
Mitcham (75.55km <sup>2</sup> )	14	48,930	1:3,495
<b>Average</b>			<b>1 per 2,607</b>

Council is required to conduct a review of representation at least once in every eight years or within a period specified by the Electoral Commissioner.

As required under the *Local Government Act 1999*, Section 12(4), a review of the Council's composition and structure was considered in 2012–13 and came into effect at the periodic Local Government elections in November 2014.

Council was required by the Minister for Local Government to undertake a recent Representation Review during October 2020 and October 2021, which has been undertaken and is pending Electoral Commissioner SA certification. The review process involved two stages of public consultation as prescribed by the *Local Government Act* allowing opportunity for public submissions to be provided to the Council during the review process.



## NUMBER OF ITEMS DISCUSSED IN CONFIDENCE

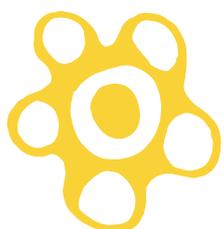
The *Local Government Act 1999* determines that Council meetings be held in a public place. On occasions the need to keep information or discussion confidential outweighs the need for public meetings for reasons predetermined in the *Local Government Act 1999*.

From July 1 2020 to June 30 2021, the City of Holdfast Bay was satisfied of the necessity to consider items in confidence on 34 occasions under s90(2) of the *Local Government Act 1999*.

The grounds for these matter to be heard in confidence are detailed in the table below. There can be multiple grounds for each confidential order.

	<b>Grounds of Confidential Orders</b>	<b>Grounds for Confidential Orders</b>
A	Personal Affairs	<b>2</b>
B	Commercial Advantage	<b>16</b>
C	Trade Secret	<b>1</b>
D	Commercial Information not a trade secret	<b>15</b>
E	Security/safety	<b>4</b>
F	Maintenance of Law	<b>0</b>
G	Breach of Law	<b>0</b>
H	Legal Advice	<b>4</b>
I	Litigation	<b>0</b>
J	Minister of the Crown	<b>0</b>
K	Tenders for the supply of goods	<b>7</b>
M	Amendment to the <i>Development Plan</i>	<b>0</b>
N	<i>Freedom of Information Act 1982</i>	<b>0</b>
<b>Total</b>		<b>49</b>

The grounds of each Confidential Order are reflected in the table above. There can be multiple grounds under each order.



## CONFIDENTIAL ORDERS RELEASED FROM PREVIOUS YEARS FOR 2020–21

The grounds of each confidential order released during 2020–2021 for items held in confidence from previous years are relected in the table below. This table does not include items discussed in confidence in 2020–21 and released from confidence in the same year.

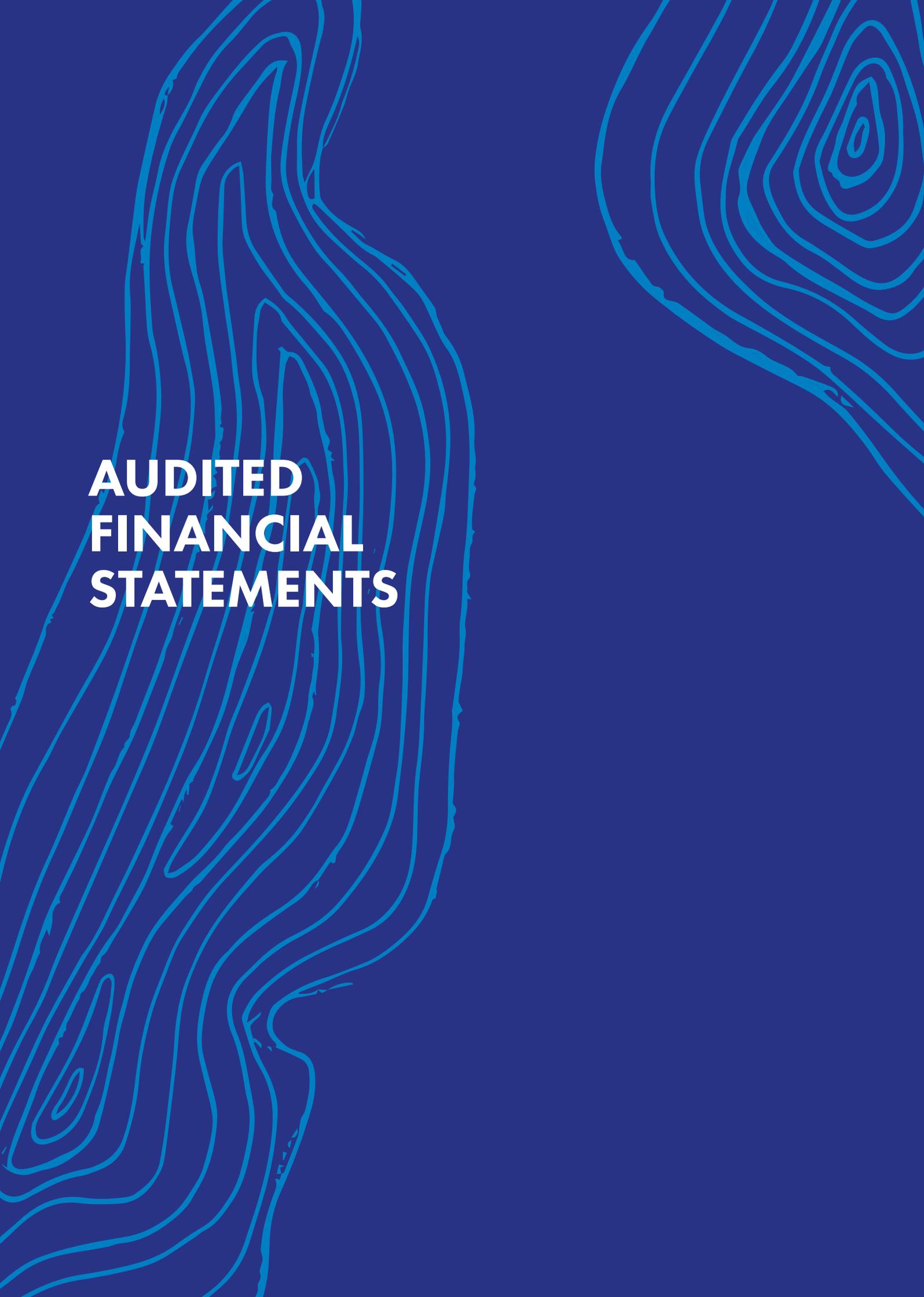
Confidential Order Categories	Number of Grounds under each Confidential order
A Personal Affairs	3
B Commercial Advantage	3
C Trade Secret	0
D Commercial Information not a trade secret	2
E Security/safety	0
F Maintenance of Law	0
G Breach of Law	1
H Legal Advice	0
I Litigation	0
J Minister of the Crown	0
K Tenders for the supply of goods	1
M Amendment to the <i>Development Plan</i>	1
N <i>Freedom of Information Act 1982</i>	0
<b>Total</b>	<b>11</b>

## ITEMS RETAINED IN CONFIDENCE

Following the release of items held in confidence as listed above, the table below reflects those items from previous years that still remain in confidence. The total for 2020–21 provided here is not the same as that provided in the table on the previous page because some items can be held in confidence and released in the same financial year.

July 1 to June 30 of any Year	2003–04	2004–05	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Number of Items per financial year	1	1	0	0	8	3	0	0	1	2	1	1	3	12	28	28	24	32



The background is a solid dark blue color. Overlaid on this are several white, hand-drawn style contour lines. These lines form irregular, wavy shapes that resemble topographical map lines or perhaps stylized, organic forms. The lines are most prominent on the left side and top right, with some smaller, more circular shapes scattered throughout. The overall effect is a textured, layered appearance.

**AUDITED  
FINANCIAL  
STATEMENTS**

## City of Holdfast Bay

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

#### Certification of Financial Statements

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

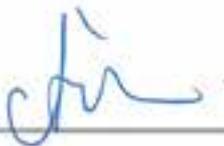
**In our opinion:**

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



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R. Bna  
CHIEF EXECUTIVE OFFICER



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A. Wilson  
MAYOR

Date: 27 October 2020

## City of Holdfast Bay

### Statement of Comprehensive Income for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Income</b>			
Rates	2a	37,086	36,020
Statutory Charges	2b	2,230	2,282
User Charges	2c	7,602	7,698
Grants, Subsidies and Contributions	2g	13,958	13,896
Investment Income	2d	411	687
Reimbursements	2e	3,493	2,632
Other Income	2f	4,915	4,042
Net Gain - Equity Accounted Council Businesses	19	99	76
<b>Total Income</b>		<b>69,794</b>	<b>67,333</b>
<b>Expenses</b>			
Employee Costs	3a	11,646	29,316
Materials, Contracts & Other Expenses	3b	2,807	25,605
Depreciation, Amortisation & Impairment	3c	10,416	10,150
Finance Costs	3d	2,117	778
<b>Total Expenses</b>		<b>70,986</b>	<b>65,849</b>
<b>Operating Surplus / (Deficit)</b>		<b>(1,192)</b>	<b>1,484</b>
Asset Disposal & Fair Value Adjustments	4	(3,396)	(243)
Amounts Received Specifically for New or Upgraded Assets	2g	4,728	3,460
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>140</b>	<b>4,701</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	(710)	(11,523)
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	183	-
<b>Total Other Comprehensive Income</b>		<b>(527)</b>	<b>(11,523)</b>
<b>Total Comprehensive Income</b>		<b>(387)</b>	<b>(6,822)</b>

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

## City of Holdfast Bay

### Statement of Financial Position as at 30 June 2020

\$ '000	Notes	2020	2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	21,355	25,559
Trade & Other Receivables	5b	5,513	3,244
Inventories	5c	10	9
<b>Total Current Assets</b>		<b>26,878</b>	<b>28,812</b>
<b>Non-Current Assets</b>			
Financial Assets	6a	1,166	1,301
Equity Accounted Investments in Council Businesses	6b	3,227	2,945
Infrastructure, Property, Plant & Equipment	7a	720,377	712,513
Other Non-Current Assets	6c	4,551	5,053
<b>Total Non-Current Assets</b>		<b>729,321</b>	<b>721,812</b>
<b>TOTAL ASSETS</b>		<b>756,199</b>	<b>750,624</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	45,278	41,053
Borrowings	8b	3,056	1,000
Provisions	8c	4,618	4,068
<b>Total Current Liabilities</b>		<b>52,952</b>	<b>46,121</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	10,554	11,460
Provisions	8c	469	432
<b>Total Non-Current Liabilities</b>		<b>11,023</b>	<b>11,892</b>
<b>TOTAL LIABILITIES</b>		<b>63,975</b>	<b>58,013</b>
<b>Net Assets</b>		<b>692,224</b>	<b>692,611</b>
<b>EQUITY</b>			
Accumulated Surplus		179,483	179,160
Asset Revaluation Reserves	9a	506,326	507,036
Other Reserves	9b	6,415	6,415
<b>Total Council Equity</b>		<b>692,224</b>	<b>692,611</b>

TO BE UPDATED

## City of Holdfast Bay

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

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
<b>2020</b>					
<b>Balance at the end of previous reporting period</b>		179,160	507,036	6,415	<b>692,611</b>
<b>Net Surplus / (Deficit) for Year</b>		140	-	-	<b>140</b>
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(710)	-	<b>(710)</b>
- Share of OCI - Equity Accounted Council Businesses	19	183	-	-	<b>183</b>
<b>Other Comprehensive Income</b>		<b>183</b>	<b>(710)</b>	<b>-</b>	<b>(527)</b>
<b>Total Comprehensive Income</b>		<b>323</b>	<b>(710)</b>	<b>-</b>	<b>(387)</b>
<b>Balance at the end of period</b>		<b>179,483</b>	<b>506,326</b>	<b>6,415</b>	<b>692,224</b>
<b>TO BE UPDATED</b>					
<b>2019</b>					
<b>Balance at the end of previous reporting period</b>		174,459	518,559	6,415	<b>699,433</b>
<b>Net Surplus / (Deficit) for Year</b>		4,701	-	-	<b>4,701</b>
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(11,523)	-	<b>(11,523)</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>(11,523)</b>	<b>-</b>	<b>(11,523)</b>
<b>Total Comprehensive Income</b>		<b>4,701</b>	<b>(11,523)</b>	<b>-</b>	<b>(6,822)</b>
<b>Balance at the end of period</b>		<b>179,160</b>	<b>507,036</b>	<b>6,415</b>	<b>692,611</b>

## City of Holdfast Bay

### Statement of Cash Flows for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Cash Flows from Operating Activities</b>			
<b><u>Receipts</u></b>			
Rates		36,370	35,907
Statutory Charges		2,270	2,332
User Charges		7,792	10,097
Grants, Subsidies and Contributions (operating purpose)		14,058	14,066
Investment Receipts		411	687
Reimbursements		3,503	2,642
Other Receipts		9,354	13,146
<b><u>Payments</u></b>			
Payments to Employees		(31,395)	(29,367)
Payments for Materials, Contracts & Other Expenses		(28,848)	(34,849)
Finance Payments		(665)	(778)
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>12,850</b>	<b>13,883</b>
<b>Cash Flows from Investing Activities</b>			
<b><u>Receipts</u></b>			
Amounts Received Specifically for New/Upgraded Assets		3,485	(2,886)
Sale of Replaced Assets		195	390
Sale of Surplus Assets		40	22
Repayments of Loans by Community Groups		112	208
<b><u>Payments</u></b>			
Expenditure on Renewal/Replacement of Assets		(7,799)	(4,268)
Expenditure on New/Upgraded Assets		(14,320)	(7,162)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(18,287)</b>	<b>(13,696)</b>
<b>Cash Flows from Financing Activities</b>			
<b><u>Receipts</u></b>			
Proceeds from Borrowings		2,150	-
Proceeds from Bonds & Deposits		-	4
Proceeds from Aged Care Facility Deposits		7,159	8,640
<b><u>Payments</u></b>			
Repayments of Borrowings		(1,000)	(1,130)
Repayment of Bonds & Deposits		(34)	-
Repayment of Aged Care Facility Deposits		(7,042)	(9,234)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>1,233</b>	<b>(1,720)</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(4,204)</b>	<b>(1,533)</b>
plus: Cash & Cash Equivalents at beginning of period	11	25,559	27,092
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>21,355</b>	<b>25,559</b>

TO BE UPDATED

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

## Contents of the Notes accompanying the Financial Statements

Note	Details
1	Significant Accounting Policies
2	Income
3	Expenses
4	Asset Disposal & Fair Value Adjustments
	<b>Current Assets</b>
5a	Cash & Cash Equivalent Assets
5b	Trade & Other Receivables
5c	Inventories
	<b>Non-Current Assets</b>
6a	Financial Assets
6b	Equity Accounted Investments in Council's Businesses
6c	Other Non-Current Assets
	<b>Fixed Assets</b>
7a (i)	Infrastructure, Property, Plant & Equipment
7a (ii)	Investment Property
7b	Valuation of Infrastructure, Property, Plant & Equipment
	<b>Liabilities</b>
8a	Trade & Other Payables
8b	Borrowings
8c	Provisions
	<b>Reserves</b>
9a	Asset Revaluation Reserve
10	Assets Subject to Restrictions
11	Reconciliation to Statement of Cashflows
12a	Functions
12b	Components of Functions
13	Financial Instruments
14	Capital Expenditure and Investment Property Commitments
15	Financial Indicators
16	Uniform Presentation of Finances
17	Leases
18	Superannuation
19	Interests in Other Entities
20	Non Current Assets Held for Sale & Discontinued Operations
21	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet
22	Events After the Statement of Financial Position Date
23	Related Party Transactions
	<b>n/a</b> - not applicable

**TO BE UPDATED**

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 (except as stated below) in accordance with Australian Accounting Standards as they apply to not-for-profit entities of an authoritative pronouncement 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).

**2 The Local Government Reporting Entity**

The City of Holdfast Bay is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 24 Jetty Road, Brighton. These 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 'transaction price' which the Council expects to be entitled in a contract with a customer.

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

In 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
2017/18	\$1,185,644	\$1,136,934	+\$48,710
2018/19	\$1,676,394	\$1,324,637	+\$351,757
2019/20	\$1,234,622	\$1,173,216	+\$61,406

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

Note 1. Summary of Significant Accounting Policies (continued)

had the grants been paid in the year to which they were allocated.

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

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

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

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

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

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

**5 Inventories**

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

**6 Infrastructure, Property, Plant & Equipment**

**6.1 Initial Recognition**

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

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and

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

**6.2 Materiality**

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

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

**6.3 Subsequent Recognition**

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

**6.4 Depreciation of Non-Current Assets**

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

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for

TO BE UPDATED

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

Note 1. Summary of Significant Accounting Policies (continued)

infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

**Plant, Furniture & Equipment**

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

**Building & Other Structures**

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

**Infrastructure**

Sealed Roads – Surface	15 to 40 years
Sealed Roads – Structure	120 to 150 years
Sealed Roads – Sub-base	300 years
Sealed Roads – Kerbing	100 years
Bridges	100 years
Paving & Footpaths	10 to 50 years
Drains / Culverts	15 to 150 years
Playground Equipment	10 to 20 years
Benches, seats, etc	7 to 25 years

**Other Assets**

Library Lending Materials	7 years
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**6.5 Impairment**

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

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

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

**7 Payables**

**7.1 Goods & Services**

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

**7.2 Payments Received in Advance & Deposits**

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

**8 Borrowings**

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

**9 Employee Benefits**

**9.1 Salaries, Wages & Compensated Absences**

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

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

**9.2 Superannuation**

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies

**TO BE UPDATED**

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

Note 1. Summary of Significant Accounting Policies (continued)

applied and Council's involvement with the schemes are reported in Note 18.

### 10 Leases

#### Accounting policy applicable from 01 July 2019

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

#### 10.1 Leases and Right-of-use assets

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 Aged Care 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 Aged Care has assessed that residents enter a lease to occupy a room within residential aged care facilities. Refer to note 1 (8.1.ii.).

#### i.) Aged Care Refundable Accommodation Deposits/ Contributions

Refundable Accommodation Deposits/Contributions are recognised upon receipt as per the amount received. Amounts received are repaid upon the resident vacating their accommodation and are settled in accordance with legislative requirements.

The accounting treatment for resident loans is described in 1(X) 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 (RADs))

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 (10).

### 11 Equity Accounted Council Businesses

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

### 12 GST Implications

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

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.

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

Note 1. Summary of Significant Accounting Policies (continued)

- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

**13 New and amended accounting standards and interpretations**

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

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

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

The Council has determined the impact of the new standards will mainly impact the timing of revenue recognition in relation to special purpose grants. These grants are provided to the Council to construct or acquire an asset to be controlled by the Council. They are accounted for under AASB 1058 and as such, amounts received in relation to these grants are recorded as a liability "Amounts in Advance" and recorded in revenue as the asset is constructed.

**AASB 16 Leases**

**Council**

Council applied AASB 16 Leases, for the first time from 1 July 2019. This standard requires that the right of use conveyed by leasing contracts (except leases with a maximum term of 12 months and leases for low-value assets) be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2020, Council has no leases to which this treatment will need to be applied.

**Alwyndor Aged Care**

Alwyndor Aged Care has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for

short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss.

For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

*Impact of adoption*

AASB 16 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

The impact of the new Accounting Standards compared with the previous Accounting Standards on the current reporting period is as follows:

	New \$	Previous \$	Difference \$
Residential daily accommodation fees	1,882,278	430,133	1,452,145
Interest on accommodation bonds	1,535,138	82,993	1,452,145
Net surplus	347,140	347,140	-
Net assets	-	-	-

**14 Disclaimer**

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

TO BE UPDATED

## City of Holdfast Bay

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

### Note 2. Income

\$ '000	Notes	2020	2019
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		35,717	34,662
Less: Mandatory Rebates		(471)	(445)
Less: Discretionary Rebates, Remissions & Write Offs		(196)	(178)
<b>Total General Rates</b>		<b>35,050</b>	<b>34,039</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		1,307	1,254
Separate & Special Rates		650	635
<b>Total Other Rates</b>		<b>1,957</b>	<b>1,889</b>
<b>Other Charges</b>			
Penalties for Late Payment		45	76
Legal & Other Costs Recovered		34	16
<b>Total Other Charges</b>		<b>79</b>	<b>92</b>
<b>Total Rates Revenues</b>		<b>37,086</b>	<b>36,020</b>
<b>(b). Statutory Charges</b>			
Development Act Fees		340	375
Animal Registration Fees & Fines		183	157
Parking Fines / Expiation Fees		1,161	1,140
Other Licences, Fees & Fines		546	610
<b>Total Statutory Charges</b>		<b>2,230</b>	<b>2,282</b>
<b>(c). User Charges</b>			
Cemetery/Crematoria Fees		245	154
Parking Fees		838	1,013
Sundry		76	90
Commercial Leases/Caravan Park		2,407	2,743
Aged Care Residential Fees and Rentals		3,876	3,515
Major Community Event		160	177
Other		-	6
<b>Total User Charges</b>		<b>7,602</b>	<b>7,698</b>

**TO BE UPDATED**

## City of Holdfast Bay

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

#### Note 2. Income (continued)

\$ '000	Notes	2020	2019
<b>(d). Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		283	349
- Banks & Other		128	338
<b>Total Investment Income</b>		<b>411</b>	<b>687</b>
<b>(e). Reimbursements</b>			
Private Works		71	73
Aged Care Facility - Home Care		2,969	2,308
Other		453	251
<b>Total Reimbursements</b>		<b>3,493</b>	<b>2,632</b>
<b>(f). Other Income</b>			
Rebates Received		270	428
Sundry		377	369
Aged Care Facility - Accommodation and Care Fees		2,425	979
Aged Care Facility - Home Care		1,744	2,132
Other		99	134
<b>Total Other Income</b>		<b>4,915</b>	<b>4,042</b>
<b>(g). Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets		4,728	3,460
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>		<b>4,728</b>	<b>3,460</b>
Other Grants, Subsidies and Contributions		11,341	10,954
Untied - Financial Assistance Grant		1,173	1,325
Roads to Recovery		373	300
Home and Community Care Grant		1,010	965
Individually Significant Item - Additional Grants Commission Payment (refer below)		61	352
<b>Total Other Grants, Subsidies and Contributions</b>		<b>13,958</b>	<b>13,896</b>
<b>Total Grants, Subsidies, Contributions</b>		<b>18,686</b>	<b>17,356</b>
The functions to which these grants relate are shown in Note 12.			
<b>(i) Sources of grants</b>			
Commonwealth Government		11,241	11,506
State Government		7,426	5,802
Other		19	48
<b>Total</b>		<b>18,686</b>	<b>17,356</b>

## City of Holdfast Bay

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

### Note 3. Expenses

\$ '000	Notes	2020	2019
<b>(a). Employee Costs</b>			
Salaries and Wages		26,531	24,136
Employee Leave Expense		2,296	2,312
Superannuation - Defined Contribution Plan Contributions	18	2,423	2,359
Superannuation - Defined Benefit Plan Contributions	18	250	277
Workers' Compensation Insurance		978	1,048
Less: Capitalised and Distributed Costs		(832)	(816)
<b>Total Operating Employee Costs</b>		<b>31,646</b>	<b>29,316</b>
Total Number of Employees (full time equivalent at end of reporting period)		340.4	332.6
<b>TO BE UPDATED</b>			
<b>(b). Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		41	41
Elected Members' Expenses		363	343
Election Expenses		12	214
Operating Lease Rentals - Non-Cancellable Leases (2019 only)	17		
- Minimum Lease Payments		-	47
<b>Subtotal - Prescribed Expenses</b>		<b>433</b>	<b>645</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		7,802	7,728
Energy		518	619
Maintenance		2,341	2,467
Legal Expenses		160	247
Levies Paid to Government - NRM levy		1,282	1,234
Levies - Other		-	1
Professional Services		3,324	2,464
Water		573	763
Materials		2,666	2,595
Insurances		578	565
Waste Management		3,941	3,770
Other		3,189	2,507
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>26,374</b>	<b>24,960</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>26,807</b>	<b>25,605</b>

## City of Holdfast Bay

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

#### Note 3. Expenses (continued)

\$ '000	Notes	2020	2019
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Buildings & Other Structures		2,784	2,820
Infrastructure			
- Stormwater Drainage		503	492
- Roads		1,470	1,361
- Footpaths		945	929
- Kerb & Guttering		670	726
- Other Transport		445	442
- Open Space & Coastal		1,861	1,698
Plant & Equipment		970	1,013
Furniture & Fittings, Office Equipment		618	519
Library Lending Materials		150	150
<b>Total Depreciation, Amortisation and Impairment</b>		<b>10,416</b>	<b>10,150</b>
<b>(d). Finance Costs</b>			
Interest on Loans		582	630
Interest on Accommodation Bonds		1,535	148
<b>Total Finance Costs</b>		<b>2,117</b>	<b>778</b>

TO BE UPDATED

#### Note 4. Asset Disposal & Fair Value Adjustments

<b>Infrastructure, Property, Plant &amp; Equipment</b>			
<b>(i) Assets Renewed or Directly Replaced</b>			
Proceeds from Disposal		195	390
Less: Carrying Amount of Assets Sold		(3,556)	(631)
<b>Gain (Loss) on Disposal</b>		<b>(3,361)</b>	<b>(241)</b>
<b>(ii) Assets Surplus to Requirements</b>			
Proceeds from Disposal		40	22
Less: Carrying Amount of Assets Sold		(75)	(24)
<b>Gain (Loss) on Disposal</b>		<b>(35)</b>	<b>(2)</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>		<b>(3,396)</b>	<b>(243)</b>

## City of Holdfast Bay

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

### Note 5. Current Assets

\$ '000	Notes	2020	2019
<b>(a). Cash &amp; Cash Equivalent Assets</b>			
Cash on Hand at Bank		916	294
Deposits at Call		16,172	8,523
Short Term Deposits & Bills, etc.		4,267	16,742
<b>Total Cash &amp; Cash Equivalent Assets</b>		<b>21,355</b>	<b>25,559</b>
<b>(b). Trade &amp; Other Receivables</b>			
Rates - General & Other		1,288	574
Council Rates Postponement Scheme		42	40
Accrued Revenues		57	168
Debtors - General		1,626	1,436
GST Recoupment		240	196
Prepayments		527	298
Loans to Community Organisations		218	195
Aged Care Facility Deposits		1,942	525
<b>Subtotal</b>		<b>5,940</b>	<b>3,432</b>
Less: Allowance for Doubtful Debts		(427)	(188)
<b>Total Trade &amp; Other Receivables</b>		<b>5,513</b>	<b>3,244</b>
<b>(c). Inventories</b>			
Stores & Materials		10	9
<b>Total Inventories</b>		<b>10</b>	<b>9</b>

TO BE UPDATED

## City of Holdfast Bay

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

### Note 6. Non-Current Assets

\$ '000	Notes	2020	2019
<b>(a). Financial Assets</b>			
<b>Receivables</b>			
Loans to Community Organisations		1,684	1,819
Provision for Impairment on Loans to Community Organisations		(518)	(518)
<b>Total Receivables</b>		<b>1,166</b>	<b>1,301</b>
<b>Total Financial Assets</b>		<b>1,166</b>	<b>1,301</b>
<b>(b). Equity Accounted Investments in Council Businesses</b>			
Southern Region Waste Resources Authority		3,227	2,945
<b>Total Equity Accounted Investments in Council Businesses</b>		<b>3,227</b>	<b>2,945</b>
<b>(c). Other Non-Current Assets</b>			
Capital Works-in-Progress		4,551	5,053
<b>Total Other Non-Current Assets</b>		<b>4,551</b>	<b>5,053</b>

**TO BE UPDATED**

City of Holdfast Bay

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

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

	Fair Value Level	as at 30/6/2019					Asset Movements during the Reporting Period						as at 30/6/2020				
		At Fair Value	At Cost	Accumulated Dep'n	Impairment	Carrying Value	Asset Additions New / Upgrade	Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Dep'n	Impairment	Carrying Value
\$ '000																	
Land	2	28,062	-	-	-	28,062	-	-	-	-	-	-	28,062	-	-	-	28,062
Buildings & Other Structures	3	330,274	347	-	-	330,621	191	-	-	-	-	-	330,812	538	-	-	330,812
Buildings & Other Structures	2	3,652	-	2,554	-	1,098	-	247	-	(38)	-	-	1,307	247	2,592	-	1,307
Buildings & Other Structures	3	137,431	1,908	48,856	-	90,483	9,249	586	(2,442)	(2,746)	-	-	95,130	11,743	48,230	-	95,130
Infrastructure																	
- Stormwater Drainage	3	54,791	3,682	19,825	-	38,648	230	250	(8)	(503)	-	-	38,617	4,162	20,323	-	38,617
- Roads	3	121,569	4,200	42,491	-	78,278	-	1,242	(196)	(1,470)	-	-	82,854	5,442	43,388	-	82,854
- Footpaths	3	43,827	456	17,285	-	26,998	-	415	(90)	(945)	(666)	-	25,712	388	19,335	-	25,712
- Kerb & Guttering	3	64,548	2,434	19,161	-	47,821	-	1,526	(636)	(670)	-	-	48,041	3,959	19,542	-	48,041
- Other Transport	3	23,592	1,545	4,893	-	20,244	281	289	-	(445)	-	-	20,369	2,115	5,338	-	20,369
- Open Space & Coastal	3	53,826	1,858	19,429	-	36,255	5,455	820	(83)	(1,861)	-	-	40,586	8,134	21,161	-	40,586
Furniture & Fittings	3	-	9,934	4,600	-	5,334	1,12	697	(162)	(970)	-	-	5,011	9,943	4,932	-	5,011
Office Equipment	3	-	4,708	1,863	-	2,845	752	97	(14)	(618)	-	-	3,062	5,484	2,422	-	3,062
Library Lending Materials	3	-	1,384	558	-	826	-	182	-	(150)	(44)	-	814	1,345	531	-	814
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>861,572</b>	<b>32,456</b>	<b>181,515</b>	<b>-</b>	<b>712,513</b>	<b>16,270</b>	<b>6,351</b>	<b>(3,631)</b>	<b>(10,416)</b>	<b>(710)</b>	<b>-</b>	<b>854,671</b>	<b>53,500</b>	<b>187,794</b>	<b>-</b>	<b>720,377</b>
<b>Comparatives</b>		<b>856,267</b>	<b>26,359</b>	<b>154,682</b>	<b>-</b>	<b>712,513</b>	<b>3,006</b>	<b>3,891</b>	<b>(655)</b>	<b>(10,150)</b>	<b>(13,585)</b>	<b>2,062</b>	<b>861,572</b>	<b>32,456</b>	<b>181,515</b>	<b>-</b>	<b>712,513</b>

TO BE UPDATED

Note 7a (ii). Investment Property  
Nil

## City of Holdfast Bay

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

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

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#### 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).

**TO BE UPDATED**

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

#### Information on Valuations

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

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

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for these assets and they 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.

## City of Holdfast Bay

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

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

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#### Valuation of Assets (continued)

##### Other Information

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

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

##### Highest and best use

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

**TO BE UPDATED**

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. 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.

## City of Holdfast Bay

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

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

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#### Valuation of Assets (continued)

##### Land & Land Improvements

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

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

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

##### Buildings & Other Structures

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

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

##### Infrastructure

*Infrastructure assets have been valued as follows:*

###### *Roads, Kerb and Gutter*

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

###### *Footpaths*

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

###### *Stormwater Drainage*

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

###### *Other Transport - Bridges, Car Parks, Traffic Control Devices*

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

###### *Open Space, Coastal*

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

**TO BE UPDATED**

## City of Holdfast Bay

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

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

#### Valuation of Assets (continued)

##### Plant & Equipment

These assets are recognised at cost.

##### Library Lending Materials

Library Lending Materials were valued as at 30 June 2020 by Council senior library officers.

### Note 8. Liabilities

\$ '000	Notes	2020		2019	
		Current	Non Current	Current	Non Current
<b>TO BE UPDATED</b>					
<b>(a). Trade and Other Payables</b>					
Goods & Services		5,084	-	3,302	-
Payments Received in Advance		4,291	-	3,481	-
Accrued Expenses - Employee Entitlements		230	-	468	-
Accrued Expenses - Other		328	-	346	-
Aged Care Facility Deposits		33,504	-	31,970	-
Deposits, Retentions & Bonds		-	-	34	-
Other		1,841	-	1,452	-
<b>Total Trade and Other Payables</b>		<b>45,278</b>	<b>-</b>	<b>41,053</b>	<b>-</b>
<b>(b). Borrowings</b>					
Loans		3,056	10,554	1,000	11,460
<b>Total Borrowings</b>		<b>3,056</b>	<b>10,554</b>	<b>1,000</b>	<b>11,460</b>
All interest bearing liabilities are secured over the future revenues of the Council					
<b>(c). Provisions</b>					
Employee Entitlements		4,618	469	4,068	432
<b>Total Provisions</b>		<b>4,618</b>	<b>469</b>	<b>4,068</b>	<b>432</b>

## City of Holdfast Bay

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

#### Note 9. Reserves

\$ '000	1/7/2019	Increments (Decrements)	Transfers	Impairments	30/6/2020
<b>(a). Asset Revaluation Reserve</b>					
Land	310,456	-	-	-	310,456
Buildings & Other Structures	40,198	-	-	-	40,198
Infrastructure					
- Stormwater Drainage	22,004	-	-	-	22,004
- Roads	67,266	-	-	-	67,266
- Footpaths	14,055	(666)	-	-	13,389
- Kerb & Guttering	41,589	-	-	-	41,589
- Other Transport	2,727	-	-	-	2,727
- Open Space & Coastal	8,309	-	-	-	8,309
Library Lending Materials	432	(44)	-	-	388
<b>Total Asset Revaluation Reserve</b>	<b>507,381</b>	<b>(710)</b>	<b>-</b>	<b>-</b>	<b>506,326</b>
<b>Comparatives</b>	<b>508,551</b>	<b>(11,230)</b>	<b>-</b>	<b>-</b>	<b>507,036</b>

\$ '000	1/7/2019	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2020
<b>(b). Other Reserves</b>					
Alwyndor General Reserve	6,414	-	-	-	6,414
<b>Total Other Reserves</b>	<b>6,414</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,414</b>
<b>Comparatives</b>	<b>6,414</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,414</b>

#### PURPOSES OF RESERVES

##### Asset Revaluation Reserves

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

#### Note 10. Assets Subject to Restrictions

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

##### Receivables

Accommodation Bonds	1,942	525
<b>Total Receivables</b>	<b>1,942</b>	<b>525</b>
<b>Total Assets Subject to Externally Imposed Restrictions</b>	<b>1,942</b>	<b>525</b>

## City of Holdfast Bay

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

### Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2020	2019
<b>(a). Reconciliation of Cash</b>			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	21,355	25,559
<b>Balances per Statement of Cash Flows</b>		<b>21,355</b>	<b>25,559</b>
<b>(b). Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
<b>Net Surplus/(Deficit)</b>		<b>140</b>	<b>4,701</b>
<b>Non-Cash Items in Income Statements</b>			
Depreciation, Amortisation & Impairment		10,416	10,150
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(99)	(76)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(4,728)	2,886
Net (Gain) Loss on Disposals		3,396	243
		<b>9,125</b>	<b>17,904</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		(1,068)	(195)
Change in Allowances for Under-Recovery of Receivables		(239)	-
Net (Increase)/Decrease in Inventories		(1)	1
Net (Increase)/Decrease in Other Current Assets		478	-
Net Increase/(Decrease) in Trade & Other Payables		3,968	(3,585)
Net Increase/(Decrease) in Unpaid Employee Benefits		587	(242)
<b>Net Cash provided by (or used in) operations</b>		<b>12,850</b>	<b>13,883</b>
<b>(c). Financing Arrangements</b>			
<b>Unrestricted access was available at balance date to the following lines of credit:</b>			
Corporate Credit Cards		150	150
LGFA Cash Advance Debenture Facility		14,358	14,358

### (c). Financing Arrangements

**Unrestricted access was available at balance date to the following lines of credit:**

Corporate Credit Cards	150	150
LGFA Cash Advance Debenture Facility	14,358	14,358

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

## City of Holdfast Bay

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

### Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
\$ '000	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019	Actual 2020	Actual 2019
Business Undertakings	3,262	3,700	2,308	2,308	1,046	1,392	-	-	80,503	79,379
Community Services	23,795	21,249	26,741	26,741	(6,533)	(5,492)	12,072	11,553	94,853	94,663
Culture	688	641	5,058	5,058	(3,971)	(4,417)	266	259	17,376	17,366
Economic Development	583	598	1,276	1,276	(795)	(678)	-	-	342	347
Environment	472	288	7,601	7,601	(7,604)	(7,313)	13	106	43,219	42,939
Recreation	230	317	6,620	6,620	(6,533)	(6,303)	-	-	323,262	316,276
Regulatory Services	1,761	1,968	6,169	6,169	(4,408)	(3,688)	-	-	617	546
Transport & Communication	50	26	7,825	7,825	(7,348)	(7,799)	-	-	177,197	176,997
Unclassified Activities	-	-	-	-	-	-	-	-	3,278	3,322
Council Administration	38,953	38,546	2,764	2,764	34,954	35,782	1,607	1,978	15,552	18,789
<b>Total Functions/Activities</b>	<b>69,794</b>	<b>67,333</b>	<b>65,849</b>	<b>65,849</b>	<b>(1,192)</b>	<b>1,484</b>	<b>13,958</b>	<b>13,896</b>	<b>756,199</b>	<b>750,624</b>

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

**TO BE UPDATED**

## City of Holdfast Bay

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

### Note 12b. Components of Functions

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**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 Business Support

**TO BE UPDATED**

#### **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.

## Note 13. Financial Instruments

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### Recognised Financial Instruments

#### Bank, Deposits at Call, Short Term Deposits

##### Accounting Policy:

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

##### Terms & Conditions:

Deposits are returning fixed interest rates between 0.25% and 1.2% (2019: 1.25% and 2.78%). Short term deposits have an average interest rate of 1.14% (2019: 1.37%).

##### Carrying Amount:

Approximates fair value due to the short term to maturity.

#### Receivables

#### Rates & Associated Charges

**TO BE UPDATED**

##### 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 0.53% (2019: 0.55%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

##### Carrying Amount:

Approximates fair value (after deduction of any allowance).

#### Receivables

#### Fees & Other Charges

##### Accounting Policy:

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

##### Terms & Conditions:

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

##### Carrying Amount:

Approximates fair value (after deduction of any allowance).

Note 13. Financial Instruments (continued)

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**Recognised Financial Instruments**

**Receivables  
Other Levels of Government**

**Accounting Policy:**

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

**Terms & Conditions:**

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

**TO BE UPDATED**

**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 & Conditions:**

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

**Carrying Amount:**

Approximates fair value (after deduction of any allowance).

**Liabilities  
Creditors and Accruals**

**Accounting Policy:**

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

**Terms & Conditions:**

Liabilities are normally settled on 30 day terms.

**Carrying Amount:**

Approximates fair value.

Note 13. Financial Instruments (continued)

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**Recognised Financial Instruments**

**Liabilities**

**Aged Care Facility Contributions**

**Accounting Policy:**

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

**Terms & Conditions:**

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

**TO BE UPDATED**

**Carrying Amount:**

Approximates fair value. 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 six monthly; interest is charged at rates between 2.20% and 7.05% (2019: 3.75% and 7.05%).

**Carrying Amount:**

Approximates fair value.

**Liabilities**

**Leases**

**Accounting Policy:**

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

## City of Holdfast Bay

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

#### Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2020</b>					
<b>Financial Assets</b>					
Cash & Equivalents	21,355	-	-	21,355	21,355
Receivables	5,793	901	901	7,595	6,824
<b>Total Financial Assets</b>	<b>27,148</b>	<b>901</b>	<b>901</b>	<b>28,950</b>	<b>28,179</b>
<b>Financial Liabilities</b>					
Payables	44,993	-	-	44,993	44,950
Current Borrowings	3,591	-	-	3,591	3,056
Non-Current Borrowings	-	4,943	9,156	14,099	10,554
<b>Total Financial Liabilities</b>	<b>48,584</b>	<b>4,943</b>	<b>9,156</b>	<b>62,683</b>	<b>58,560</b>

TO BE UPDATED

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2019</b>					
<b>Financial Assets</b>					
Cash & Equivalents	25,559	-	-	25,559	25,559
Receivables	3,553	990	936	5,479	4,497
<b>Total Financial Assets</b>	<b>29,112</b>	<b>990</b>	<b>936</b>	<b>31,038</b>	<b>30,056</b>
<b>Financial Liabilities</b>					
Payables	40,707	-	-	40,707	40,707
Current Borrowings	1,529	-	-	1,529	1,000
Non-Current Borrowings	-	5,248	10,287	15,535	11,460
<b>Total Financial Liabilities</b>	<b>42,236</b>	<b>5,248</b>	<b>10,287</b>	<b>57,771</b>	<b>53,167</b>

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

	30 June 2020		30 June 2019	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	4.30%	13,610	4.73%	12,460
		<b>13,610</b>		<b>12,460</b>

#### Net Fair Value

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

## City of Holdfast Bay

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

#### Note 13. Financial Instruments (continued)

##### Risk Exposures

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

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

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

#### Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	Notes	2020	2019
<b>(a). Capital Commitments</b>			
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>			
Land		-	43
Buildings		510	6,815
Infrastructure		476	212
Reserves		800	2,914
Plant & Equipment		261	152
		<b>2,047</b>	<b>10,136</b>
<b>These expenditures are payable:</b>			
Not later than one year		2,047	10,136
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		<b>2,047</b>	<b>10,136</b>

## City of Holdfast Bay

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

#### Note 15. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2020	2020	2019	2018

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

#### 1. Operating Surplus Ratio

Operating Surplus	(1,192)	(2%)	2%	2%
Total Operating Income	69,794			

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

# TO BE UPDATED

#### 2. Net Financial Liabilities Ratio

Net Financial Liabilities	35,941	51%	41%	49%
Total Operating Income	69,794			

*Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.*

#### Adjustments to Ratios

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

<b>Adjusted Operating Surplus Ratio</b>	(2%)	2%	2%
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<b>Adjusted Net Financial Liabilities Ratio</b>	51%	41%	49%
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#### 3. Asset Renewal Funding Ratio

Net Asset Renewals	7,604	134%	112%	51%
Infrastructure & Asset Management Plan required expenditure	5,676			

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

## City of Holdfast Bay

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

#### Note 16. Uniform Presentation of Finances

\$ '000	2020	2019
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	69,794	67,333
less Expenses	(70,986)	(65,849)
<b>Operating Surplus / (Deficit)</b>	<b>(1,192)</b>	<b>1,484</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(7,799)	(4,268)
<i>add back</i> Depreciation, Amortisation and Impairment	10,416	10,150
<i>add back</i> Proceeds from Sale of Replaced Assets	195	390
<b>Subtotal</b>	<b>2,812</b>	<b>6,272</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(14,320)	(7,162)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	3,485	(2,886)
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	40	22
<b>Subtotal</b>	<b>(10,795)</b>	<b>(10,026)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(9,175)</b>	<b>(2,270)</b>

## City of Holdfast Bay

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

#### Note 17. Leases

\$ '000	2020	2019
<b>Council as a Lessor</b>		
<b>Leases Providing Revenue to the Council</b>		
Council owns various buildings and facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Income received from such leases are disclosed in Note 2c.		
<b>Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:</b>		
Not later than one year	485	511
Later than one year and not later than 5 years	1,750	1,912
Later than 5 years	1,009	2,130
	<b>3,244</b>	<b>4,553</b>

TO BE UPDATED

#### Note 18. Superannuation

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

##### **Accumulation only Members**

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

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

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

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

## City of Holdfast Bay

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

#### Note 18. Superannuation (continued)

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

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

#### Contributions to Other Superannuation Schemes

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

**TO BE UPDATED**

#### Note 19. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2020	2019	2020	2019
Joint Ventures	99	76	3,227	2,945
<b>Total</b>	<b>99</b>	<b>76</b>	<b>3,227</b>	<b>2,945</b>

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

##### (a) Carrying Amounts

Name of Entity	Principal Activity	2020	2019
Southern Region Waste Resource Authority	Management of waste and waste facilities	3,227	2,945
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>3,227</b>	<b>2,945</b>

#### Southern Region Waste Resource Authority

Established under Section 43 of the Local Government Act, 1999 to provide operate services for the management of waste and the management of waste facilities under its control on behalf of the constituent Council, being the City of Holdfast Bay, City of Marion, and City of Onkaparinga. The Authority made a provision of \$13.7m in the accounts for landfill restoration which is considered reasonable.

## City of Holdfast Bay

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

#### Note 19. Interests in Other Entities (continued)

\$ '000

##### (b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2020	2019	2020	2019	2020	2019
Southern Region Waste Resource Authority	15%	15%	15%	15%	15%	33%

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

	Southern Region Waste Resource Authority	
	2020	2019
Opening Balance	2,945	2,869
Share in Operating Result	99	76
Share in Other Comprehensive Income	183	-
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>3,227</b>	<b>2,945</b>

TO BE UPDATED

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

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

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

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

##### 1. LAND UNDER ROADS

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

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

## City of Holdfast Bay

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

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

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##### **2. POTENTIAL INSURANCE LOSSES**

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

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

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

##### **3. LEGAL MATTERS**

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision made by Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council has notice of 4 appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

##### **4. SOUTHERN REGION WASTE RESOURCE AUTHORITY**

Council has a 15% interest in Southern Region Waste Resource Authority. The Authority describes contingent liabilities in Note 15 to their Financial Statements for the year ended 30 June 2020.

#### Note 22. Events After the Statement of Financial Position Date

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

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

Accordingly, the "authorised for issue" date is 27/10/20.

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

## City of Holdfast Bay

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

### Note 23. Related Party Transactions

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\$ '000	2020	2019
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#### 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, 32 persons were paid the following total compensation:

##### The compensation paid to Key Management Personnel comprises:

Short-Term Employee Benefits	1,071	1,121
Leave Entitlements on Termination	-	223
Payments to Mayor and Elected Members	358	364
Development Assessment Panel Independent Members, Alwyndor Management Committee	45	48
<b>Total</b>	<b>1,474</b>	<b>1,756</b>

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



Tel: +61 8 7324 6000  
Fax: +61 8 7324 6111  
www.bdo.com.au

BDO Centre  
Level 7, 420 King William Street  
Adelaide SA 5000  
GPO Box 2018 Adelaide SA 5001  
Australia

## INDEPENDENT AUDITOR'S REPORT TO THE PRINCIPAL MEMBER OF CITY OF HOLDFAST BAY

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of City of Holdfast Bay (the Council), which comprises the statement of financial position as at 30 June 2020, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the financial report of City of Holdfast Bay, presents fairly, in all material respects, the Council's financial position as at 30 June 2020 and its financial performance for the year ended on that date in accordance with Australian Accounting Standards, the Local Government Act 1999, and the Local Government (Financial Management) Regulations 2011.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the Local Government Act 1999 and 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 confirm that the independence declaration required by the Local Government Act 1999, which has been given to the Council, would be in the same terms if given to the Council as at the time of this auditor's report.

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

#### Information Other than the Financial Report and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the annual reports of the Southern Region Waste Resource Authority for the year ended 30 June 2020.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report of the City of Holdfast Bay, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### Council's Responsibility for the Financial Report

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

In preparing the financial report, the Council's officers are responsible for assessing the Council'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 Council's officers either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_files/ar4.pdf](http://www.auasb.gov.au/auditors_files/ar4.pdf).

This description forms part of our auditor's report.



**BDO Audit (SA) Pty Ltd**



Andrew Tickle  
Director

Adelaide, 29 October 2020



Tel: +61 8 7324 6000  
Fax: +61 8 7324 6111  
www.bdo.com.au

Level 7, BDO Centre  
420 King William Street  
Adelaide SA 5000  
GPO Box 2018, Adelaide SA 5001  
AUSTRALIA

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

### Opinion

We have undertaken a reasonable assurance engagement on the design and the operating effectiveness of controls established by City of Holdfast Bay ('the Council') in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, throughout the period 1 July 2019 to 30 June 2020 relevant to ensuring such transactions have been conducted properly and in accordance with law.

In our opinion, in all material respects:

- (a) The controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities were suitably designed to ensure such transactions have been conducted properly and in accordance with law; and
- (b) The controls operated effectively as designed throughout the period from 1 July 2019 to 30 June 2020.

### Basis for opinion

# TO BE UPDATED

We conducted our engagement in accordance with Standard on Assurance Engagements 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 responsibilities for the internal controls

The Council is responsible for:

- a) The receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities;
- b) Identifying the control objectives
- c) Identifying the risks that threaten achievement of the control objectives
- d) Designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objectives; and
- e) Operating effectively the controls as designed throughout the period.

### Our independence and quality control

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

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### Assurance practitioner's responsibilities

Our responsibility is to express an opinion, in all material respects, on the suitability of the design to achieve the control objectives and the operating effectiveness of controls established by Council in relation to financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities. ASAE 3150 requires that we plan and perform 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 operated effectively throughout the period.

An assurance engagement to report on the design and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives and the operating effectiveness of 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 of those 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.

### Limitations of controls

Because of the inherent limitation of an assurance engagement to other with 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 and so 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.



**BDO Audit (SA) Pty Ltd**



Andrew Tickle  
Director

Adelaide, 29 October 2020

## City of Holdfast Bay

### General Purpose Financial Statements

for the year ended 30 June 2020

### Certification of Auditor Independence

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

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

# TO BE UPDATED



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R. Brja  
CHIEF EXECUTIVE OFFICER



---

J. Smedley  
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 7/10/2020



Tel: +61 8 7324 6000  
Fax: +61 8 7324 6111  
www.bdo.com.au

Level 7, BDO Centre  
420 King William Street  
Adelaide SA 5000  
GPO Box 2018, Adelaide SA 5001  
AUSTRALIA

## CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the City of Holdfast Bay for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 - Code of Ethics for Professional Accountants (including Independence Standards), 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.

Andrew Tickle  
Director

**BDO Audit (SA) Pty Ltd**

Adelaide, 29 October 2020

# TO BE UPDATED

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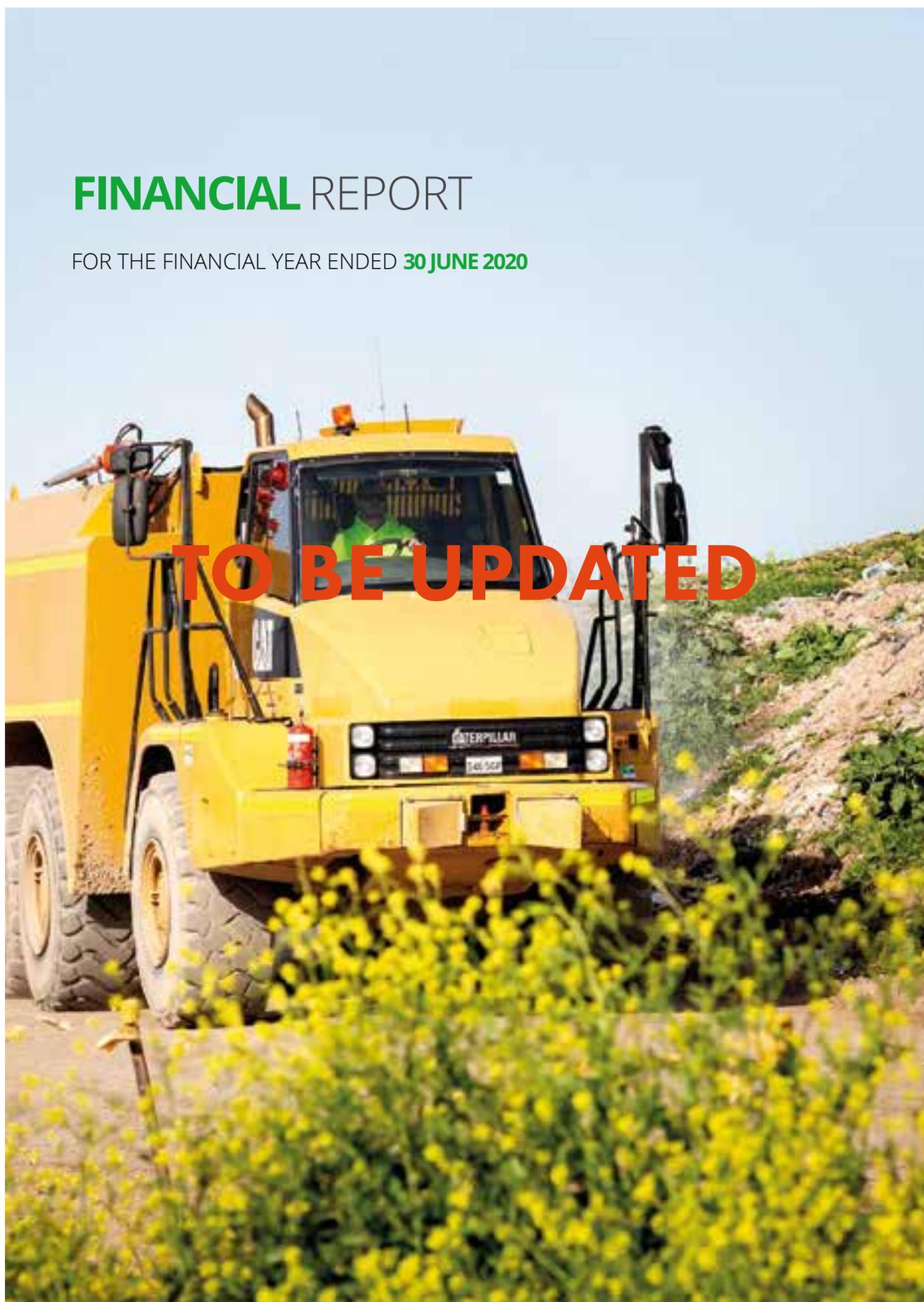
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**SOUTHERN REGION  
WASTE RESOURCE  
AUTHORITY  
ANNUAL REPORT**

# FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

**TO BE UPDATED**



# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2020

### CERTIFICATION OF FINANCIAL STATEMENTS

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

the accompanying financial statements comply with the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 2011* or *Australian Accounting Standards*

- the financial statements present a true and fair view of the Authority's financial position at 30 June 2020 and the results of its operations and cashflows for the financial year.

- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable throughout the financial year.

- the financial statements accurately reflect the Authority's accounting and other records.



Mark Booth  
Chairman



Chris Adams  
Chief Executive Officer

Dated the 7<sup>th</sup> day of September 2020

**TO BE UPDATED**

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### STATEMENT OF COMPREHENSIVE INCOME for the financial year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>INCOME</b>			
User charges	2	10,746	10,578
Investment income	2	501	647
Other Income	2	493	464
Net gain - equity-accounted Joint Venture	13	745	437
<b>Total Income</b>		<b>12,485</b>	<b>12,126</b>
<b>EXPENSES</b>			
Employee costs	3	1,248	1,301
Materials, contracts & other expenses	3	9,719	9,445
Depreciation, amortisation & impairment	3	800	808
Other Expenses	3	-	-
Net loss - equity-accounted Joint Venture	13	-	-
<b>Total Expenses</b>		<b>11,817</b>	<b>11,614</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>658</b>	<b>512</b>
Net gain (loss) on disposal of assets	4	-	191
Amounts received specifically for new or upgraded assets		-	-
<b>NET SURPLUS / (DEFICIT)</b>		<b>658</b>	<b>503</b>
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - property, plant & equipment		1,222	-
<b>Total Other Comprehensive Income</b>		<b>1,222</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>1,880</b>	<b>503</b>

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 2020

<b>ASSETS</b>	Notes	<b>2020</b>	<b>2019</b>
		\$'000	\$'000
<b>Current Assets</b>			
Cash and cash equivalents	5	15,500	17,497
Trade & other receivables	5	2,230	1,566
Inventories	5	-	-
		<u>17,736</u>	<u>19,163</u>
<b>Total Current Assets</b>		<u>17,736</u>	<u>19,163</u>
<b>Non-current Assets</b>			
Equity Account: Joint Venture	14	677	832
Property, Plant & Equipment	6	19,319	15,440
		<u>19,996</u>	<u>16,272</u>
<b>Total Non-current Assets</b>		<u>19,996</u>	<u>16,272</u>
<b>Total Assets</b>		<u>37,732</u>	<u>35,435</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7	2,339	2,701
Provisions	7	145	126
		<u>2,484</u>	<u>2,827</u>
<b>Total Current Liabilities</b>		<u>2,484</u>	<u>2,827</u>
<b>Non-current Liabilities</b>			
Provisions	7	13,735	13,475
		<u>13,735</u>	<u>13,475</u>
<b>Total Non-current Liabilities</b>		<u>13,735</u>	<u>13,475</u>
<b>Total Liabilities</b>		<u>16,219</u>	<u>15,802</u>
<b>NET ASSETS</b>		<u>21,513</u>	<u>19,633</u>
<b>EQUITY</b>			
Accumulated Surplus		20,291	19,633
Asset Revaluation Reserve		1,222	-
		<u>21,513</u>	<u>19,633</u>
<b>TOTAL EQUITY</b>		<u>21,513</u>	<u>19,633</u>

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

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### STATEMENT OF CHANGES IN EQUITY for the financial year ended 30 June 2020

2020	Accumulated	Asset	Total Equity
	Surplus	Revaluation	
Total	\$'000	Reserve	\$'000
		\$'000	
Balance at end of previous reporting period	19,633	-	19,633
Net surplus/ (Deficit) for Year	658	-	658
Other Comprehensive Income	-	-	-
Gain on revaluation of infrastructure, property, plant & equipment	-	1,222	1,222
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
<b>Balance at end of period</b>	<b>20,291</b>	<b>1,222</b>	<b>21,513</b>

2019	Accumulated	Asset	Total Equity
	Surplus	Revaluation	
Total	\$'000	Reserve	\$'000
		\$'000	
Balance at end of previous reporting period	19,130	-	19,130
Net Surplus/ (Deficit) for Year	503	-	503
Other Comprehensive Income	-	-	-
Gain on revaluation of infrastructure, property, plant & equipment	-	-	-
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
<b>Balance at end of period</b>	<b>19,633</b>	<b>-</b>	<b>19,633</b>

**TO BE UPDATED**

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

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### STATEMENT OF CASH FLOWS

for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts			
Operating receipts		11,743	12,337
Investment receipts		501	647
Payments			
Operating payments to suppliers & employees		(11,886)	(11,965)
Net Cash provided by (or used in) Operating Activities	8 (b)	358	1,019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipts			
Amounts specifically for new or upgraded assets		-	-
Sale of surplus assets		-	21
Distributions received from equity accounted Joint Ventures		900	490
Payments			
Expenditure on renewal/replacement of assets		(759)	(256)
Expenditure on new/upgraded assets		(2,490)	(120)
Capital contributed to equity accounted Joint Ventures	15	-	-
Net Cash provided by (or used in) Investing Activities		(2,349)	135
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments			
Distribution to Member Councils		-	-
Net Cash provided by (or used in) Financing Activities		-	-
Net Increase (Decrease) in cash held		(1,991)	1,154
Cash & cash equivalents at beginning of period		17,497	16,343
Cash & cash equivalents at end of period	8 (a)	15,506	17,497

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

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2020

## Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

### 1 Basis of Preparation

#### 1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

#### 1.2 Historical Cost Convention

Except where stated to the contrary, 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 location with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables are generally unsecured and do not bear interest.

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

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

**TO BE UPDATED**

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 1 - Significant Accounting Policies (cont)

#### 5 Infrastructure, Property, Plant & Equipment

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

##### 5.1 Initial Recognition

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

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

##### 5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by 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 estimates.

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 AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2020

## Note 1 - Significant Accounting Policies (cont)

### 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 on costs) 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 on costs) to be made in respect of services provided by employees to the reporting date. Present value is calculated using a risk-free government guaranteed securities rates with a term to maturity equal to the expected duration of the liability.

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

#### 7.2 Superannuation

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

##### Accumulation Fund Members

*Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation 9.5% in 2019/20 (9.5% in 2018/19). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the fund.*

##### Salary-in-kind (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 Thornpeter, FRAA of Millie Towers Watson as at 30 June 2019. The Trustee has determined that the current funding arrangements are adequate for the expected Salary-in-kind liabilities. However, future financial and economic circumstances may result in 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 net assets of the scheme, and no further liability attaches to the Authority.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2020

Note 1 - Significant Accounting Policies (cont)

## B 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 provision 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 (compact on) ratio, the discount rate and inflation rate used to calculate the net present value of the future landfill capping, rehabilitation and restoration costs. An annual balance sheet assessment is undertaken to ensure an accurate projected cost of the liability is shown in the balance sheet.

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

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

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

## 9 Inventory

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

## 10 GST Implications

In accordance with QIG 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 input tax credits.

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

## 11 Comparative Information

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

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2020

## Note 1 - Significant Accounting Policies (cont)

### 12 New Accounting Standards

As a result of the introduction of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income of Not-for-Profit Entities* which came into effect as from 1 July 2019 for the Authority, an assessment of these new accounting standards determined that these standards do not have an impact on the existing accounting policies of the Authority. The Authority has no deferred revenue arrangements nor entered into any long-term lease arrangements.

### 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.

Land assets held by the Authority were valued by AsselVal with an effective valuation date of 30 June 2020 applied for financial reporting purposes. Where there is an active and liquid market as evidenced by sales transactions of similar property to the market approach by way of independent professional valuations were utilised. Some parcels of land are subject to restrictions 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.

### 14 Valuation of Landfill Assets

Landfill assets comprise the acquisition of landfills, net 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 Item 5.3 Depreciation of Non-Current Assets.

### 15 COVID-19

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

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

#### Note 2 - INCOME

	Notes	2020 \$'000	2019 \$'000
<b>USER CHARGES</b>			
Landfill Operations		10,746	10,578
		<u>10,746</u>	<u>10,578</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		249	421
Banks & other		12	18
Investment property rental income		240	208
		<u>501</u>	<u>647</u>
<b>OTHER INCOME</b>			
Other Income		204	63
Southern Recycling Centre		289	401
		<u>493</u>	<u>464</u>

**TO BE UPDATED**

#### Note 3 - EXPENSES

<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,151	1,146
Employee leave expense		10	12
Superannuation		102	95
Workers' Compensation Insurance		58	48
Less: Capitalised and distributed costs		(73)	-
<b>Total Operating Employee Costs</b>		<u>1,248</u>	<u>1,301</u>
Total Number of FTE Employees		13	13
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<b>Prescribed Expenses</b>			
Auditor's Remuneration		19	19
Board Expenses		39	41
<b>Subtotal - Prescribed Expenses</b>		<u>58</u>	<u>60</u>
<b>Other Materials, Contracts &amp; Expenses</b>			
Contractors		271	418
Fuel		161	132
Equipment Hire		18	-
Maintenance		217	270
Legal Expenses		32	16
Levies paid- EPA levy		8,542	8,010
Professional services		17	36
Southern Recycling Centre		183	255
Sundry		225	248
<b>Subtotal - Other Materials, Contracts &amp; Expenses</b>		<u>9,661</u>	<u>9,385</u>
		<u>9,719</u>	<u>9,686</u>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2020

### Note 3 - EXPENSES (cont)

	Notes	2020 \$'000	2019 \$'000
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Landfill Construction		439	374
Buildings & Waste Facility		138	143
Plant & Equipment		283	351
Impairment	6	-	-
		<u>860</u>	<u>868</u>

### OTHER EXPENSES

Transfer to Provision of Capital & Equipment		-	-
		<u>-</u>	<u>-</u>

**TO BE UPDATED**

### Note 4 - ASSET DISPOSALS

#### PROPERTY, PLANT & EQUIPMENT

Proceeds from disposal		-	21
Less: Carrying amount of assets sold		-	(30)
Gain (Loss) on disposal		<u>-</u>	<u>(9)</u>

### Note 5 - CURRENT ASSETS

#### CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank	1,601	1,755
Short Term Deposits & Bills, etc	13,505	15,712
	<u>15,506</u>	<u>17,497</u>

#### TRADE & OTHER RECEIVABLES

Accrued Revenues	23	37
Debtors - general	2,207	1,626
Prepayments	-	3
	<u>2,230</u>	<u>1,666</u>

#### INVENTORIES

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

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2020

**Note 6 - PROPERTY, PLANT & EQUIPMENT**

	2019				2020			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Land	1,422	-	-	3,993	5,205	-	-	5,205
Buildings	367	3,229	(634)	3,970	540	4,381	(772)	3,869
Plant & Equipment	-	1,528	(2,980)	1,620	-	5,350	(3,252)	1,098
Office Equipment	-	152	(124)	30	-	160	(133)	27
Super Cell	-	2,505	(6,759)	2,370	-	8,402	(5,391)	2,811
Super Cell Capex	5,269	-	(2,782)	3,086	5,426	-	(2,395)	3,031
Post Closure Rehabilitation	6,054	-	(5,774)	290	6,143	-	(5,799)	344
Future Rehabilitation Costs	4,186	-	(4,161)	35	4,229	-	(4,165)	63
Work in Progress	-	-	-	56	-	1,871	-	1,871
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>17,516</b>	<b>18,314</b>	<b>(21,050)</b>	<b>15,440</b>	<b>21,562</b>	<b>19,664</b>	<b>(21,907)</b>	<b>19,319</b>
Cooperatives	1,987	33,787	(20,194)	15,580	17,526	18,974	(21,050)	5,440

**TO BE UPDATED**

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2020**

**Note 6 - PROPERTY, PLANT & EQUIPMENT**

	2019 \$'000	CARRYING AMOUNT MOVEMENTS DURING YEAR						2020 \$'000
		CARRYING AMOUNT	ADDITIONS	DISPOSAL	DEPRECIATION	REVALUATION	ADJUSTMENTS	
Land	3,983	-	-	-	-	-	-	3,983
Buildings	3,970	57	-	-	(138)	-	-	3,869
Plant, Equipment & Motor Vehicle	1,620	-	-	-	(274)	-	-	1,096
Office Equipment	30	-	-	-	(3)	(1)	-	26
Super TM	2,370	-	-	-	(196)	-	(1)	2,073
Super TM Capex	3,086	57	-	-	(215)	-	-	3,028
Foot Pressure Rehabilitation	290	70	-	-	(24)	-	-	336
Future Rehabilitation Costs	35	24	-	-	(4)	-	-	55
Work in Progress	\$6	1,852	-	-	-	-	-	1,858
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>15,440</b>	<b>2,793</b>	<b>759</b>	<b>-</b>	<b>(1,860)</b>	<b>(1,222)</b>	<b>(37)</b>	<b>19,113</b>
Comparatives	15,580	629	255	-	(1,618)	(1,222)	-	15,440

Refer to notes 10 and 11 for further details

**TO BE UPDATED**

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the financial year ended 30 June 2020

### Note 7 - LIABILITIES

	Notes	2020 \$'000		2019 \$'000	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		2,323	-	2,139	-
Payments received in advance		16	-	16	-
Accrued expenses - other		-	-	46	-
		<u>2,339</u>	<u>-</u>	<u>2,201</u>	<u>-</u>

### PROVISIONS

Annual Leave		80	-	66	-
Long Service Leave		65	17	60	25
Superannuation		-	7,990	-	7,823
Post Closure Rehabilitation		-	4,964	-	3,985
Future Restoration Costs		-	1,674	-	1,647
		<u>145</u>	<u>13,735</u>	<u>126</u>	<u>13,475</u>

Movements in Provisions	Opening Balance	Additional amounts recognised/ (de-recognised)	Transfers	Closing Balance
Superannuation	7,823	167	-	7,990
Post Closure Rehabilitation	3,985	79	-	4,064
Future Restoration Costs	1,642	32	-	1,674
<b>Total</b>	<u>13,450</u>	<u>278</u>	<u>-</u>	<u>13,728</u>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

#### Note 8 - RECONCILIATION OF CASH FLOW STATEMENT

##### (a) Reconciliation of Cash

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

	2020	2019
Notes	\$'000	\$'000
Total cash & equivalent assets	15,506	17,497
Less: Short-term borrowings	-	-
Balances per Cash Flow Statement	<u>15,506</u>	<u>17,497</u>

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

Net Surplus (Deficit)	85	503
Non-cash items in Income Statement:		
Depreciation, amortisation & impairment	860	858
Net (Gain) loss in Equity Movement Joint Venture	(745)	(437)
Movement in Landfill Provisions	-	-
Work in Progress Write-Off	-	127
Net (Gain) loss on Disposals	-	9
	<u>773</u>	<u>1,070</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(564)	172
Net increase (decrease) in trade & other payables	178	(235)
Net increase (decrease) in other provisions	11	11
Net Cash provided by (or used in) operations	<u>358</u>	<u>1,019</u>

##### (c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:		
- Physical resources received free of charge	-	-
- Non-cash grants & contributions	-	-
Amounts recognised in Income Statement:		
- finance leases	-	-
	<u>-</u>	<u>-</u>

##### (d) Financing Arrangements

Unrestricted assets was available at balance date to the following lines of credit:

Corporate Credit Cards	18	28
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The Authority has no bank overdraft facility.

**TO BE UPDATED**

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

#### Note 9 - FINANCIAL INSTRUMENTS

##### Recognised Financial Instruments

Bank Deposits at Call, Short Term Deposits	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value. Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates of 0.25 - 1.15% (2019: 1.25 - 2.25%). Short term deposits have an average maturity of 90 days (2019: 90 days).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
Receivables - Gate Fees & Associated Charges	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Carrying amount:</b> approximates fair value (after deducting of any allowance).</p>
Liabilities - Creditors	<p><b>Accounting Policy:</b> Carried at the net amount to be paid in the future (gross of any discounts either or not billed to the creditor).</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 70 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>

##### Net Fair Value

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

##### Risk Exposures

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

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence the market risk for currency risk apply.

**Liquidity Risk** is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the Model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows.

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

**SOUTHERN REGION WASTE RESOURCE AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2020

**Note 9 (cont) - FINANCIAL INSTRUMENTS**

**Liquidity Analysis**

2020	Maturity			Non-interest bearing	Total
	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
<b>Financial Assets</b>	\$'000	\$'000	\$'000	\$'000	\$'000
Cash & Equivalents	15,506	-	-	-	15,506
Receivables	-	-	-	2,230	2,230
<b>Total</b>	<b>15,506</b>	<b>-</b>	<b>-</b>	<b>2,230</b>	<b>17,736</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	2,339	2,339
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,339</b>	<b>2,339</b>

**TO BE UPDATED**

2019	Maturity			Non-interest bearing	Total
	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
<b>Financial Assets</b>	\$'000	\$'000	\$'000	\$'000	\$'000
Cash & Equivalents	17,497	-	-	-	17,497
Receivables	-	-	-	1,666	1,666
<b>Total</b>	<b>17,497</b>	<b>-</b>	<b>-</b>	<b>1,666</b>	<b>19,163</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	2,201	2,201
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,201</b>	<b>2,201</b>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the financial year ended 30 June 2020

### Note 10 - COMMITMENTS FOR EXPENDITURE

	2020 \$'000	2019 \$'000
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Committed Projects	<u>12,580</u>	<u>-</u>
	<u>12,580</u>	<u>-</u>
Other Expenditure Commitments		
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
Autobatteries		<u>19</u>
		<u>19</u>
These expenditures are payable:		
Not later than one year	-	19
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>19</u>

### Note 11 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF

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

#### 1. Potential Insurance Losses

The Authority insures against all known insurable risks using a range of insurance policies, each of which is subject to a deductible ("insurance excess"), the amount of which varies according to the class of insurance.

#### 2. Legal Expenses

All known costs have been recognised.

### Note 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2020 that need to be disclosed in the financial statements.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2020

### Note 13 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a uniform and consistent basis. The uniform presentation represents a simplified version of reporting under the Government Finance Statistics (GFS) framework of the Australian Bureau of Statistics.

	2020 \$'000	2019 \$'000
Income	12,485	12,126
Less Expenses	<u>(11,827)</u>	<u>(11,614)</u>
Generating Surplus / (Deficit)	<u>658</u>	<u>512</u>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on replacement and upgrade of Existing Assets	(709)	(256)
Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	860	868
Proceeds from Sale of Replaced Assets	-	-
	<u>101</u>	<u>612</u>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets	(2,490)	(120)
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	-	21
	<u>(2,490)</u>	<u>(99)</u>
<b>Net Lending / (Borrowing) for financial Year</b>	<u>(1,731)</u>	<u>1,025</u>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

#### Note 14 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under Section 112 of the Local Government Act 1999. The following payments were made to Key Management Personnel during the year:

	2020 \$'000
Salaries, allowances & other short term benefits	404
Post-employment benefits	-
Long term benefits	-
Termination Benefits	37
<b>TOTAL</b>	<b>441</b>

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	5,329	747	Provision of waste disposal services
City of Holdfast Bay	959	101	Provision of waste disposal services
City of Marion	2,409	339	Provision of waste disposal services
Southern Recycling Centre	7,030	591	Provision of waste disposal services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 5.

The Authority has a total amount outstanding of \$0.303m to the Southern Recycling Centre as at 30 June 2020.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the financial year ended 30 June 2020

### Note 15 - EQUITY ACCOUNTED JOINT VENTURE

#### Southern Recycling Centre (SRC)

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

	2020	2019
	\$'000	\$'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%
<del>Movement in Investments in Joint Operations:</del>		
Opening Balance	832	885
New Capital Contributions	-	-
Share in Operating Result	745	437
Equity Adjustment	-	-
Distributions Received	(900)	(490)
Share in Equity of Joint Operation	<u>677</u>	<u>932</u>

#### Expenditure Commitments

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

#### Contingent liabilities

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

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 16 - FAIR VALUE MEASUREMENTS

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

- Land assets

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

#### (a) Fair value hierarchy

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

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

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

#### Valuation techniques

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

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

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Authority gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs (inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability) and 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.

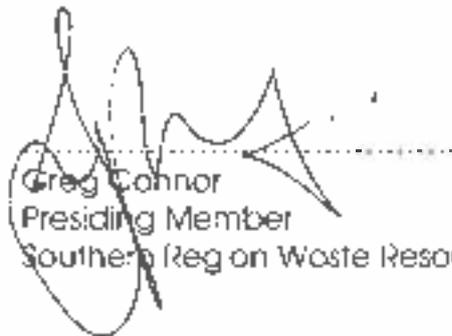


## Southern Region Waste Resource Authority

### Audit Committee – Auditor Independence

#### Presiding Member Certification

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



Greg Connor  
Presiding Member  
Southern Region Waste Resource Authority Audit Committee

26/8/2020  
Dated

# Galpins

Accountants, Auditors  
& Business Consultants

David Chant CA, CPA  
Simon Smith CA, CPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renaie Nicholson CA  
Tim Multhauser CA  
Aaron Coonan CA  
Luke Williams CA, CPV  
Daniel Moon CA



CHARTERED ACCOUNTANTS™  
AUSTRALIA - NEW ZEALAND

**Mount Gambier**  
233 Commercial Street West  
PO Box 244, Mount Gambier SA 3290  
P: 081 8725 3048  
F: 081 8724 9553  
E: admin@galpins.com.au

**Stirling**  
Unit 4, 3-5 Mount Barker Road  
PO Box 377, Stirling SA 5152  
P: 081 8338 1295  
F: 081 8339 1244  
E: stirling@galpins.com.au

**Norwood**  
3 Kensington Road, Norwood SA 5062  
PO Box 4567, Norwood South SA 5062  
P: 081 8332 3435  
F: 081 8332 3444  
E: norwood@galpins.com.au

W: www.galpins.com.au

ABN: 25 432 511 757

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under Professional Standards Legislation

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2020

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

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

**TO BE UPDATED**  
GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

A handwritten signature in blue ink, appearing to read 'Simon Smith'.

**Simon Smith** FCPA, Registered Company Auditor

Partner

08 / 09 / 2020

Galpins

Accountants, Auditors  
& Business Consultants

David Chant CA, CPA  
Simon Smith CA, CPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Rensae Nicholson CA  
Tim Muhlhauser CA  
Aaron Coonan CA  
Luke Williams CA, CMA  
Daniel Moon CA



CHARTERED ACCOUNTANTS<sup>TM</sup>  
AUSTRALIA & NEW ZEALAND

Mount Gambier  
233 Commercial Street West  
PO Box 244, Mount Gambier SA 5290  
P: (08) 8725 3048  
F: (08) 8724 1953  
E: admin@galpins.com.au

Stirling  
Unit 4, 213 Mount Barker Road  
PO Box 377, Stirling SA 5152  
P: (08) 8306 1293  
F: (08) 8309 1266  
E: stirling@galpins.com.au

Norwood  
2 Kensington Road, Norwood SA 5062  
PO Box 4567, Norwood South SA 5062  
P: (08) 8332 3433  
F: (08) 8332 3444  
E: norwood@galpins.com.au

W: www.galpins.com.au

ABN: 33 432 511 757

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

#### Opinion

We have audited the compliance of the Southern Region Waste Resource Authority ("the Authority") with the requirements of *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2019 to 30 June 2020 have been conducted properly and in accordance with law.

In our opinion, the Authority has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to internal controls established by the Authority 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 2019 to 30 June 2020.

**TO BE UPDATED**

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 2019 to 30 June 2020. 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, with 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 2019 to 30 June 2020. 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 which it was prepared.

### GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



**Simon Smith** FCPA, Registered Company Auditor

Partner

08 / 09/ 2020

**TO BE UPDATED**

David Chant CA, CPA  
Simon Smith CA, CPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Rensae Nicholson CA  
Tim Muhlbauer CA  
Aaron Coonan CA  
Luke Williams CA, CPA  
Daniel Moon CA



**Mount Gambier**  
233 Commercial Street West  
PO Box 244, Mount Gambier SA 5290  
P: (08) 8726 3048  
F: (08) 8724 1953  
E: admin@galpins.com.au

**Stirling**  
Unit 4, 113 Mount Barker Road  
PO Box 377, Stirling SA 5152  
P: (08) 8306 1292  
F: (08) 8309 1266  
E: stirling@galpins.com.au

**Norwood**  
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PO Box 4567, Norwood South SA 5067  
P: (08) 8332 3433  
F: (08) 8332 3444  
E: norwood@galpins.com.au

W: [www.galpins.com.au](http://www.galpins.com.au)

ABN: 33 432 511 757

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## INDEPENDENT AUDITOR'S REPORT

To the members of the Southern Region Waste Resource Authority

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report of the Southern Region Waste Resource Authority ("the Authority"), which comprises the balance sheet as at 30 June 2020, 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 2020, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, *Local Government Act 1999 and Local Government (Financial Management) Regulations 2011*.

#### Basis for opinion

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

#### Responsibility for the Financial Report

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

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

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

TO BE UPDATED

### Auditor's Responsibility for the Audit of the Financial Report

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

As part of an audit 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 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 entity'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



**Simon Smith** FCPA, Registered Company Auditor

Partner

08 / 09 / 2020



**Southern Region Waste Resource Authority  
Board Chairperson – Auditor Independence**

I, Mark Booth, the person occupying the position of Chairperson of the Southern Region Waste Resource Authority's Board, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011) that the duties of the Southern Region Waste Resource Authority's Chairperson do not, or are not likely to, require the Southern Region Waste Resource Authority to provide services to the Southern Region Waste Resource Authority outside of the scope of the audit functions under the Local Government Act 1999.

**TO BE UPDATED**

  
.....  
Mark Booth  
Chairperson  
Southern Region Waste Resource Authority Board

7 / 9 / 20  
Date:

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

**TO BE UPDATED**

I, Scott Ashby the person for the time being assuming the position of Chief Executive Officer of the City of Onkaparinga, being a Constituent Council of the Southern Region Waste Resource Authority, do hereby certify (for the purposes of Regulation 22 (3) of the *Local Government (Financial Management) Regulations 2011*), that the auditor of the subsidiary, Galpins, has not been engaged by the subsidiary to provide services to the subsidiary outside of the scope of the audit functions under the *Local Government Act 1999*.

Scott Ashby  
Chief Executive Officer  
City of Onkaparinga

15/9/20  
Dated



**City of Onkaparinga**  
PO Box 1  
Noarlunga Centre  
South Australia 5168  
[www.onkaparingacity.com](http://www.onkaparingacity.com)

**Noarlunga office**  
Ramsay Place  
Noarlunga Centre  
Telephone (08) 8384 0666  
Facsimile (08) 8352 8744

**Aberfoyle Park office**  
The Hub  
Aberfoyle Park  
Telephone (08) 8384 0666  
Facsimile (08) 8382 8744

**Willunga office**  
St Peter's Terrace  
Willunga  
Telephone (08) 8384 0666  
Facsimile (08) 8382 8744

**Woodcroft office**  
175 Binns Road  
Margaret Vale  
Telephone (08) 8384 0666  
Facsimile (08) 8382 8744

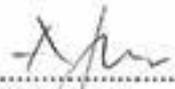


PO Box 21, Oaklands Park  
 South Australia 5046  
 245 Start Road, Start  
 South Australia 5047  
 T (08) 8375 6600  
 F (08) 8375 6699  
 E council@marion.sa.gov.au

**Chief Executive Officer's Certificate of Compliance**

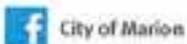
**TO BE UPDATED**

I, Adrian Skull, the person for the time being occupying the position of Chief Executive Officer of the City of Marion, being a Constituent Council of the Southern Region Waste Resource Authority, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the subsidiary, Galpins, has not been engaged by the subsidiary to provide services to the subsidiary outside of the scope of the audit functions under the Local Government Act 1999.

  
 .....  
 Adrian Skull  
 Chief Executive Officer  
 City of Marion

3/9/2020  
 .....  
 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.



marion.sa.gov.au



holdfast.sa.gov.au  
Brighton Civic Centre 24 Jetty Road, Brighton SA 5048  
PO Box 19 Brighton SA 5048  
P 08 8229 9099 F 08 8298 4561  
Glenelg Customer Service Centre and Library  
2 Colley Terrace, Glenelg SA 5045

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

**TO BE UPDATED**

I, Roberto Bria, the person for the time being occupying the position of Chief Executive Officer of the City of Holdfast Bay, being a Constituent Council of the Southern Region Waste Resource Authority, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the subsidiary, Galpins, has not been engaged by the subsidiary to provide services to the subsidiary outside of the scope of the audit functions under the Local Government Act 1999.

  
.....  
Roberto Bria  
Chief Executive Officer  
City of Holdfast Bay

4/9/2020  
.....  
Dated

## ATTENDANCE AT BOARD MEETINGS

BOARD MEMBERS	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
<b>CHAIRMAN</b> Mark Booth	8	7
<b>CITY OF ONKAPARINGA</b> APPOINTED Kirk Searle (on behalf of the City)	8	8
<b>CITY OF ONKAPARINGA</b> Richard Peat	8	5
<b>CITY OF MARION</b> Adrian Skull	8	3
<b>CITY OF MARION</b> Ian Crossland	8	4
<b>CITY OF HOLDFAST BAY</b> Roberto Bria	8	8
<b>CITY OF HOLDFAST BAY</b> John Smedley	8	7
<b>DEPUTY BOARD MEMBERS</b>		
Please Note: Deputy Members are only required to attend a Meeting when the Member is an apology		
<b>CITY OF ONKAPARINGA</b> Heidi Greaves	8	2
<b>CITY OF MARION</b> Bruce Hull	8	1
<b>CITY OF MARION</b> Ray Barnwell	8	4
<b>CITY OF MARION</b> Sorana Dinmore <i>Proxy Representative for Adrian Skull</i>	3	3
<b>CITY OF HOLDFAST BAY</b> Clare Lindop	8	5

# ATTENDANCE AT AUDIT 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		
<b>PRESIDING MEMBER</b> Greg Connor	4	4
David Flower	4	4
Sam Spadavecchia	4	4
Mark Booth	4	4
John Smedley <i>Deputy SRWRA Representative</i>	4	0

**TO BE UPDATED**

# PERFORMANCE AGAINST BUSINESS PLAN

Each year SRWRA prepares an Annual Business Plan that is submitted to the Constituent Councils detailing its aims and objectives.

AIMS, OBJECTIVES AND KEY MEASURES	STATUS
<b>RESOURCE RECOVERY OBJECTIVES</b>	
Complete recycling shed extension	Achieved
Progress Materials Recovery Facility and Solar Farm	Achieved
Identify and assess the feasibility of advanced waste treatments opportunities as they arise	Achieved
Assess the feasibility of a bio-pad for either 'organics' from SRC or clean greens	Achieved
Identify and support potential markets/business opportunities for recovered resources	Achieved
Seek expert advice regarding the impact of planning and zoning to determine the best use of the buffer land	Achieved
<b>RESOURCE RECOVERY KEY MEASURES</b>	
Diversion of incoming waste material from landfill >25%	Achieved 39%
Future landfill airspace = 30 years	Achieved
Carbon emission offset >100,000 tonnes pa	Achieved
Deliver agreed projects on time and on budget	Achieved
<b>STAKEHOLDER RELATIONSHIPS OBJECTIVES</b>	
Establish and maintain consistent communication with stakeholders and communities to ensure SRWRA's role and capabilities are understood	Achieved
Provide information to Constituent Councils to support them with waste avoidance and positive waste behaviours and initiatives	Achieved
Identify industry initiatives and outcomes that are locally relevant and provide to Constituent Councils	Achieved

**TO BE UPDATED**



AIMS, OBJECTIVES AND KEY MEASURES	STATUS
<b>STAKEHOLDER RELATIONSHIPS KEY MEASURES</b>	
One presentation to Elected Members in each Constituent Council per annum	Achieved
Bi-monthly communication with Constituent Councils	Achieved
<b>OPERATIONAL EXCELLENCE OBJECTIVES</b>	
<b>TO BE UPDATED</b>	
EPA Licence is renewed by 31 July 2019	Achieved
Update LEMP to reflect new EPA Licence	In Progress
Conduct review of Charter (due 2019)	In Progress
Review and update Governance Manual	In Progress
Review and update Policies and Procedures	Achieved
Implement 2019 Risk Evaluation Action Plan (WHS&IM)	Achieved
Future landfill rehabilitation and capping is assessed and funded over the lifetime of the site	Achieved
Deliver operating surplus	Achieved
Review fill plan and program supercell construction	Achieved
Establish strategic and operational KPI's	In Progress
<b>OPERATIONAL EXCELLENCE MEASURES</b>	
Maintain EPA Licence	Achieved
Reduction in the number of lost time injuries from the previous year	Achieved
Achieve or surpass operating surplus budget	Achieved

## 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:

NUMBER OF PROCUREMENT EVENTS	NUMBER OF PROCUREMENT POLICY WAIVERS
393	5

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
- the proprietary nature of specialised products
- expert knowledge and technical capability in a specific field
- leveraging existing infrastructure owned by third parties





PO Box 19  
Brighton, SA 5048

T (08) 8229 9999  
F (08) 8298 4561

[mail@holdfast.sa.gov.au](mailto:mail@holdfast.sa.gov.au)

[holdfast.sa.gov.au](http://holdfast.sa.gov.au)