

Fleurieu Regional Waste Authority

# Annual Report

## 2022-23



FLEURIEU REGIONAL  
WASTE AUTHORITY





FLEURIEU REGIONAL  
**WASTE AUTHORITY**



city of  
*Victor Harbor*



**KANGAROO  
ISLAND  
COUNCIL**



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# Message

## From the Independent Chairperson

I am pleased to, again, pen my Fleurieu Regional Waste Authority (FRWA) Annual Report Message, this time for the 2022-23 year.

In doing so, as a starting point, I recognise and give credit to our communities which have continued to embrace recycling and waste minimisation. This is despite the challenges and hardships faced during the year. Relatedly, FRWA, through proactive communication and analysis of community behaviours, has continued to ensure that our member Councils lead the State in the diversion of waste from landfill and the circular use of resources.

The FRWA strategic objective to increase the kerbside waste diversion rate from landfill to 70% by 2030 is now well within reach. In particular, this is due to the implementation of the Summer Recycling Program.

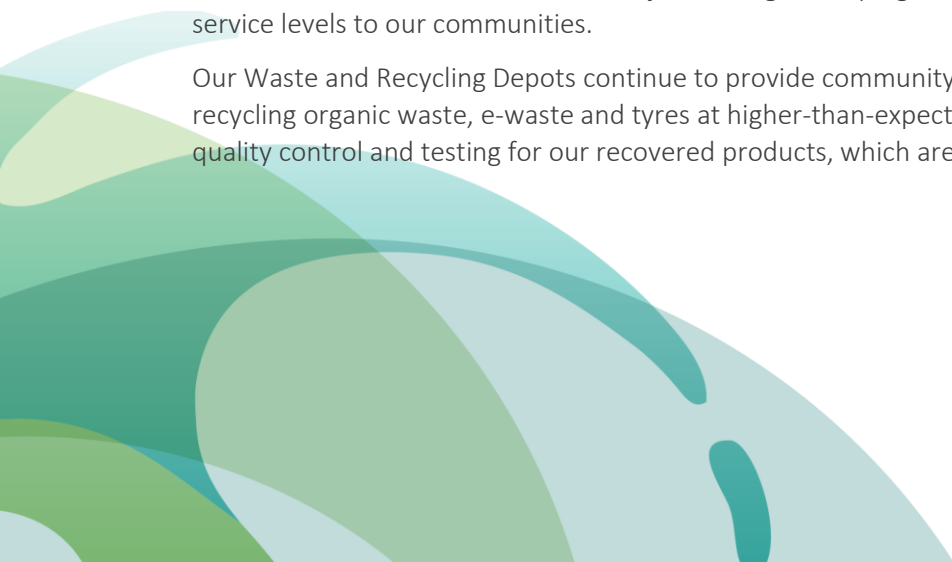
We have undertaken a wide range of research and engagement activities to determine the best way to reduce waste to landfill during the summer period. This has included a trial in the Hayborough/Chiton area, bin audits, community survey and data analysis. All of our Councils have supported the implementation of the Summer Recycling Collections program for the 2022/23 summer. The program has meant that co-mingled recycling and food/garden organics (FOGO) bins were collected weekly and general waste every fortnight.

The community embraced the Summer Program meaning that incredibly positive results were achieved in all Council areas. Across the FRWA region, general waste was reduced by 20%, FOGO increased by 61% and co-mingled recycling by 19%. Subsequently, the kerbside diversion rate increased from 57% to 68% for the summer period. On any assessment, these are outstanding results, especially for small councils such as Kangaroo Island, where the Program resulted in 64 tonnes less waste being sent off-island for disposal.

As our Councils, the communities and our customers would expect, the FRWA team has continued to seek efficiencies and service improvements. At the start of July 2023, the kerbside collection schedule changed across the Fleurieu. This change has seen FOGO and co-mingled recycling being collected in one week and general waste in the following week. This makes the kerbside collection system simpler and easier for the community and for our operational teams.

As part of this change, a collection truck is now based at the Yankalilla depot which reduces travel times and increases response times for the Yankalilla community. There are also plans to remove several bin banks which have been subject to illegal dumping. Both of these initiatives have increased service levels to our communities.

Our Waste and Recycling Depots continue to provide community circular economy outcomes through recycling organic waste, e-waste and tyres at higher-than-expected levels. We are increasing our quality control and testing for our recovered products, which are still popular with the community.



FRWA has only been able to achieve these amazing results with the dedicated support of our Councils, which listen and support the initiatives that we present to them for consideration.

During this year we have welcomed new Board Members, following the Local Government elections. We have been fortunate to maintain a diverse range of Board Members from various backgrounds and experiences. This ensures that the Authority is best placed to continue to achieve its strategic objectives.

Finally, I recognise and thank my fellow Board Members for their vision, wise counsel and support. In particular, I recognise a former Board Member, Ms Elizabeth Williams, who also worked at the Alexandrina Council. Elizabeth resigned from both positions to pursue other career opportunities. She was a Board Member and Audit Committee Member since 2018 and provided critical financial and governance advice but also other ideas to benefit the Authority's operations. We wish Elizabeth all the best with her future plans.

In closing, I recognise and thank the staff of FRWA. The waste collections drivers, site operators, waste education, customer service, finance and administration team operate our business at extremely high standards, all of which ensures that we can continue to provide critical services to the community at the levels that we do.

Thank you, all.

**Michael Kelleedy**  
Independent Chairperson  
Fleurieu Regional Waste Authority



# FRWA Governance

A board administers FRWA in accordance with the requirements of the *Local Government Act 1999* and the Fleurieu Regional Waste Authority Charter 2021. This year, the Authority Board membership changed due to the Local Government elections held in November 2022.

We welcomed Cr Carlos Quaremba from the City of Victor Harbor, Jodie Summer from the District Council of Yankalilla and Mayor Michael Pengilly from Kangaroo Island Council. Andy Baker from Alexandrina Council also re-joined the Board.

The new board members, with the current independent members Michael Kelledy, Marion Vigot and Vicki Tomlinson, provide diverse skills and experience to lead and guide the FRWA.

The Board held six meetings during the 2022-23 financial year. Given the wide area the Authority covers, Board meetings are held in each council area during the year.

FRWA conducts its business in a complex and constantly changing regulatory and business environment. It is important that the Board review its own performance from time to time, with a view to achieving and maintaining a high level of performance in this environment.

Each Board member is expected to:

- actively seek a full appreciation of the business of the FRWA, including key business drivers, the risks facing the FRWA, applicable risk management policies and the regulatory environment in which the FRWA operates, and

- actively participate in open, honest discussion, to exercise an active discretion on all matters for decision and to bring an independent mind to bear on matters before the Board.

This year the FRWA Board agreed to complete a Self-Assessment Questionnaire as a form of self-assessment of its ongoing performance. All Board members completed the questionnaire, with the majority of responses providing positive results. The questionnaire feedback did, however, highlight two areas for improvement, being Board members knowledge of critical accounting policies and the processes in place to identify, evaluate and monitor the key risks facing the authority. These issues will now be considered and proposals made to address them moving forward.

*Board Members: Andy Baker, Jodie Summer, Marion Vigot, Mayor Michael Pengilly, Vicki Tomlinson, Michael Kelledy (Independent Chairperson), Simon Grenfell (EO), Cr Carlos Quaremba (absent).*



The list below details board member attendance.

| <b>Board Member</b>                              | <b>Meetings</b> |
|--|-----------------|
| Ms Marion Vigot (Independent Member)             | 6 of 6          |
| Mrs Vicki Tomlinson (Independent Member)         | 6 of 6          |
| Ms Elizabeth Williams (Alexandrina Council)      | 1 of 1          |
| Mr Andy Baker (Alexandrina Council)              | 4 of 5          |
| Cr Bryan Littlely (City of Victor Harbor)        | 0 of 1          |
| Ms Karen Rokicinski (City of Victor Harbor)      | 1 of 1          |
| Cr Carlos Quaremba (City of Victor Harbor)       | 2 of 4          |
| Ms Lisa Pearson (District Council of Yankalilla) | 2 of 2          |
| Ms Jodie Summer (District Council of Yankalilla) | 3 of 4          |
| Cr Peter Denholm (Kangaroo Island Council)       | 2 of 2          |
| Mayor Michael Pengilly (Kangaroo Island Council) | 3 of 4          |

## **Audit & Risk Committee Report**

The recent reforms to the Local Government Act 1999 (effective 17 November 2022) brought a greater emphasis on risk management, requiring councils to have an Audit and Risk Committee.

As a regional subsidiary, FRWA's Audit and Risk Committee is formed under Schedule 2 of the Act and is not bound by the reforms. However, the Board determined that a broader scope incorporating risk at the Committee and Board level is appropriate. The Board resolved to change the name from Audit Committee to Audit and Risk Committee. This broader governance focus aligns with FRWA's commitment to skills-based Committee and Board membership and is consistent with councils and subsidiaries in the region.

The Audit & Risk Committee continues to be led by Mr Peter Fairlie-Jones, with new members Mr Gus Rankine and Mrs Vicki Tomlinson joining Ms Karen Rokicinski on the committee this year. The committee reviewed all of the Authorities budget reviews and financial reports as well as the internal audit activities undertaken by Dean Newbery & Partners. The committee also provided input into the formation of the FRWA's Risk Management Framework, Policy and Register that was facilitated by the Local Government Risk Services and oversaw the review of a number of policies.

The Audit & Risk Committee held five meetings during the 2022-23 financial year. The list below details the Audit & Risk Committee Member attendance.

| <b>Audit &amp; Risk Committee Member</b>                 | <b>Meetings</b> |
|--|-----------------|
| Mr Peter Fairlie-Jones (Independent Chairperson)         | 5 of 5          |
| Ms Karen Rokicinski (City of Victor Harbor)              | 5 of 5          |
| Mrs Vicki Tomlinson (Independent Member)                 | 3 of 3          |
| Mr Gus Rankine (Alexandrina Council)                     | 3 of 3          |
| Ms Elizabeth Williams (Alexandrina Council Board Member) | 1 of 1          |

# Executive Officer Report

Environmental benefit, innovation, circular economy and relationships are the guiding principles of the FRWA Strategic Plan, and we have leaned heavily on these principles over the past twelve months. Our organisation has delivered two significant projects this year, changing forever how the community thinks about and presents its kerbside material for collection.

The FRWA constituent councils delivered for its community this year by supporting the Summer Recycling Collection program. The program provided more opportunities for households to reduce the amount of waste set to landfill and recycle more by providing weekly collection of FOGO and co-mingled recycling over the summer period.

The community embraced the opportunity to recycle more material, despite the swell in population and changes to collection schedules, with 288 tonnes less waste sent to landfill than last year. The community also took advantage of recycling their food waste, with an additional 562 tonnes of organic waste collected, an increase of 61%.

The other project that FRWA instigated was the change of collections cycles for mainland councils. Our environment and community needs are ever-changing, and we need to adapt our services to match these demands. Increasing fuel costs and use of FOGO bins necessitated a change in how we collect kerbside waste. We analysed waste collection data, fuel usage and route analysis to determine a simpler and more efficient collection schedule.

FRWA proposed collecting general waste during one week with co-mingled recycling, and FOGO collected together the next week across the entire Fleurieu Peninsula. FRWA also proposed that a collection vehicle be based at the Yankalilla depot to reduce travel and response times.

The schedule changes allowed for the production of simpler, easy-to-read calendars the community has asked for. The South Australian State Government's Green Industries SA (GISA) undertook market research. Findings concluded that simple, high-quality fridge magnets are the best way to communicate waste management messages. GISA assisted with funding the production and design of the new fridge magnet calendars.

Projects were delivered successfully through teamwork, extensive communication and engagement with our community and stakeholders. Our professional and dedicated staff met with community and environmental groups, council staff and leaders, council members, drivers and site staff. We erected roadside banners and signs across the Fleurieu and Kangaroo Island and published notices in relevant publications to ensure the community was aware of the changes.

A difficult economic environment resulted in an operating deficit of \$116k compared to an \$11k budgeted surplus. The main factors behind this result were cost increases across operational areas driven by price increases and increased waste collection levels. While income increased by \$99k (0.96%), expenses increased by \$226k (2.2%) compared against budgeted levels. The main areas of additional costs were fleet maintenance, fuels and recalculated depreciation. Reduced waste disposal costs offset these costs due to increased diversion rates, resulting in reduced general waste tonnages.



This financial year is the first year the councils contributed towards the Asbestos Contaminated Material Project, with an additional provision of \$767k required to fund the remediation work fully. The additional provision resulted in a \$466K deficit overall.

Remediation of properties affected by Asbestos Contaminated Material project continued throughout the year with only a small number of properties outstanding. The budget for this project exceeded the original estimate due to increased volumes of material to be removed and reinstated and the diversity of remediation properties. Completion of all remediation activities is anticipated by the end of 2023.

Waste diversion and service improvements were made possible with support from the FRWA Board, councils, passionate community members and the dedicated and professional staff of the Authority.

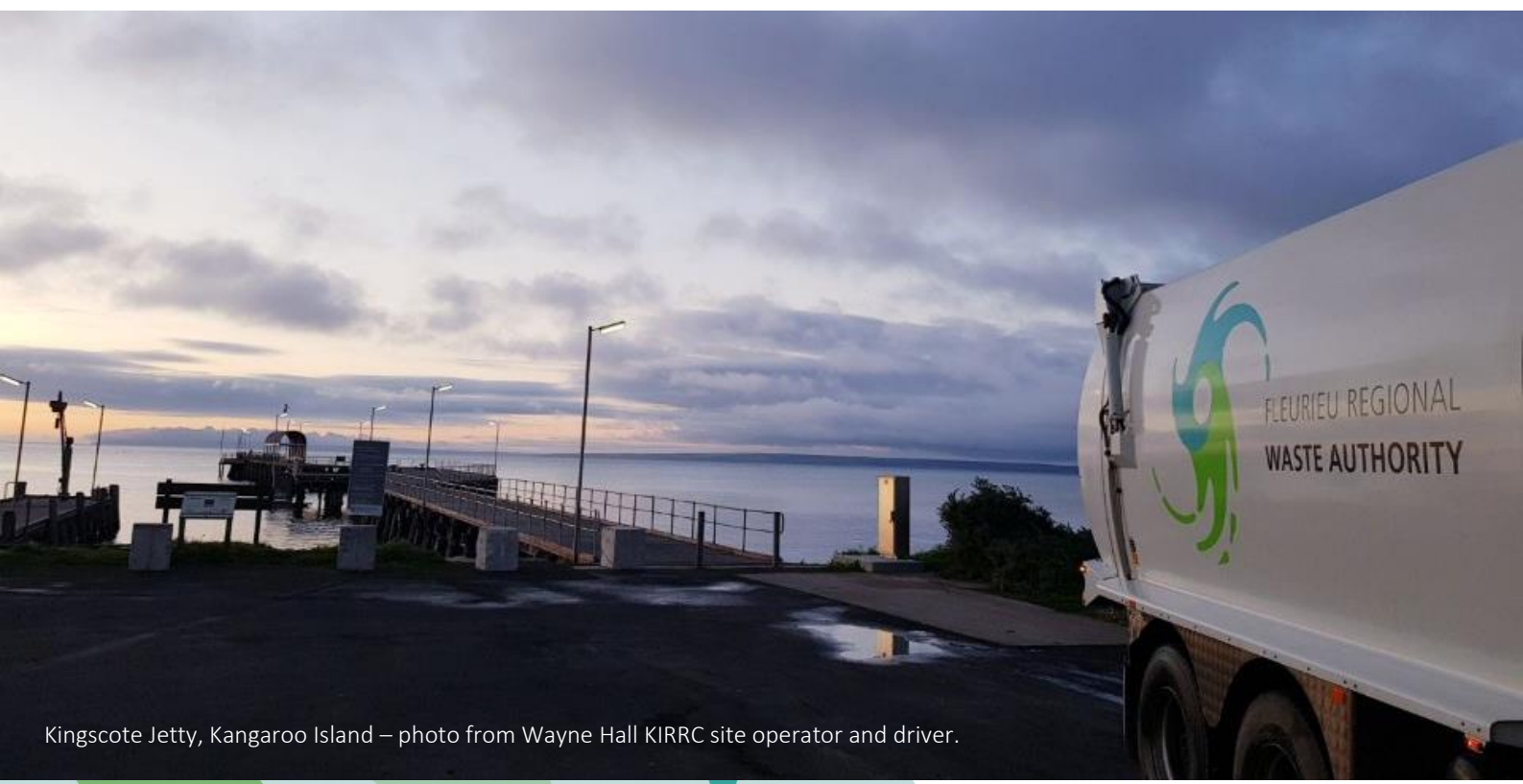
The opportunity to lead the community in reducing its environmental impact is one that FRWA is very respectful and grateful for and looks forward to continuing.

Over the past twelve months, I had the opportunity to present to all constituent councils on several occasions, and I'm encouraged by the passion for waste management demonstrated by all council members. I look forward to continuing to work with them and the Board to deliver the FRWA strategic objectives.

**Simon Grenfell**

Executive Officer

Fleurieu Regional Waste Authority



Kingscote Jetty, Kangaroo Island – photo from Wayne Hall KIRRC site operator and driver.

# Our Services

The Fleurieu Peninsula and Kangaroo Island region cover 7,341 square kilometres with a resident population of 54,000, increasing by up to 50% in coastal areas during holiday periods.

FRWA is a fine example of local governments working together to achieve efficiencies across boundaries. We are capturing the best practices from the councils: reducing waste going to landfill, increasing recycling, and promoting a cleaner and healthier environment for today and tomorrow.

We offer a range of services to the communities we serve, including:

- 3-bin fortnightly collection of kerbside waste
- Public Waste and Recycling Depots in Goolwa, Yankalilla, Strathalbyn and Kingscote
- Public litter bin collections
- Additional waste collection services, including event bins, weekly commercial FOGO collections and exceptional circumstances bins
- Community waste education
- Customer service
- Sale of composting equipment, kitchen caddies, bins and supplies
- Representation and advocacy on behalf of constituent councils.

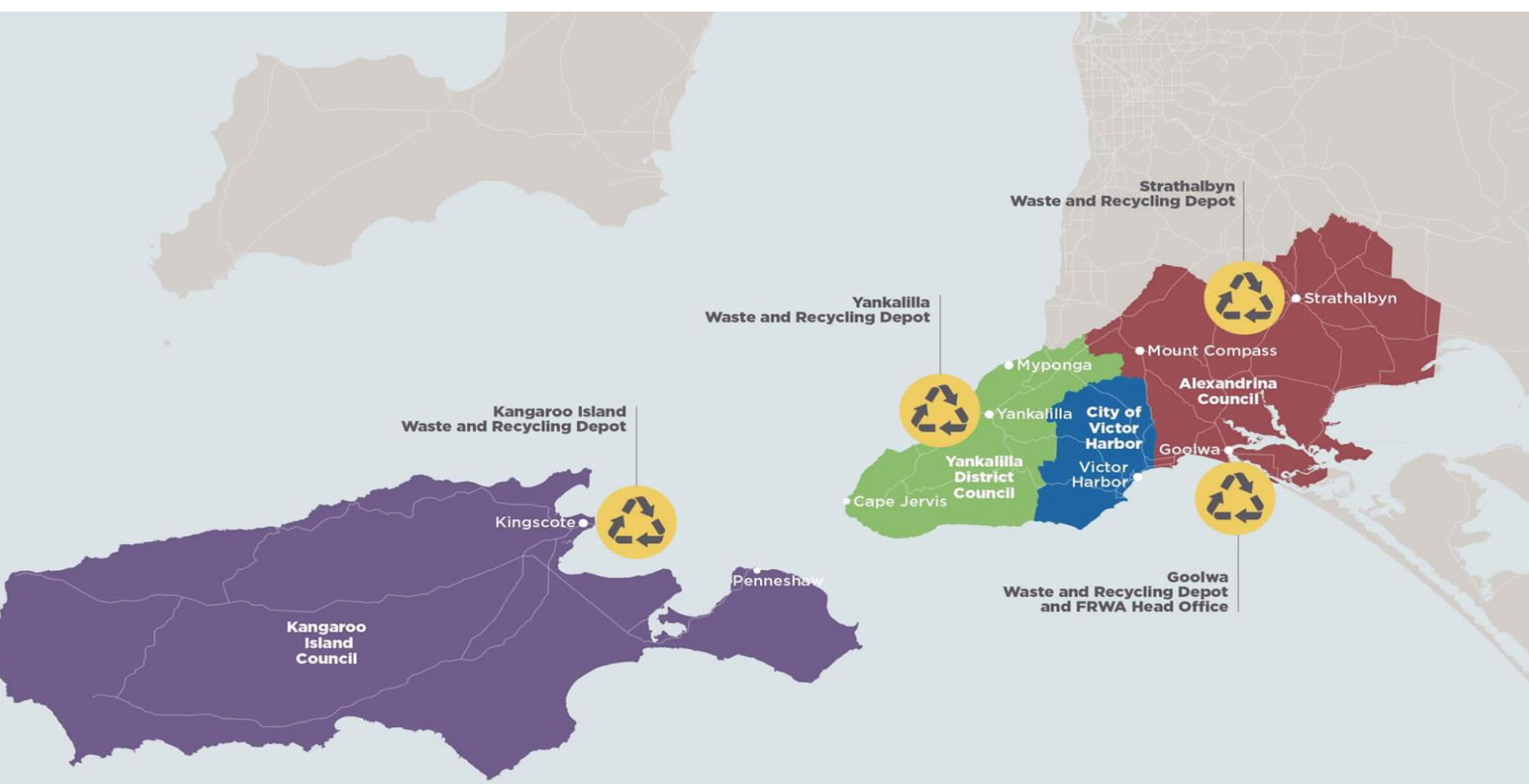


FIGURE 1 Map of FRWA Waste and Recycling Depots

# Our Mission & Objectives

## About FRWA

The Fleurieu Regional Waste Authority (FRWA) is a local government regional subsidiary of the Alexandrina Council, City of Victor Harbor, District Council of Yankalilla and Kangaroo Island Council.

### Mission

*To provide the best practice waste and resource management services that reduce the impact of our community on the environment.*

### Vision

*FRWA will provide diverse and flexible resource management services that are affordable, improve environmental outcomes and promote a circular economy that our community are proud of.*

FRWA adopted several objectives with corresponding key performance indicators to achieve FRWA's Strategic Plan and vision. Below is a summary of the Authority's progress in achieving its objectives.

### Objective 1: Reduce the impact of the community on the environment through best practice waste management and diversion

Key performance indicators:

- Increase kerbside diversion rates from 50% to 70% by 2030
- Reduce the amount of organic waste in the blue bin from 44% to less than 15% by 2025
- Reduce contamination of the recycling bin to less than 8% by 2025
- Reduce greenhouse gas emissions of FRWA by 30% by 2030.

### Objective 2: Advocate and facilitate a local circular economy

Key performance indicators:

- Value of recovered materials is increased by 10% by 2025
- Reduce freight kilometres by 5% by 2025
- Constituent councils purchase recyclable materials equivalent to 30% by weight of material collected in the yellow bin.

### Objective 3: Provide flexible services that meet the needs of councils, residents and visitors

Key performance indicators:

- Reduce the number of bin banks in rural areas by 15% by 2025
- Increase range of services provided to customers by 20% by 2025
- Increase range of services provided to constituent councils by 2025

### Objective 4: Provide efficient and effective regional subsidiary

Key performance indicators:

- Reduce the cost of kerbside collection per property by 5% by 2025, excluding CPI and solid waste levy
- Reduce the cost to councils of waste transfer station operations by 10% by 2025, excluding CPI and solid waste levy.

# Our Performance

The Fleurieu Regional Waste Authority measures performance against the key performance indicators in the Strategic Plan and Business Plan.

FRWA continues to develop performance measurements to ensure the achievement of objectives. The table below is a qualitative description of our performance against KPIs.

| Indicator                       | Target      | 2022-23 Budget | 2022-23 Actual |
|---------------------------------|-------------|----------------|----------------|
| Operating Surplus Ratio         | 0% to 1%    |                |                |
| - Including ACM Borrowings      |             | 3.4%           | -4.1%          |
| - Excluding ACM Borrowings      |             | 0.1%           | -8.5%          |
| Net Financial Liabilities Ratio | 30% to 50%  |                |                |
| - Including ACM Borrowings      |             | 119%           | 119%           |
| - Excluding ACM Borrowings      |             | 82%            | 81%            |
| Asset Renewal Funding Ratio     | 80% to 100% | 100%           | 100%           |
| Own Source Revenue Ratio        | 23% to 28%  | 31%            | 32%            |

The following is a qualitative and quantitative report on the achievements of the Strategic Plan KPIs.

## Objective 1: Reduce the impact of the community on the environment through best practice waste management and diversion

One of FRWA's main performance indicators is kerbside waste diversion rate. The rate has increased from 50% in 2018-19 to 62% in 2022-23 due to the introduction of a fortnightly waste collection and the Summer Recycling program. Waste sent to landfill from kerbside collections has reduced by 31% since 2015/16.

The kerbside bin audit undertaken in December 2021 found that organic waste makes up 32% of waste in the blue (general waste) bin, a reduction of 12% from the 2017 bin audit. The kerbside bin audit also found that contamination of the recycling bin is 10%. These results demonstrate that the performance of our waste management system is improving.

To reduce travel times, FRWA introduced a new collection schedule with FOGO and co-mingled recycling collected in the same week, with general waste collected the following week. This reduces travel time, increases average tipping weight, and reduces overall fuel use and greenhouse gas emissions. An analysis of fuel used by FRWA between 2019-20 and 2022-23 found fuel use reduced by 15,881 litres (3.3%). This is equivalent to 42.56 tonnes of CO<sub>2</sub>.



### Objective 2: Advocate and facilitate a local circular economy

The value of recovered materials has increased since 2020. Changes include processes to recover high-value metals and landscape rock from council projects and producing high-quality wood chips from tree logs. These changes have increased revenue at the waste and recycling depots. FRWA has also increased the amount of cardboard recycled through the Goolwa Waste and Recycling Depot by separately collecting and transporting 26.9 tonnes of cardboard to the Southern Materials Recycling Facility.

FRWA made operational changes to facilitate a reduction of freight kilometres by 5% by 2025 from 2020. In 2020-21, FRWA changed the location for co-mingled recycling processing from Edinburgh to Seaford Downs. The relocation reduced the travel distance from 114km to 50.6km for 5,500 tonnes of material. FRWA staff continue to analyse our freight movements and have recently changed operations at the transfer stations, which has seen payloads increase by an average of 12%. FRWA kerbside collection vehicles are now depositing most kerbside waste at the Goolwa Waste and Recycling Depot for transport to the disposal site. These actions have increased payloads and reduced travel time and fuel use across our operations.

FRWA is also part of the Business Victor Harbor Circular Economy working group. Business Victor Harbor hosted a Circular Economy Forum sponsored by Green Industries SA, featuring keynote speaker, economist and circular economy expert Michael Schuman.

### Objective 3: Provide flexible services that meet the needs of councils, residents and visitors.

FRWA continues to improve services for residents by removing 15 bin banks (from a regional total of 113) in the Alexandrina Council and DC Yankalilla over the past two years. The implementation of roadside collection benefited over 200 rural properties and reduced bin banks by 12%.

We continue to extend the range of services provided to our customers with the introduction of the following waste collection services:

- Weekly food waste collection service for businesses
- On-demand collection of kerbside waste
- Caravan park collection service

Our Waste and Recycling Depots now sell rubber bin latches for lids and accept paint as part of the Paintback Scheme that recycles unwanted paint.

### Objective 4: Provide efficient and effective regional subsidiary

FRWA strives to provide effective and efficient services. Detailed analysis of the cost of kerbside collection per property is still to be undertaken. Increased income at the Waste and Recycling Depots means that Alexandrina Council no longer contributes to the operations of the Goolwa and Strathalbyn Waste and Recycling Depots. The cost to the District Council of Yankalilla has halved compared to the budgeted amount in 2019-20. The cost of the Kangaroo Island Resource Recovery Centre has increased due to the structure of fees and charges, which the KI Council are currently considering.

# Kerbside Collection Services

FRWA has a fleet of 13 collection vehicles and provides a fortnightly collection of waste, recycling and food organics garden organics (FOGO) to over 32,000 properties.

FRWA and constituent councils have invested in systems and services to meet the communities' objective of reducing waste sent to landfill. Since June 2016, the amount of waste sent to landfill has decreased to 9,350 tonnes from 13,530 tonnes (31%). This has resulted in reduced greenhouse gas emissions and payable solid waste levies.

Amounts of FOGO recycled have tripled from 3,100 tonnes to 9,800 tonnes, with material processed locally to provide employment and economic prosperity for the region.

Achieving a kerbside waste diversion rate of 62% is an outstanding achievement for the region.

FRWA continues to focus on transport and logistics efficiencies to reduce fuel usage. An analysis of fuel used by FRWA between 2019-

20 and 2022-23 found fuel use reduced by 15,881 litres (3.3%). This is due to rescheduling of kerbside collection runs and in-house transport efficiencies.

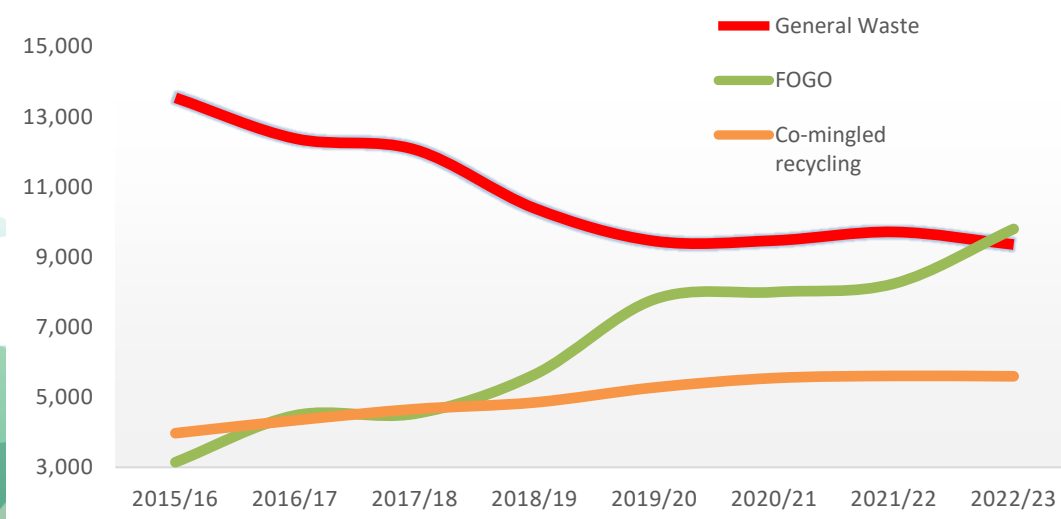
During this period, all waste tonnages increased by 11%.

This year, to improve customer outcomes and increase efficiencies, we changed the collection schedule to collect all recyclable material in one week, with general waste the next week.

It is expected that this will reduce travel times and increase average tipping weights and reduce costs.

We have also based a truck at the District Council of Yankalilla Depot to reduce travel times and increase response times to missed collections. The change will also allow the removal of several bin banks while providing roadside collections for more properties.

FRWA - Kerbside Waste 2015-16 to 2022-23 (tonnes)



# Waste by numbers

## Kerbside collections

| COUNCIL               | WASTE                | FOGO                  | RECYCLING              | DIVERSION from landfill |
|-----------------------|----------------------|-----------------------|------------------------|-------------------------|
| Kangaroo Island       | 836t<br>-8%          | +29%<br>516t          | 515t<br>-3%            | +3%<br>55%              |
| Victor Harbor         | 2598t<br>-8%         | +20%<br>3220t         | 1642t<br>-1%           | +4%<br>65%              |
| Yankalilla            | 1167t<br>-5%         | +11%<br>964t          | 620t<br>-5%            | +3%<br>58%              |
| Alexandrina           | 4751t<br>-0.2%       | +19.2%<br>5096t       | +2.2%<br>2818t         | +2%<br>62%              |
| <b>Total (tonnes)</b> | <b>9351t<br/>-4%</b> | <b>+19%<br/>9795t</b> | <b>5595t<br/>-0.2%</b> | <b>+3%<br/>62%</b>      |

Kerbside waste statistics from July 2022 to June 2023 compared to the same period last year.

**31%** reduction in kerbside general waste since 2015/16

**312%** increase in kerbside FOGO since 2015/16

**58,000** paying customers at mainland Waste and Recycling Depots

**1,986,571** bins collected

**8670m<sup>3</sup>** of mulch produced



# Waste and Recycling Depots

The FRWA Waste and Recycling Depots (WRD) continue to provide an important service to the community.

All waste and recycling depots reported a more stable year this year, with customer numbers increasing between 3% and 9%. The popularity of our mulch products continues to be strong.

To further improve our management, we have installed a point of sale terminal at the Yankalilla Depot, which can be used with our CCTV infrastructure to ensure our staff are protected and resolve customer disputes.

In conjunction with the KI Council, we also plan to upgrade of the KI Resource Recovery Centre office in late 2023.

WRD waste to landfill reduced by 30%, which is just above volumes received in 2020/21.

We received delivery of a new Volvo prime-movers to facilitate our in-house waste transport. The new Euro-6-compliant unit has significantly reduced fuel usage and service costs.





# Waste Education and Projects

Asking the community to change when they put their bins out for collection required extensive and effective communication.

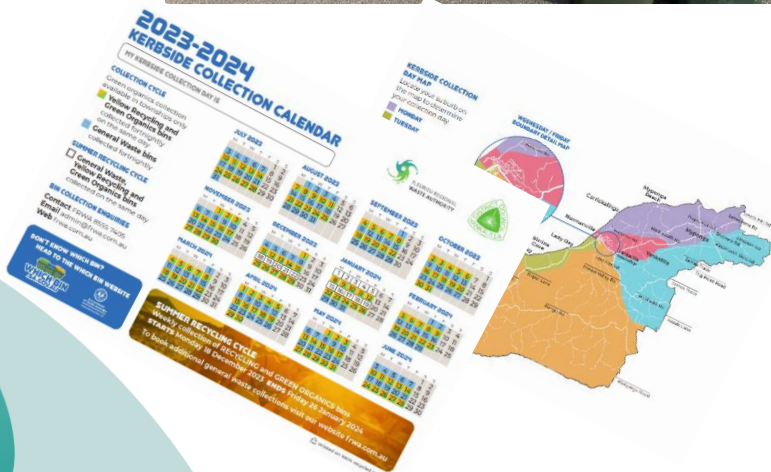
Engagement, communication and project planning for the Summer Recycling Collection Program and the kerbside waste collection change have been the primary focus of waste education activities this year.

The planning required to deliver these projects successfully has been significant.

We engaged with community groups, council members and staff, retirement villages, schools and businesses about the changes.

We erected roadside banners and corflute signs, published articles in council newsletters, newspapers and community papers, posted articles across social media and activated the My Local Services App for councils.

These activities resulted in the community smoothly transitioning to new kerbside waste collection cycles.



With support from Alexandrina Council, FRWA delivered 100 green bins, kitchen caddies, compost bags and education materials to households on Hindmarsh Island. FRWA also undertook targeted communications through local publications and social media.



FRWA rebranded some of our collection trucks with images that connect our activities with the core values of our community. The “Love where we live” mantra featuring pictures of our pristine environment demonstrates that FRWA holds the same core values as our community. The images are of iconic environments from across the Fleurieu and Kangaroo Island.



FLEURIEU REGIONAL WASTE AUTHORITY

# Financial Statements



**Fleurieu Regional Waste Authority**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2023**

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**Fleurieu Regional Waste Authority  
Annual Financial Statements  
for the year ended 30 June 2023**

**CERTIFICATION OF FINANCIAL STATEMENTS**



We have been authorised by the Authority to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2023 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.

A handwritten signature in blue ink, appearing to read 'SAG', written over a horizontal dotted line.

**Simon Grenfell  
EXECUTIVE OFFICER**

A handwritten signature in blue ink, appearing to read 'MJK', written over a horizontal dotted line.

**Michael Kelliedy  
CHAIR OF THE BOARD**

Date: 20 September 2023

**Fleurieu Regional Waste Authority**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2023**

|   | Notes | 2023<br>\$'000 | 2022<br>\$'000 |
|---|-------|----------------|----------------|
| <b>INCOME</b>                                   |       |                |                |
| User charges                                    | 2     | 11,083         | 10,329         |
| Grants, subsidies and contributions - Operating | 2     | (3)            | 68             |
| Investment income                               | 2     | 2              | -              |
| Reimbursements                                  | 2     | 14             | 2              |
| Other income                                    | 2     | 10             | 6              |
| <b>Total Income</b>                             |       | <u>11,106</u>  | <u>10,405</u>  |
| <b>EXPENSES</b>                                 |       |                |                |
| Employee costs                                  | 3     | 3,542          | 3,081          |
| Materials, contracts & other expenses           | 3     | 6,813          | 5,847          |
| Depreciation, amortisation & impairment         | 3     | 889            | 812            |
| Finance costs                                   | 3     | 320            | 75             |
| <b>Total Expenses</b>                           |       | <u>11,564</u>  | <u>9,815</u>   |
| <b>OPERATING SURPLUS / (DEFICIT)</b>            |       | <u>(458)</u>   | <u>590</u>     |
| Asset disposal & fair value adjustments         | 4     | (8)            | -              |
| <b>NET SURPLUS / (DEFICIT)</b>                  |       | <u>(466)</u>   | <u>590</u>     |
| transferred to Equity Statement                 |       | -              | -              |
| <b>Total Other Comprehensive Income</b>         |       | <u>-</u>       | <u>-</u>       |
| <b>TOTAL COMPREHENSIVE INCOME</b>               |       | <u>(466)</u>   | <u>590</u>     |

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

**Fleurieu Regional Waste Authority**  
**Statement of Financial Position**  
**as at 30 June 2023**

| <b>ASSETS</b>                               | <b>Notes</b> | <b>2023</b><br><b>\$'000</b> | <b>2022</b><br><b>\$'000</b> |
|---|--------------|------------------------------|------------------------------|
| <b>Current Assets</b>                       |              |                              |                              |
| Cash and cash equivalents                   | 5            | 1,378                        | 2,590                        |
| Trade & other receivables                   | 5            | 158                          | 260                          |
| Inventories                                 | 5            | 65                           | 70                           |
| <b>Total Current Assets</b>                 |              | <b>1,601</b>                 | <b>2,920</b>                 |
| <b>Non-current Assets</b>                   |              |                              |                              |
| Infrastructure, property, plant & equipment | 6            | 4,268                        | 4,536                        |
| <b>Total Non-current Assets</b>             |              | <b>4,268</b>                 | <b>4,536</b>                 |
| <b>Total Assets</b>                         |              | <b>5,869</b>                 | <b>7,456</b>                 |
| <b>LIABILITIES</b>                          |              |                              |                              |
| <b>Current Liabilities</b>                  |              |                              |                              |
| Trade & other payables                      | 7            | 2,628                        | 2,368                        |
| Borrowings                                  | 7            | 1,339                        | 599                          |
| Provisions                                  | 7            | 3,494                        | 5,647                        |
| <b>Total Current Liabilities</b>            |              | <b>7,461</b>                 | <b>8,614</b>                 |
| <b>Non-current Liabilities</b>              |              |                              |                              |
| Borrowings                                  | 7            | 7,220                        | 7,179                        |
| Provisions                                  | 7            | 37                           | 46                           |
| <b>Total Non-current Liabilities</b>        |              | <b>7,257</b>                 | <b>7,225</b>                 |
| <b>Total Liabilities</b>                    |              | <b>14,718</b>                | <b>15,839</b>                |
| <b>NET ASSETS</b>                           |              | <b>(8,849)</b>               | <b>(8,383)</b>               |
| <b>EQUITY</b>                               |              |                              |                              |
| Accumulated surplus                         |              | (8,849)                      | (8,383)                      |
| <b>TOTAL EQUITY</b>                         |              | <b>(8,849)</b>               | <b>(8,383)</b>               |

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

# Fleurieu Regional Waste Authority

## Statement of Changes in Equity

for the year ended 30 June 2023

|   |       | Acc'd<br>Surplus | Other<br>Reserves | TOTAL<br>EQUITY |
|---|-------|------------------|-------------------|-----------------|
|   | Notes | \$'000           | \$'000            | \$'000          |
| <b>2023</b>                                 |       |                  |                   |                 |
| Balance at end of previous reporting period |       | (8,383)          | -                 | (8,383)         |
| <b>Net Surplus / (Deficit) for Year</b>     |       | <b>(466)</b>     |                   | <b>(466)</b>    |
| <b>Balance at end of period</b>             |       | <b>(8,849)</b>   | <b>-</b>          | <b>(8,849)</b>  |
| <b>2022</b>                                 |       |                  |                   |                 |
| Balance at end of previous reporting period |       | (8,973)          | -                 | (8,973)         |
| <b>Net Surplus / (Deficit) for Year</b>     |       | <b>590</b>       |                   | <b>590</b>      |
| <b>Balance at end of period</b>             |       | <b>(8,383)</b>   | <b>-</b>          | <b>(8,383)</b>  |

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



# Fleurieu Regional Waste Authority

## Statement of Cash Flows

for the year ended 30 June 2023

|   |          | 2023             | 2022           |
|---|----------|------------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES                          | Notes    | \$'000           | \$'000         |
| <b>Receipts:</b>  |          |                  |                |
| User charges  |          | 10,557           | 10,889         |
| Investment receipts   |          | 2                | -              |
| Grants utilised for operating purposes                        |          | (3)              | 69             |
| Reimbursements  |          | 14               | 2              |
| Other revenues  |          | 51               | 6              |
| <b>Payments:</b>  |          |                  |                |
| Employee costs  |          | (3,559)          | (3,131)        |
| Materials, contracts & other expenses                         |          | (8,119)          | (10,358)       |
| Finance payments  |          | (307)            | (29)           |
| <b>Net Cash provided by (or used in) Operating Activities</b> |          | <b>(1,364)</b>   | <b>(2,552)</b> |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>               |          |                  |                |
| <b>Receipts:</b>  |          |                  |                |
| Sale of replaced assets                                       |          | 90               | -              |
| <b>Payments:</b>  |          |                  |                |
| Expenditure on renewal/replacement of assets                  |          | (280)            | (609)          |
| Expenditure on new/upgraded assets                            |          | (439)            | (412)          |
| <b>Net Cash provided by (or used in) Investing Activities</b> |          | <b>(629)</b>     | <b>(1,021)</b> |
| <br><b>CASH FLOWS FROM FINANCING ACTIVITIES</b>               |          |                  |                |
| <b>Receipts:</b>  |          |                  |                |
| Proceeds from borrowings                                      |          | 1,380            | 5,588          |
| <b>Payments:</b>  |          |                  |                |
| Repayments of borrowings                                      |          | (599)            | (810)          |
| <b>Net Cash provided by (or used in) Financing Activities</b> |          | <b>781</b>       | <b>4,778</b>   |
| <b>Net Increase (Decrease) in cash held</b>                   |          | <b>(1,212)</b>   | <b>1,205</b>   |
| <br>Cash & cash equivalents at beginning of period            | <br>8    | <br><b>2,590</b> | <br>1,385      |
| <b>Cash &amp; cash equivalents at end of period</b>           | <b>8</b> | <b>1,378</b>     | <b>2,590</b>   |

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

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 1 - Significant Accounting Policies**

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

**1 Basis of Preparation**

**1.1 Compliance with Australian Accounting Standards**

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

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011 dated 20 September 2023.

**1.2 Historical Cost Convention**

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

**1.3 Critical Accounting Estimates**

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

**1.4 Rounding**

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

**2 The Local Government Reporting Entity**

The Fleurieu Regional Waste Authority is incorporated under the SA Local Government Act 1999 and has its principal place of business at 1226 Port Elliot Road, Goolwa, South Australia. These consolidated financial statements include the Authority's direct operations and all entities through which the Authority controls resources to carry on its functions. In the process of reporting on the Authority as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

**3 Income recognition**

**3.1 Revenue**

The Authority 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 Authority expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when the Authority 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 Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority 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.

*Council Contributions*

Revenue from Council contributions is recognised as the services are performed over the financial year.

*Waste Disposal Operations*

Revenue from waste disposal operations is recognised at the point in time the service is provided to the customer.

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 1 - Significant Accounting Policies**

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

**4.1 Cash, Cash Equivalent Assets**

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.

**4.2 Other Financial Instruments**

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 also form part of Note 9.

**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 Authority 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 the Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 6. No capitalisation threshold is applied to the acquisition of land or interests in land.

**6.3 Subsequent Recognition**

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 6.

**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 the Authority, 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 shown in Note 6. 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.

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 1 - Significant Accounting Policies**

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

**7.3 Contract Liabilities**

Contract liabilities represent the Authority's obligation to transfer goods and services to a customer and are recognised when a customer pays consideration, or when the Authority recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Authority has transferred the goods or services to the customer.

**8 Borrowings**

Borrowings are initially recognised at fair value net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

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". Interest free loans are initially recognised at fair value with any difference between fair value and proceeds recognised in the profit and loss. The loan is subsequently measured at amortised cost with interest being recognised using the effective interest rate method.

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 1 - Significant Accounting Policies**

**9 Provisions**

**9.1 Employee Benefits**

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 up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

|                                    |                             |
|------------------------------------|-----------------------------|
| Weighted average discount rate     | 0.53% (2022 : 1.25%)        |
| Weighted average settlement period | 1.5 years (2022: 1.6 years) |

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

Superannuation:

The Authority makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and the Authority's involvement with the schemes are reported in Note 12.

**9.2 Provisions for reinstatement, restoration, rehabilitation.**

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. The Authority's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

**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.



**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 2 - INCOME**

|  | <b>Notes</b> | <b>2023</b><br><b>\$'000</b> | <b>2022</b><br><b>\$'000</b> |
|--|--------------|------------------------------|------------------------------|
| <b>USER CHARGES</b>  |              |                              |                              |
| Council Contributions  |              | 7,798                        | 7,132                        |
| Waste Disposal Operations                                    |              | 3,285                        | 3,197                        |
|  |              | <b>11,083</b>                | <b>10,329</b>                |
| <b>INVESTMENT INCOME</b>                                     |              |                              |                              |
| Interest on investments:                                     |              |                              |                              |
| Local Government Finance Authority                           |              | 1                            | -                            |
| Banks & other  |              | 1                            | -                            |
|  |              | <b>2</b>                     | <b>-</b>                     |
| <b>REIMBURSEMENTS</b>  |              |                              |                              |
| Other  |              | 14                           | 2                            |
|  |              | <b>14</b>                    | <b>2</b>                     |
| <b>OTHER INCOME</b>  |              |                              |                              |
| Sundry Income  |              | 10                           | 6                            |
|  |              | <b>10</b>                    | <b>6</b>                     |
| <b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>                      |              |                              |                              |
| <i>Other grants, subsidies and contributions - Operating</i> |              |                              |                              |
| Other grants, subsidies and contributions                    |              | (3)                          | 68                           |
|  |              | <b>(3)</b>                   | <b>68</b>                    |
| <b>Sources of grants</b>                                     |              |                              |                              |
| State government   |              | (3)                          | 68                           |
|  |              | <b>(3)</b>                   | <b>68</b>                    |

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 3 - EXPENSE**

|  | Notes    | 2023<br>\$'000 | 2022<br>\$'000 |
|--|----------|----------------|----------------|
| <b>EMPLOYEE COSTS</b>                                    |          |                |                |
| Salaries and Wages                                       |          | 2,733          | 2,506          |
| Employee leave expense                                   |          | 310            | 150            |
| Superannuation - defined contribution plan contributions | 12       | 280            | 228            |
| Superannuation - defined benefit plan contributions      | 12       | 16             | 13             |
| Workers' Compensation Insurance                          |          | 137            | 128            |
| Other employment related costs                           |          | 66             | 56             |
| <b>Total Operating Employee Costs</b>                    |          | <b>3,542</b>   | <b>3,081</b>   |
| <b>Total Number of Employees</b>                         |          | <b>31</b>      | <b>29</b>      |
| <i>(Full time equivalent at end of reporting period)</i> |          |                |                |
| <b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>         |          |                |                |
| <u>Prescribed Expenses</u>                               |          |                |                |
| Auditor's Remuneration                                   |          |                |                |
| - Auditing the financial reports                         |          | 17             | 14             |
| Bad and Doubtful Debts                                   |          | (2)            | 5              |
| Board members' expenses                                  |          | 40             | 36             |
| Rental Charge  |          | 104            | 86             |
| Subtotal - Prescribed Expenses                           |          | <b>159</b>     | <b>141</b>     |
| <u>Other Materials, Contracts &amp; Expenses</u>         |          |                |                |
| Waste Disposal   |          | 2,105          | 2,111          |
| Contractors  |          | 1,471          | 1,753          |
| Energy   |          | 945            | 664            |
| Maintenance  |          | 624            | 573            |
| Provision for remediation costs                          | 1.3,7,15 | 767            | -              |
| Parts, accessories & consumables                         |          | 122            | 169            |
| Professional services                                    |          | 211            | 67             |
| Legal Expenses   |          | 9              | 2              |
| Sundry Expenses  |          | 400            | 367            |
| Subtotal - Other Materials, Contracts & Expenses         |          | <b>6,654</b>   | <b>5,706</b>   |
|  |          | <b>6,813</b>   | <b>5,847</b>   |
| <b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>       |          |                |                |
| <b>Depreciation</b>                                      |          |                |                |
| Plant, Machinery & Equipment                             |          | 875            | 795            |
| Office Equipment, Furn & Fittings                        |          | 14             | 17             |
|  |          | <b>889</b>     | <b>812</b>     |
| <b>FINANCE COSTS</b>                                     |          |                |                |
| Interest on Loans  |          | 320            | 75             |
|  |          | <b>320</b>     | <b>75</b>      |

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS**

|   | <b>Notes</b> | <b>2023</b>   | <b>2022</b>   |
|---|--------------|---------------|---------------|
|   |              | <b>\$'000</b> | <b>\$'000</b> |
| <b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>      |              |               |               |
| <i>Assets renewed or directly replaced</i>                  |              |               |               |
| Proceeds from disposal                                      |              | 90            | -             |
| Less: Carrying amount of assets sold                        |              | 98            | -             |
| <b>Gain (Loss) on disposal</b>                              |              | <b>(8)</b>    | <b>-</b>      |
| <b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b> |              |               |               |
|   |              | <b>(8)</b>    | <b>-</b>      |

**Note 5 - CURRENT ASSETS**

|   | <b>Notes</b> | <b>2023</b>   | <b>2022</b>   |
|---|--------------|---------------|---------------|
|   |              | <b>\$'000</b> | <b>\$'000</b> |
| <b>CASH &amp; EQUIVALENT ASSETS</b>   |              |               |               |
| Cash on Hand and at Bank  |              | 1,357         | 2,506         |
| Deposits at Call  |              | 21            | 84            |
|   |              | <b>1,378</b>  | <b>2,590</b>  |
| <b>TRADE &amp; OTHER RECEIVABLES</b>  |              |               |               |
| Debtors - general   |              | 157           | 252           |
| GST Recoupment  |              | -             | 10            |
| Prepayments   |              | 1             | 2             |
| Total   |              | 158           | 264           |
| Less: Provision for expected credit losses  | 9            | -             | (4)           |
|   |              | <b>158</b>    | <b>260</b>    |
| <i>Amounts included in receivables that are not expected to be received within 12 months of reporting date.</i> |              | -             | -             |
| <b>INVENTORIES</b>  |              |               |               |
| Stores & Materials  |              | 65            | 70            |
|   |              | <b>65</b>     | <b>70</b>     |
| <i>Amounts included in inventories that are not expected to be received within 12 months of reporting date.</i> |              | <b>0</b>      | <b>0</b>      |

*Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.*

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)**

|                                   | 2022<br>\$'000 |       |            |                 | 2023<br>\$'000 |       |            |                 |
|-----------------------------------|----------------|-------|------------|-----------------|----------------|-------|------------|-----------------|
|                                   | Fair Value     | Cost  | Acc' Dep'n | Carrying Amount | Fair Value     | Cost  | Acc' Dep'n | Carrying Amount |
| Plant, Machinery & Equipment      | -              | 8,231 | (3,719)    | 4,512           | -              | 8,414 | (4,156)    | 4,258           |
| Office Equipment, Furn & Fittings | -              | 59    | (35)       | 24              | -              | 59    | (49)       | 10              |
| <b>Total IPP&amp;E</b>            | -              | 8,290 | (3,754)    | 4,536           | -              | 8,473 | (4,205)    | 4,268           |
| <i>Comparatives</i>               | -              | 7,269 | (2,941)    | 4,328           | -              | 8,290 | (3,754)    | 4,536           |

|                                   | 2022<br>\$'000  | Carrying Amounts Movement During the Year<br>\$'000 |            |             |              |          |           |     | 2023<br>\$'000 |                 |
|-----------------------------------|-----------------|---|------------|-------------|--------------|----------|-----------|-----|----------------|-----------------|
|                                   | Carrying Amount | Additions   |            | Disposals   | Dep'n        | Impair't | Transfers |     | Net Reval'n    | Carrying Amount |
|                                   |                 | New / Upgrade                                       | Renewals   |             |              |          | In        | Out |                |                 |
| Plant, Machinery & Equipment      | 4,512           | 439   | 281        | (99)        | (875)        | -        | -         | -   | -              | 4,258           |
| Office Equipment, Furn & Fittings | 24              | -   | -          | -           | (14)         | -        | -         | -   | -              | 10              |
| <b>Total IPP&amp;E</b>            | <b>4,536</b>    | <b>439</b>  | <b>281</b> | <b>(99)</b> | <b>(889)</b> | -        | -         | -   | -              | <b>4,268</b>    |
| <i>Comparatives</i>               | 4,328           | 412   | 609        | -           | (812)        | -        | -         | -   | -              | 4,536           |

*This note continues on the following pages.*

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 6 – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (cont.)**

**Valuation of Assets**

**General Valuation Principles**

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

|   |        |
|---|--------|
| Office Furniture & Equipment            | 5,000  |
| Other Plant & Equipment                 | 5,000  |
| Buildings - new construction/extensions | 10,000 |

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

|                              |                |
|------------------------------|----------------|
| Plant, Furniture & Equipment | 3 to 20 years  |
| Building & Other Structures  | 30 to 80 years |

**Plant, Furniture & Equipment**

These assets are recognised on the cost basis.



**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 7 - LIABILITIES**

|   | Notes | 2023         |              | 2022         |              |
|---|-------|--------------|--------------|--------------|--------------|
|   |       | \$'000       |              | \$'000       |              |
| <b>TRADE &amp; OTHER PAYABLES</b>   |       | Current      | Non-current  | Current      | Non-current  |
| Goods & Services  |       | 1,576        | -            | 719          | -            |
| Payments received in advance  |       | 126          | -            | 747          | -            |
| Accrued expenses - employee entitlements  |       | 215          | -            | 233          | -            |
| Accrued expenses - other  |       | 680          | -            | 669          | -            |
| GST Payable   |       | 31           | -            | -            | -            |
|   |       | <b>2,628</b> | <b>-</b>     | <b>2,368</b> | <b>-</b>     |
| <i>Amounts included in trade &amp; other payables that are not expected to be settled within 12 months of reporting date.</i> |       | -            | -            | -            | -            |
| <b>CONTRACT LIABILITIES</b>   |       |              |              |              |              |
| Revenues received in advance  |       |              |              |              |              |
| Additional collection services  |       | 119          | -            | 83           | -            |
| Council Contributions   |       | -            | -            | 746          | -            |
|   |       | <b>119</b>   | <b>-</b>     | <b>829</b>   | <b>-</b>     |
| <b>BORROWINGS</b>   |       |              |              |              |              |
| Loans   |       | 1,339        | 7,220        | 599          | 7,179        |
|   |       | <b>1,339</b> | <b>7,220</b> | <b>599</b>   | <b>7,179</b> |

*All interest bearing liabilities are secured over the future revenues of the Authority.*

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 7 - LIABILITIES cont.**

**PROVISIONS**

|   |          |              |           |              |           |
|---|----------|--------------|-----------|--------------|-----------|
| LSL Employee entitlements (including oncosts) |          | 227          | 37        | 217          | 46        |
| Provision for rock crushing                   |          | 476          |           | 384          | -         |
| Provision for remediation costs               | 1.3,7,15 | 2,791        |           | 4,978        | -         |
| Other Provisions                              |          | -            |           | 68           | -         |
|   |          | <u>3,494</u> | <u>37</u> | <u>5,647</u> | <u>46</u> |

*Amounts included in provisions that are not expected to be settled within 12 months of reporting date.*

|           |           |
|-----------|-----------|
| <b>37</b> | <b>46</b> |
|-----------|-----------|

In March 2021, the Authority undertook testing of its recycled road base material at the Goolwa Waste and Recycling Depot and found that the stockpile contained asbestos. The Authority notified the South Australian Environment Protection Authority in March 2021 and engaged a consultant to assist in the coordination and removal of asbestos containing material from identified properties in South Australia, in accordance with specific remediation plans.

A provision for remediation costs was recognised at 30 June 2021 and represents the Board's best estimate of the costs that may be incurred in relation to the coordination and removal of asbestos containing material from identified properties.

Remediation works commenced in July 2021 and have continued during the financial year ended 30 June 2023. The Board estimates that the remediation works will be completed in the next 12 months.

The Authority's Board approved the retention of Surplus the Authority Contributions for each constituent the Authority to fund the asbestos contaminated material remediation project, until net Equity returns to positive values.

**Movements in Provisions - 2023 year only**  
*(current & non-current)*

|                                   | <i>Provision for rock crushing</i> | <i>Provision for remediation costs</i> | <i>Leave &amp; Other Provision</i> |
|-----------------------------------|------------------------------------|--|------------------------------------|
| Opening Balance                   | 384                                | 4,978                                  | 331                                |
| Add Additional amounts recognised | 92                                 | 767                                    | 1                                  |
| (Less) Payments                   |                                    | 2,954                                  |                                    |
| Unused amounts reversed           |                                    |  | 68                                 |
| Closing Balance                   | <u>476</u>                         | <u>2,791</u>                           | <u>264</u>                         |

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 8 - RECONCILIATION TO CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

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

|                                  | Notes | 2023<br>\$'000 | 2022<br>\$'000 |
|----------------------------------|-------|----------------|----------------|
| Total cash & equivalent assets   | 5     | <u>1,378</u>   | <u>2,590</u>   |
| Balances per Cash Flow Statement |       | <u>1,378</u>   | <u>2,590</u>   |

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

|   |  |                |                |
|---|--|----------------|----------------|
| Net Surplus (Deficit)                               |  | (466)          | 590            |
| Non-cash items in Income Statement                  |  |                |                |
| Depreciation, amortisation & impairment             |  | 889            | 812            |
| Net increase (decrease) in unpaid employee benefits |  | (17)           | 22             |
| Change in allowances for under-recovery             |  | (4)            | 4              |
| Net (Gain) Loss on Disposals                        |  | <u>8</u>       | <u>-</u>       |
|   |  | 410            | 1,428          |
| Add (Less): Changes in Net Current Assets           |  |                |                |
| Net (increase) decrease in receivables              |  | 137            | 631            |
| Net (increase) decrease in inventories              |  | 5              | 22             |
| Net increase (decrease) in trade & other payables   |  | 247            | 54             |
| Net increase (decrease) in other provisions         |  | <u>(2,163)</u> | <u>(4,687)</u> |
| <b>Net Cash provided by (or used in) operations</b> |  | <u>(1,364)</u> | <u>(2,552)</u> |

**(d) Financing Arrangements**

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

|                                      |       |       |
|--------------------------------------|-------|-------|
| Corporate Credit Cards               | 10    | 10    |
| LGFA Cash Advance Debenture facility | 5,042 | 6,422 |

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 9 - FINANCIAL INSTRUMENTS**

All financial instruments are categorised as *loans and receivables*.

**Accounting Policies - 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 0.01% and 4.30% (2022: 0.01% and 1.05%).

**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. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority'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.

**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.

**Liabilities - Interest Bearing Borrowings**

**Accounting Policy:** initially recognised at fair value and subsequently at amortised cost, interest is charged as an expense using the effective interest rate.

**Terms & conditions:** secured over future revenues, borrowings are repayable in six-monthly instalments; interest is charged at fixed rates between 1.8% and 4.0% (2022: 1.8% and 4.8%) and cash advanced debentures require interest only at variable rates between 5.30% and 6.05% (2022: 2.05% and 2.80%).

**Carrying amount:** approximates fair value.

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 9 - FINANCIAL INSTRUMENTS (cont.)**

**Liquidity Analysis**

| <b>2023</b>                  | Due < 1 year | Due > 1 year<br>≤ 5 years | Due > 5<br>years | Total<br>Contractual<br>Cash Flows | Carrying<br>Values |
|------------------------------|--------------|---------------------------|------------------|------------------------------------|--------------------|
|                              | \$'000       | \$'000                    | \$'000           | \$'000                             | \$'000             |
| <b>Financial Assets</b>      |              |                           |                  |                                    |                    |
| Cash & Equivalents           | 1,378        | -                         | -                | 1,378                              | 1,378              |
| Receivables                  | 391          | -                         | -                | 391                                | 157                |
| <b>Total</b>                 | <b>1,769</b> | <b>-</b>                  | <b>-</b>         | <b>1,769</b>                       | <b>1,535</b>       |
| <b>Financial Liabilities</b> |              |                           |                  |                                    |                    |
| Payables                     | 1,847        | -                         | -                | 1,847                              | 1,733              |
| Current Borrowings           | 1,534        | -                         | -                | 1,534                              | 1,339              |
| Non-Current Borrowings       | -            | 2,159                     | 6,296            | 8,455                              | 7,220              |
| <b>Total</b>                 | <b>3,381</b> | <b>2,159</b>              | <b>6,296</b>     | <b>11,836</b>                      | <b>10,292</b>      |

| <b>2022</b>                  | Due < 1 year | Due > 1 year;<br>≤ 5 years | Due > 5<br>years | Total<br>Contractual<br>Cash Flows | Carrying<br>Values |
|------------------------------|--------------|----------------------------|------------------|------------------------------------|--------------------|
|                              | \$'000       | \$'000                     | \$'000           | \$'000                             | \$'000             |
| <b>Financial Assets</b>      |              |                            |                  |                                    |                    |
| Cash & Equivalents           | 2,590        | -                          | -                | 2,590                              | 2,590              |
| Receivables                  | 506          | -                          | -                | 506                                | 504                |
| <b>Total</b>                 | <b>3,096</b> | <b>-</b>                   | <b>-</b>         | <b>3,096</b>                       | <b>3,094</b>       |
| <b>Financial Liabilities</b> |              |                            |                  |                                    |                    |
| Payables                     | 1,712        | -                          | -                | 1,712                              | 1,712              |
| Current Borrowings           | 814          | -                          | -                | 814                                | 599                |
| Non-Current Borrowings       | -            | 2,951                      | 5,735            | 8,686                              | 7,179              |
| <b>Total</b>                 | <b>2,526</b> | <b>2,951</b>               | <b>5,735</b>     | <b>11,212</b>                      | <b>9,490</b>       |

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

|                      | <b>30 June 2023</b>                  |                   | 30 June 2022                         |                   |
|----------------------|--------------------------------------|-------------------|--------------------------------------|-------------------|
|                      | Weighted<br>Average<br>Interest Rate | Carrying<br>Value | Weighted<br>Average<br>Interest Rate | Carrying<br>Value |
|                      | %                                    | \$'000            | %                                    | \$'000            |
| Other Variable Rates | <b>5.86</b>                          | <b>3,123</b>      | 2.63                                 | 1,743             |
| Fixed Interest Rates | <b>3.67</b>                          | <b>5,436</b>      | 3.65                                 | 6,035             |
|                      |                                      | <b>8,559</b>      |                                      | <b>7,778</b>      |



**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 9 - FINANCIAL INSTRUMENTS (cont.)**

**Net Fair Value**

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

**Risk Exposures:**

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any impairment. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Note 5 in relation to individual classes of receivables, exposure is concentrated within the Authority'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 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 Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority 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. The Authority has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

**Expected Credit Losses (ECLs)**

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

| <b>2023</b>                | <b>ECL Rate</b> | <b>Gross<br/>Carrying<br/>Amount</b> | <b>Expected<br/>Loss</b> |
|----------------------------|-----------------|--------------------------------------|--------------------------|
|                            | <b>%</b>        | <b>\$'000</b>                        | <b>\$'000</b>            |
| <b>Current</b>             | <b>0%</b>       | <b>95</b>                            | <b>-</b>                 |
| <b>Past Due 1-30 Days</b>  | <b>0%</b>       | <b>8</b>                             | <b>-</b>                 |
| <b>Past Due 31-60 Days</b> | <b>0%</b>       | <b>4</b>                             | <b>-</b>                 |
| <b>Past Due 61+ Days</b>   |                 | <b>-</b>                             | <b>-</b>                 |
|                            |                 | <b>107</b>                           | <b>-</b>                 |

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**  
**Note 9 - FINANCIAL INSTRUMENTS (cont.)**

| 2022                | ECL Rate<br>% | Gross<br>Carrying<br>Amount<br>\$'000 | Expected<br>Loss<br>\$'000 |
|---------------------|---------------|---------------------------------------|----------------------------|
| Current             | 0%            | 75                                    | -                          |
| Past Due 1-30 Days  | 0%            | 20                                    | -                          |
| Past Due 31-60 Days | 0%            | 5                                     | -                          |
| Past Due 61+ Days   | 16%           | 19                                    | 3                          |
|                     |               | <u>119</u>                            | <u>3</u>                   |

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

|                    | 2023     | 2022     |
|--------------------|----------|----------|
| As at 1 July       | 3        | -        |
| Provisions         | -        | 3        |
| Write off          | -        | -        |
| Less reversals     | (3)      | -        |
| As at 30 June 2023 | <u>-</u> | <u>3</u> |

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 10 - FINANCIAL INDICATORS**

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. Detailed methods of calculation are set out in the SA Model Statements.

|                                | 2023  | 2022 | 2021    |
|--------------------------------|-------|------|---------|
| <b>Operating Surplus Ratio</b> |       |      |         |
| <u>Operating Surplus</u>       | -4.1% | 5.7% | -107.0% |
| Total Operating Income         |       |      |         |

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

**Net Financial Liabilities Ratio**

|                                  |      |      |      |
|----------------------------------|------|------|------|
| <u>Net Financial Liabilities</u> | 119% | 125% | 145% |
| Total Operating Income           |      |      |      |

*Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.*

**Asset Renewal Funding Ratio**

|                                   |      |     |      |
|-----------------------------------|------|-----|------|
| <u>Outlays on Existing Assets</u> | 100% | 52% | 107% |
| Asset Renewals - IAMP             |      |     |      |

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

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 11 - UNIFORM PRESENTATION OF FINANCES**

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a simplified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards.

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.

|   | <b>2023</b>     | <b>2022</b>   |
|---|-----------------|---------------|
|   | <b>\$'000</b>   | <b>\$'000</b> |
| <b>Income</b>   |                 |               |
| <i>User charges</i>   | <b>11,083</b>   | 10,329        |
| <i>Grants, subsidies and contributions` - Operating</i>   | <b>(3)</b>      | 68            |
| <i>Investment income</i>  | <b>2</b>        | -             |
| <i>Reimbursements</i>   | <b>14</b>       | 2             |
| <i>Other income</i>   | <b>10</b>       | 6             |
|   | <b>11,106</b>   | 10,405        |
| <b>Expenses</b>   |                 |               |
| <i>Employee costs</i>   | <b>(3,542)</b>  | (3,081)       |
| <i>Materials, contracts and other expenses</i>  | <b>(6,813)</b>  | (5,847)       |
| <i>Depreciation, amortisation and impairment</i>  | <b>(889)</b>    | (812)         |
| <i>Finance costs</i>  | <b>(320)</b>    | (75)          |
|   | <b>(11,564)</b> | (9,815)       |
| <b>Operating Surplus / (Deficit)</b>  | <b>(458)</b>    | 590           |
| <b>Net Outlays on Existing Assets</b>   |                 |               |
| Capital Expenditure on renewal and replacement of Existing Assets   | <b>(280)</b>    | (609)         |
| Add back Depreciation, Amortisation and Impairment  | <b>889</b>      | 812           |
| Proceeds from Sale of Replaced Assets   | <b>90</b>       | -             |
|   | <b>699</b>      | 203           |
| <b>Net Outlays on New and Upgraded Assets</b>   |                 |               |
| Capital Expenditure on New and Upgraded Assets<br><i>(including investment property &amp; real estate developments)</i> | <b>(439)</b>    | (412)         |
|   | <b>(439)</b>    | (412)         |
| <b>Annual Net Impact to Financing Activities</b>  | <b>(198)</b>    | 381           |

**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 12 – SUPERANNUATION**

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

**Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.5% in 2022-23; 10% in 2021-22). No further liability accrues to the Authority 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. The Authority makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2021-22) of "superannuation" salary.

In addition, the Authority 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), the Authority 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 2022. 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.

**Contributions to Other Superannuation Schemes**

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



**Fleurieu Regional Waste Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2023**

**Note 13 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

At times there are contingencies, assets and liabilities that do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to the user of the financial report in making and evaluating decisions about the allocation of scarce resources. From our knowledge there are no known contingencies, assets or liabilities that should be disclosed that have not been included in the Balance Sheet.

**Note 14 - RELATED PARTY DISCLOSURES**

**KEY MANAGEMENT PERSONNEL**

The Key Management Personnel of the Authority include the Independent Board Chair, Independent Board Members, Independent Members of the Audit and Risk Committee, Executive Officer and certain prescribed officers under Section 112 of the Local Government Act 1999. In all, 8 persons (2022: 3 persons) were paid the following total compensation:

|  | <b>2023</b>   | 2022   |
|--|---------------|--------|
|  | <b>\$'000</b> | \$'000 |
| Salaries, allowances & other short term benefits | <b>333</b>    | 199    |
| Post-employment benefits                         | <b>29</b>     | 15     |
| Long term benefits                               | -             | -      |
| Termination benefits                             | -             | -      |
| <b>TOTAL</b>                                     | <b>362</b>    | 214    |

**Note 15 - ECONOMIC DEPENDENCE**

A provision for remediation costs of \$2,791k has been recognised at 30 June 2023 (2022: \$4,977k) (refer to Notes 1.3, 3 and 7). As a result, the Authority's current liabilities exceed its current assets at 30 June 2023 by \$5,860k (2022: \$5,694k) and the Authority has a net deficiency of \$8,849k (2022: \$8,383k).

The financial statements of the Authority have been prepared on a going concern basis as its Charter includes a requirement for additional financial contributions to be made by the Constituent Councils due to the insufficient working capital available to meet the Authority's estimated financial obligations, and in accordance with Section 31 of Part 2 of Schedule 2 of the Local Government Act 1999, the liabilities incurred by a regional subsidiary are guaranteed by the Constituent Councils.

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FLEURIEU REGIONAL WASTE AUTHORITY**

### **Opinion**

We have audited the accompanying financial report of the Fleurieu Regional Waste Authority, which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of the Fleurieu Regional Waste Authority as of 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

### **Basis for Opinion**

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

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

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

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

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

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

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

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

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

### **BENTLEYS SA AUDIT PARTNERSHIP**



DAVID FRANCIS  
PARTNER

Dated at Adelaide this 21<sup>st</sup> day of September 2023

**Bentleys SA Audit Partnership**

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63 Pirie Street  
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## **INDEPENDENT ASSURANCE REPORT ON INTERNAL CONTROLS OF FLEURIEU REGIONAL WASTE AUTHORITY**

### **Opinion**

We have audited the compliance of the Fleurieu Regional Waste Authority (the Authority) with the requirements of *Section 125 of the Local Government Act 1999* in relation to the Internal Controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2022 to 30 June 2023 are in accordance with legislative provisions.

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 legislative provisions for the period 1 July 2022 to 30 June 2023.

### **Limitation on 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 Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Authority, or for any purpose other than that for which it was prepared.

### **Limitations of Controls**

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

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

### **Independence**

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

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

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

## **Our Responsibility**

Our responsibility is to express an opinion on the Authority's compliance with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2022 to 30 June 2023. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

## **BENTLEYS SA AUDIT PARTNERSHIP**



DAVID FRANCIS  
PARTNER

Dated at Adelaide this 21<sup>st</sup> day of September 2023

# FLEURIEU REGIONAL WASTE AUTHORITY



## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2023

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2023, the Authority's Auditor, Bentleys SA Audit Partnership, 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*.

A handwritten signature in black ink, appearing to read 'MJKelledey', with a long, sweeping underline that extends to the right.

Michael Kelledey  
**Chair of the Board**  
Fleurieu Regional Waste Authority

Date: 29 September 2023

# FLEURIEU REGIONAL WASTE AUTHORITY



## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2023

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2023, the Authority's Auditor, Bentleys SA Audit Partnership, 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*.

A handwritten signature in blue ink, appearing to read 'S Grenfell', is written over a dotted line.

Simon Grenfell  
**EXECUTIVE OFFICER**  
Fleurieu Regional Waste Authority

Date: 29 September 2023

# FLEURIEU REGIONAL WASTE AUTHORITY



## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2023

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2023, the Authority's Auditor, Bentleys SA Audit Partnership, 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*.

A handwritten signature in black ink, appearing to read 'Peter Fairlie-Jones', written over a horizontal dotted line.

Peter Fairlie-Jones  
**Presiding Member Audit & Risk Committee**  
**Fleurieu Regional Waste Authority**

Date: 29 September 2023



# FLEURIEU REGIONAL WASTE AUTHORITY



## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2023

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2023, the Authority's Auditor, Bentleys SA Audit Partnership, 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*.

A handwritten signature in black ink, appearing to read 'Nigel Morris', is positioned above the printed name.

.....  
Nigel Morris  
**CHIEF EXECUTIVE OFFICER**  
**Alexandrina Council**

Date: 29 August 2023

# FLEURIEU REGIONAL WASTE AUTHORITY



## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2023

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2023, the Authority's Auditor, Bentleys SA Audit Partnership, 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*.

A handwritten signature in black ink, appearing to read 'Victoria MacKirdy', positioned above a dotted line.

.....  
Victoria MacKirdy  
**CHIEF EXECUTIVE OFFICER**  
**City of Victor Harbor**

Date: 30 August 2023

# FLEURIEU REGIONAL WASTE AUTHORITY



## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2023

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2023, the Authority's Auditor, Bentleys SA Audit Partnership, 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*.

A handwritten signature in black ink, appearing to read 'Nathan Cunningham', positioned above a dotted line.

.....  
Nathan Cunningham  
**CHIEF EXECUTIVE OFFICER**  
**District Council of Yankalilla**

Date: 31 August 2023

# FLEURIEU REGIONAL WASTE AUTHORITY



## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2023

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2023, the Authority's Auditor, Bentleys SA Audit Partnership, 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*.

A handwritten signature in black ink, appearing to read 'Nicki Putland', written in a cursive style.

.....  
Nicki Putland  
**ACTING CHIEF EXECUTIVE OFFICER**  
**Kangaroo Island Council**

Date: 4<sup>th</sup> September 2023

**Bentleys SA Audit Partnership**

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**Certification of Auditor Independence**

I confirm that, for the audit of the financial statements of Fleurieu Regional Waste Authority for the year ended 30 June 2023, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, 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*.

**Bentleys SA Audit Partnership**



David Francis  
Partner

**Dated at Adelaide this 30<sup>th</sup> August 2023**

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