

**CITY OF VICTOR HARBOR
ANNUAL REPORT
2018/19**



ACKNOWLEDGEMENT OF COUNTRY

The City of Victor Harbor acknowledges the traditional custodians of our beautiful land and surrounding waters, the Ramindjeri and Ngarrindjeri people, and pay our respects to elders both past and present.

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This Annual Report was adopted by the City of Victor Harbor on 25 November 2019.

MESSAGE FROM THE MAYOR



THE ANNUAL REPORT PROVIDES AN OPPORTUNITY TO REFLECT BACK ON THE PREVIOUS YEAR AND LOOK AT HOW FAR WE'VE COME BOTH AS A COUNCIL AND COMMUNITY.

2018/19 was another big year for the City of Victor Harbor with a number of wins and challenges coming our way. The year also provided a chance for a fresh start.

One of the most significant events of 2018/19 was the election of a new Council with the election taking place in November 2018. At the November 2018 Council Elections we welcomed five new elected members, and five returned to office. The new Council commenced its term with great passion and excitement, and I would like to thank the community for entrusting the new elected body to represent their views and make decisions about the future of Victor Harbor.

From the get-go the councillors and myself have been clear that our focus is on strengthening the relationship between council and community.

We want to see this relationship grow to be stronger and more united than ever before. Since being elected, we have prioritised getting in touch with many community groups to learn more about what they do and hear about their vision for Victor Harbor. We have also made a commitment to seek our community's views, listen, and work together with our community to make this great place even better.

As Mayor, I would like to acknowledge outgoing council members and thank them for their service to the City of Victor Harbor. The previous council and mayor have created a strong foundation for us to build on.

Over the last year we have had some lovely achievements worth celebrating. In September 2018, Victor Harbor was named the 'Best Large Town' in the KESAB Sustainable Communities Awards. This award celebrates the sustainable actions, practices and achievements of Australia's regional and rural communities. Victor Harbor has been a consistent performer in these awards over the years. There are many fabulous programs and initiatives occurring in our community that make us one of the State's best towns, and accolades like the 'Best Large Town' title are proof of this.

In naming Victor Harbor the best large town, large projects such as improvements to Encounter Bikeway, Lions Park upgrade, Victor Harbor RSL and Football Club development and construction of the new Men's Shed on Martha Close were particularly highlighted. The continued work of volunteer groups like the Town Pride Gardeners and family history groups was also acknowledged as playing an important role in maintaining our valued sense of community.

Victor Harbor is lucky to have a strong culture of volunteering – it's one of the things I really love about Victor Harbor. The work of our volunteers in all areas of our community is highly valued, and plays an important role in making Victor Harbor a better place. On behalf of the Elected Members and staff, I would like to thank all of the volunteers in our community for their contribution and dedication. It is really appreciated by the whole city.

I would also like to acknowledge the staff at the City of Victor Harbor for their work and dedication over a year that has seen many changes. The program of works and services delivered throughout 2018/19 is a reflection of their commitment to ensure Victor Harbor remains a great place to live, invest and visit. Collaboration between Elected Members, council staff, volunteers and the wider community has achieved amazing results, and I thank you all.

As always, the council aims to provide a balance of services and projects that meet our community needs, at the same time as providing value for money to our ratepayers. Council's investment in major infrastructure is a catalyst for others to invest in our city. We are very pleased that the SA Government has seen the potential in our area and demonstrated this through its commitment to secure the future of the Causeway to Granite Island and support of the Victor Harbor Mainstreet Precinct Upgrade. Private investors are also realising the opportunities in our city, with a major hotel development on the cards in our town centre.

There is no denying that Victor Harbor is open for business, and I know that both myself, your new council, and the staff here at the City of Victor Harbor are looking forward to what is ahead for us. Our future is bright!

Dr Moira Jenkins
City of Victor Harbor Mayor



Who We Are

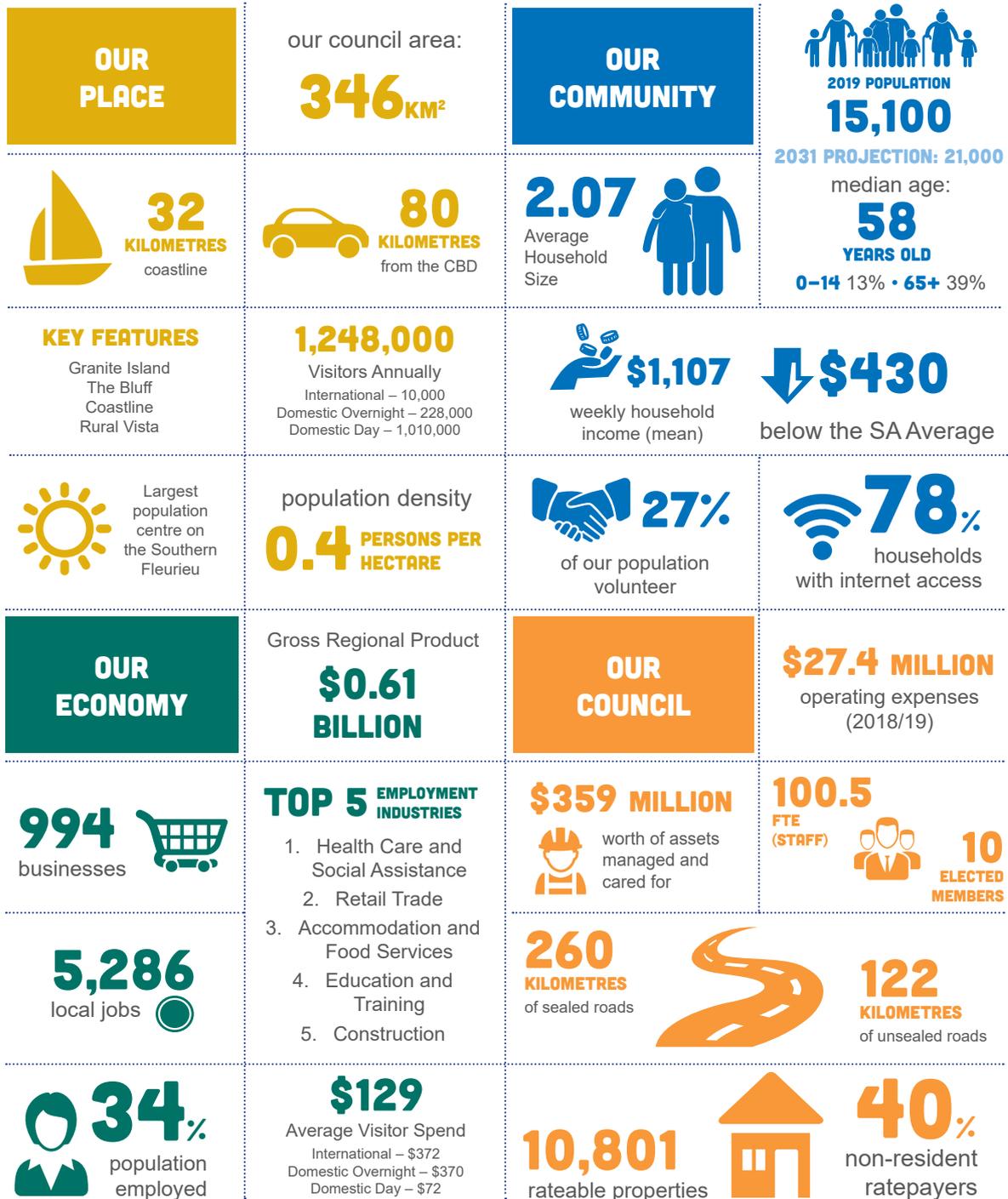
OUR COUNCIL AREA

The City of Victor Harbor is located on the Fleurieu Peninsula, 80 kilometres south of Adelaide. Neighbouring councils include the District Council of Yankalilla to the west, and Alexandrina Council to the east.



Who We Are

OUR COMMUNITY



Who We Are

OUR COUNCIL

ELECTED MEMBERS NOVEMBER 2018 TO CURRENT



Dr Moira Jenkins
MAYOR



Tim Glazbrook
DEPUTY MAYOR



Brayden Mann
COUNCILLOR



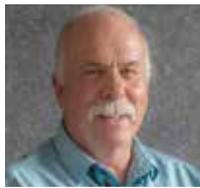
Bryan Littlely
COUNCILLOR



Nick Hayles
COUNCILLOR



Dr Marilyn Henderson
COUNCILLOR



Peter Charles
COUNCILLOR



Carol Schofield AM
COUNCILLOR



David Kemp
COUNCILLOR



Andrew Robertson
COUNCILLOR

ELECTED MEMBERS NOVEMBER 2014 TO NOVEMBER 2018



Graham Philp
MAYOR



Nick Hayles
DEPUTY MAYOR



Dr Moira Jenkins
COUNCILLOR



Karen Dutton
COUNCILLOR



Tim Glazbrook
COUNCILLOR



Peter Charles
COUNCILLOR



Pat Chigwidden
COUNCILLOR



Bob Marshall
COUNCILLOR



Carol Schofield AM
COUNCILLOR



Terry Andrews
COUNCILLOR

Who We Are

OUR ORGANISATION



Director

Group Manager

Manager

Coordinator

Year In Review

KEY FINANCIAL RESULTS

Total Capital Spend	2018/19	\$6.9 MILLION
	17/18 \$7.9 million 16/17 \$11.9 million	

Total Operating Spend	2018/19	\$27.4 MILLION
	17/18 \$26.0 million 16/17 \$25.4 million	

Net Operating Result	2018/19	\$131,000 SURPLUS
	17/18 \$201,000 surplus 16/17 \$993,000 surplus	

INCOME BREAKDOWN (\$'000,000)

	Rates	User Pay Charges	Statutory Charges	Operating Grants and Partnerships	Other Revenues
2018/19	\$21.9 million	\$2.4 million	\$0.5 million	\$1.8 million	\$1 million

EXPENSES BREAKDOWN (\$'000,000)

	Business Undertakings	Community Services	Culture	Economic Development	Environment	Recreation	Regulatory Services	Transport	Plant, Depot & Indirect	Council Administration
2018/19	\$1.4m	\$2.8m	\$1.3m	\$1.7m	\$4.5m	\$3.1m	\$1.9m	\$4.7m	\$1.1m	\$4.9m

Year In Review

KEY PERFORMANCE RESULTS

Key Planned Activities (KPA) outline what Council will focus on during the financial year to contribute to achieving our vision and objectives. These activities are generally initiatives that are reasonably defined, and include key tasks, significant activities or special projects undertaken in a 12 month period.

Council's performance target is to complete (or substantially complete) at least 90% of these tasks each year. Of the 271 KPA identified for 2018/19:

- 10 were cancelled
- 226 were completed, and a further 6 were substantially complete
- 35 were identified as not on track.

Factors that contributed to the 35 KPA not being complete include staff capacity (15), environmental factors (7), ambitious timeline (6), change in strategic direction (6) and other reasons (1).

A detailed list of KPA and their status is provided in **Appendix 1**.

% Activities on Track*

2017/18 - 92%

2016/17 - 87%

2018/19

89%

Activities on Track

2017/18 - 241

2016/17 - 142

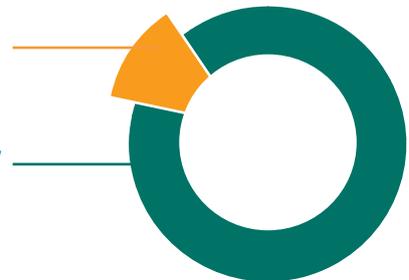
2018/19

232

Total performance progress (%)

Off Track
11%

On Track /
Complete
89%



*Activities on Track include KPA completed or substantially completed.

Year In Review

SIGNIFICANT EVENTS

Railway Turntable Site

The redevelopment of Victor Harbor's Railway Turntable site saw the transformation of a once desolate area into an inviting public space that is memorable for visitors.

The site's dramatic transformation pays tribute to Victor Harbor's rich railway heritage, at the same time as providing a new public space for the enjoyment of locals and visitors. While the site's main feature is the working turntable used by SteamRanger's engines, it is complemented by a number of artistic elements that add further interest including the shelter inspired by a train carriage, white picket fence synonymous with railways and historical train numbers within the paving. However, it is the quirky blue sheep scattered throughout the site that catches the most attention. The sheep pay homage to the large quantities of livestock that were exported out of the region from this site.

The project is a result of extensive negotiations with the State Government to see the land transferred to Council's care and control, allowing for the upgrade to take place. Its success is also thanks to the support received from SteamRanger.

Since completion this project has won two awards including the Best Public Space and Streetscape Design in the 2018 MainstreetSA Awards and Best Local Government Project in the 2018 KESAB Sustainable Communities' Awards.



A new track for the Victor Harbor Horse Tram

There is always a buzz of excitement here at the Causeway as the beautifully preserved tram proudly drawn by one of our magnificent Clydesdales arrives at its destination. This is generally followed by a crowd of visitors gathering to take a photo of the beautiful horses as a memory of their time here in Victor Harbor. Our horses are surely the most famous Clydesdales in Australia, and maybe even the world!

There is no doubt that the presence of the Horse Tram team was missed during the five month period repairs were being undertaken to the Causeway. However, the SA Government's \$20 million commitment to revitalise the lifeline to Granite Island was warmly welcomed by the City of Victor Harbor and our community.

This investment in Victor Harbor not only sends a strong message that Victor Harbor is a great place to invest, but it plays an important role in securing the future of our Horse Tram. The implementation of a new management model, appointment of a board and general manager to oversee the operations marks a new chapter for Victor Harbor's iconic Horse Tram.





Election of a New Council

Council elections are held every four years, and the most recent election was held in November 2018. Facilitating council elections is a significant project that is delivered in four phases – getting people to enroll to vote, encouraging people to nominate for council, urging the community to vote and finally inducting the new Council.

There were five mayoral candidates and 17 councillor candidates in the 2018 City of Victor Harbor elections. During the campaigning period Council held a 'Meet the Candidates' event at the Town Hall which attracted a record crowd of around 350 community members.

Just over 52% of eligible people exercised their democratic right to vote in the City of Victor Harbor's elections. This is well above the State turnout of 33%.

Results saw Moira Jenkins voted in as Mayor, and Tim Glazbrook, Nick Hayles, Peter Charles and Carol Schofield re-elected as councillors. Six new councillors were also elected by the community including Brayden Mann, Bryan Littlely, Marilyn Henderson, David Kemp and Andrew Robertson.

The newly elected Council underwent an extensive induction program to assist with the transition to office. It focused on ensuring members were aware of their role and responsibilities, briefed on key projects and Council operations and provided a tour of Council facilities.

The Inaugural Council meeting was held on 19 November 2018. At the beginning of the meeting, incoming Mayor Moira Jenkins made a statement on behalf of her fellow elected members that thanked outgoing Council members for their contribution and highlighted the new Council's commitment to work together with the community to achieve the best results for Victor Harbor.



Year In Review

SIGNIFICANT ACTIVITIES

Sunrise in Victor Harbor

As a part of Channel 7's Sunrise A-Z of Australia initiative Victor Harbor was lucky to spend a morning with weatherman Sam Mac to show off the best of our beautiful city.

Images of Victor Harbor's stunning coastline, our iconic horse drawn tram, Causeway and SA Whale Centre were broadcast across the country. There was also an acrobatic performance, cooking demo from Goolwa Pipi Co, and plenty of opportunities for a selfie or two with our new favourite weather presenter!



Our Wonderful Volunteers

The City of Victor Harbor is fortunate to have around 500 volunteers assisting with Council programs, services and initiatives. Our volunteers give up more than 40,000 hours each year to give back to their community and assist others. In dollar terms, this contribution is worth more than \$1 million.

The City of Victor Harbor is extremely grateful and humbled by the contribution and dedication of our volunteers – all who take such pride in what they do for council and the community. A number of council's programs and services simply wouldn't exist without the support of volunteers.

Coral Street Art Space

The Coral Street Art Space is a part of the Council's broader plan to activate Victor Harbor's town centre. A Coral reef can be considered the lungs of the ocean. We can liken this to the Coral Street Art Space which is set to breathe life into our town centre through colour and creativity.

With the previous tenants of the Old Library Building in Coral Street, the Victor Harbor RSL Sub Branch, moving to a new home at the Victor Harbor Oval, we saw an opportunity to provide our community with this attractive space. Although a temporary solution, Council will progress further investigations to deliver a more permanent solution in an Arts and Culture Centre.

Community is at the heart of the Coral Street Art Space. The conversations we had with many groups and individuals during 2018/19 formed an important part of the planning and development of this space. The conversations highlighted the importance of the facility being a multipurpose space that incorporates all art forms with a carefully curated program of community and professional offerings.

2019 Australia Day Awards

Each year the City of Victor Harbor recognises the extraordinary achievements and contributions within its community through the Citizen of the Year Awards. The Awards provide an opportunity to celebrate the individuals and community groups who make Victor Harbor a better place.

The 2019 Citizen of the Year Awards were presented at the Council's Australia Day celebrations held on Warland Reserve. The event brings people together and is a chance to celebrate our wonderful community.

The City of Victor Harbor's 2019 Citizen of the Year Award was presented to Bob Hall for his commitment to the betterment of Victor Harbor and the South Coast community for over 40 years. Bob has been involved with a long list of community organisations including 13 years and a member of the South Coast District Hospital Board, 10 years with APEX, and a member of the Rotary Club of Encounter Bay for over 30 years. Bob is also a volunteer with the Southern Communities' Transport Scheme, a Council program that assists people who are transport disadvantaged. In his capacity as a volunteer driver, Bob would have notched up thousands of kilometres between Victor Harbor and Adelaide taking people to medical appointments.

Victor Harbor Parkrun was presented with the 2019 Community Event of the Year Award. Victor Harbor parkrun commenced in 2014 and since then has had more than 2,100 runners take part in the event who would have collectively run or walked close to 60,000 kilometres! Held every Saturday morning from 8am at the reserve located at the corner of Franklin Parade and Harbourview Terrace, the event promotes health and wellbeing. It is a great opportunity for people to come together and socialise while being active. The event is supported by a team of dedicated volunteers led by the current event director Shane Porteous who make this popular event happen each week rain or shine!

In their own way, each of the winners have shown an exceptional level of commitment and passion for making Victor Harbor a better place. Their extraordinary efforts and passion for our town is certainly inspiring!



Year In Review

SIGNIFICANT ACTIVITIES



Youth Street Party

With the aim to bust the myth to the common comment that ‘there is nothing for youth to do in the region’, the City of Victor Harbor held a street party on Coral Street and Grosvenor Gardens on 1 March 2019 to showcase the array of youth opportunities on offer in the region.

Driven by the Council’s Youth Advisory Group with the support of our Youth Development Officer, the initiative was made possible through funding secured through the Foundation for Rural and Regional Renewal’s ABC Heywire grants program.

More than 450 people attended throughout the evening, and the Street Party was a hit with both local young people and their parents. The area was a hive of activity with food trucks, street furniture, information stalls, youth market stalls, club demonstrations, SES trucks, Sea Rescue boats, Army Cadets, chill-out zones, giant games, activities and live music and much more on display.

The event was a great success, bringing the Fleurieu community together to connect with opportunities and to celebrate our young people.



Flourishing on the Fleurieu Festival

Social dancing, singing, croquet, aqua aerobics and coffee catch-ups – these were just a few of the events held right across the Fleurieu in September 2018 as part of the Flourishing on the Fleurieu Festival.

The biennial event celebrates retirement and showcases the many organisations and groups that you can be part of. While there are many great opportunities and community groups available for people to get involved with, it is an unfortunate fact that many older people living in our communities still experience loneliness. Addressing the challenge of loneliness requires a whole-of-community approach and each of us have a role to play.

The Flourishing on the Fleurieu Festival is one way for Council to help groups promote the great opportunities available to older people in our community, and inspire people to take the step to join new groups.

Organisers introduced a new format for the 2018 event which saw 43 community groups and organisations host more than 100 events attended by almost 1,500 people from 23 to 29 September.

The 2018 Flourishing on the Fleurieu Festival aligned with Active Ageing Week and events were held in Victor Harbor, Alexandrina, Yankalilla and Kangaroo Island council areas.





Victor Harbor is the best large town

For the second year running the City of Victor Harbor was named the 'Best Large Town' in the KESAB Sustainable Communities' Awards. The awards celebrate the sustainable actions, practices and achievements of Australia's regional and rural communities.

Victor Harbor has been a consistent performer in this award program over a number of years. There are many great programs and initiatives occurring within our community that contribute to making Victor Harbor one of the State's best towns, and these accolades are proof of that.

In naming Victor Harbor the best large town, the judges particularly highlighted larger projects such as improvements to the Encounter Bikeway, Lions Park upgrade, Victor Harbor RSL and Football Club sporting complex development and construction of the new men's shed. They also noted the continued work of groups like town pride gardeners and family history group that play an important role in creating a sense of community in a large town like Victor Harbor.

Central to the accolade are the volunteers and community organisations that dedicated so much time to making Victor Harbor even better.



Year In Review

HIGHLIGHTS & ACHIEVEMENTS



Paving the way with soft plastics

The City of Victor Harbor partnered with Downer and Close the Loop to set a new benchmark in sustainability and innovation, constructing a new road in Encounter Bay using a product called Reconophalt, an innovative new asphalt product that contains soft plastics.

Downer is widely known for its leading role in re-purposing soft plastics and glass in asphalt for road construction to create a sustainable and cost-effective solution.

Road construction on Petrel Avenue in Encounter Bay involved laying 118 tonnes of asphalt with greater than 30% recycled material content which included approximately:

- 62,105 plastic bag and packaging equivalents
- Toner from 2,124 used printer cartridges
- 35 tonnes of reclaimed road asphalt pavement.

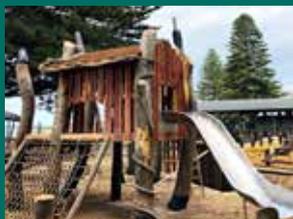
The Council will be monitoring the performance of the Reconophalt product to see if it can be used further on local roads and footpaths.



George T Fisher Nature Playground

Over the decades George T Fisher Playground has been a place where many special childhood memories were made. Its magnificent transformation will see many more memories created here.

Our community was at the heart of the development of this new nature playground and played an important role in the design. Council worked with local school students to find out what they would like to see in our new playground, and also sought broader feedback from parents and community members. The input we received was fantastic, and the end result is even better than we could have imagined!



The design has strong connections to Victor Harbor with the use of granite, inclusion of an island with causeway access, fisherman shacks and railway inspired elements. Importantly, it also provides all ability and inclusive play opportunities.



This project is a result of a successful partnership between the City of Victor Harbor and the SA Government who provided almost 50% funding for this \$490,000 project. This funding allowed us to deliver a fantastic playground for our community and visitors.

Council is extremely proud of this new nature playground. It certainly enhances our main tourist precinct and will be a huge drawcard for families.



Solar light installed at the Bluff Jetty

A LED solar light was installed at the Bluff Jetty to make it safer for fishers and other persons using the jetty at night.

Local Victor Harbor business, Tacklebusters, contributed \$1000 towards the installation of the solar light with the City of Victor Harbor covering the remainder of the costs.

The installation has been welcomed by regular users of the Bluff Jetty, many of who were on hand to see the light installed.

The City of Victor Harbor thanks the team at Tacklebusters for their contribution towards the new light.

Lots to love about our library

In early 2018, Council asked for the community's feedback on our library. This was a part of a broader review of services offered by the library in order to see if things can be done differently to gain efficiencies and better meet the needs of our community.

In addition to a formal survey we had lots of conversations with people both in the library and at locations out in the community. This helped us understand more about the library services that are important to our community, and also learn more about why people don't use the library.

On the whole the responses showed that the library is an important community hub, and more than a place to borrow books. From all of the comments we received, we identified seven common themes that we need to look into further:

- Accessibility – opening hours and car parking
- Facility – amenity, feel and usefulness of the spaces and meeting rooms
- Collections – expanding the collection of books available in the library to better meet customers' needs
- Events and programs – a desire for more adult events and training opportunities
- Our People – staff and volunteers in the library are helpful and friendly
- Technology – improving the equipment and software available, and providing more assistance
- Communication – opportunities to better communicate library news and events

Thank you to everyone who took the time to share their views with us. Your contribution will assist us with future planning for the library.



YOUR LIBRARY, YOUR SAY.



Statutory Reporting

STRATEGIC PLAN OUTCOMES

THE COUNCIL HAS A VISION FOR VICTOR HARBOR TO BE “A CITY THAT OFFERS OPPORTUNITY AND LIFESTYLE”.

This vision is underpinned by the value our residents place on our enviable lifestyle and strong sense of community.

It highlights the need to embrace new ideas and technology to create opportunities, and the importance of providing the right conditions for individuals, and more broadly the community, to prosper.

The vision also places an important focus on nurturing and growing an economy that provides the opportunity for material and financial security, and ensuring access to facilities and services required to achieve prosperity in both a social and economic sense.

Central to this vision is a community where people are engaged, empowered to make decisions, and keen to work together.

Essentially, the council’s vision is about making a great place even better.

Strategic Planning Framework
The Council’s Strategic Planning Framework assists with strategic decision making, and aligns with our aspirations for Victor Harbor.

To achieve this vision for Victor Harbor, the Council is working towards five broad objectives:

1. Healthy environments
2. Attractive lifestyle and inclusive community
3. Thriving local economy
4. Services & infrastructure that meet the needs of the community
5. An innovative Council empowering the community

The City of Victor Harbor uses a number of methods to measure our progress towards achieving our objectives, as set out in the Council’s Community Plan 2036.

KEY PLANNED ACTIVITIES

The list of 2018/19 Key Planned Activities and their status is provided at **Appendix 1**.

FINANCIAL MANAGEMENT

Council’s financial performance is provided on page 10 and in the Financial Statements at **Appendix 2**.

FUTURE PLANNING

The City of Victor Harbor adopted its 2019/20 Annual Business Plan and Budget on 8 July 2019. The plan shows where Council will spend money and the projects that will be undertaken in the coming financial year to help achieve our vision for Victor Harbor.





WHAT'S AHEAD IN 2019/20

In addition to our ongoing responsibilities and services, Council has identified 285 key planned activities to be undertaken in 2019/20.

A selection of these activities are listed on this page. For the full list, refer to the 2019/20 Annual Business Plan online at www.victor.sa.gov.au/abp or view a hard copy at the Civic Centre.



**ADELAIDE ROAD
CORRIDOR WORKS**



**PROGRESSING AN ARTS
& CULTURE CENTRE**



**INTRODUCTION OF
LED STREET LIGHTS**



**BLUFF BOAT RAMP
IMPROVEMENTS**



**MAINSTREET
UPGRADE CONTINUES**



**CRUISE SHIP AND
BOATING STUDY**



**STORMWATER
UPGRADE**



**SHELTER AT THE
DOG PARK**



**VICTOR HARBOR
OVAL CAR PARK**



**DISABILITY ACCESS
& INCLUSION PLAN**



**UPGRADE BRIDGE
TERRACE TOILETS**



**WAITPINGA ROAD
UPGRADE COMPLETION**



**HINDMARSH RIVER
BOARDWALK UPGRADE**



**FESTIVAL & EVENTS
GRANT PROGRAM**



**PROTECTING OUR
COASTLINE**



**RAILWAY TERRACE
PRECINCT DESIGN**



**NEW COMPUTERS IN
THE LIBRARY**



**FORTNIGHTLY WASTE
COLLECTION ROLLOUT**

Statutory Reporting

ELECTED MEMBERS

The City of Victor Harbor's Council is comprised of a Mayor and nine Councillors who are responsible for a variety of functions in accordance with the Local Government Act 1999 and Regulations.

Elections for Council Members are held every four years in accordance with the Local Government (Elections) Act 1999. A general election was conducted in November 2018.

ELECTED MEMBER ALLOWANCES

Elected members are paid an annual allowance as determined by the Remuneration Tribunal on a four yearly basis, in accordance with Section 76 of the Local Government Act 1999. The Remuneration Tribunal, in determining allowances, has regard to the role of members, the size, population, revenue, as well as relevant economic and social factors in the council area.

In 2018/19 elected members received the following allowances:

- Mayor - \$51,200
- Deputy Mayor - \$16,000
- Presiding member of a prescribed committee - \$16,000
- Councillors - \$12,800

- Councillors who are presiding members of a Section 41 Committee that is not a prescribed committee - \$12,800 plus \$150 per meeting (up to \$900)

In addition elected members are entitled to other support including reimbursement of travel and childcare expenses.

Council's elected member allowances and support policy sets out a comprehensive summary of the provisions of the Local Government Act 1999 and the Regulations in respect to elected member allowances, expenses and provision of facilities, support and benefits. It also provides the circumstances under which Council approves the reimbursement of additional expenses on a discretionary basis.

MEETING ATTENDANCE

The City of Victor Harbor's ordinary Council meetings are held on the fourth Monday of the month from 5.30pm.

During 2018/19 there were 12 ordinary council meetings and seven (7) special meetings.

Meeting attendance from 1 July to 9 November

Total number of meetings	8
Mayor Graham Philp	7
Cr Terry Andrews	7
Cr Peter Charles*	4
Cr Pat Chigwidden	8
Cr Karen Dutton	8
Cr Tim Glazbrook	7
Cr Nicholas Hayles	8
Cr Moira Jenkins	7
Cr Bob Marshall	5
Cr Carol Schofield	8

*Cr Peter Charles resigned from Council on 4 September 2018.

Meeting attendance from 19 November to 30 June 2019

Total number of meetings	11
Mayor Moira Jenkins	11
Cr Tim Glazbrook	11
Cr Brayden Mann	11
Cr Bryan Littlely	11
Cr Nick Hayles	11
Cr Marilyn Henderson	9
Cr Peter Charles	11
Cr Carol Schofield	10
Cr David Kemp	11
Cr Andrew Robertson	11

ELECTED MEMBER TRAINING

The table (right) is a record of Elected Member attendance at training and workshops during 2018/19.

Training	Date	Mayor G Philp	Cr T Andrews	Cr P Charles	Cr P Chigwidden	Cr K Dutton	Cr T Glazbrook	Cr N Hayles	Cr M Jenkins	Cr B Marshall	Cr C Schofield
Designated Informal Gathering – Cruise Destination Infrastructure	2/07/2018	•	A	•	•	•	•	•	•	•	•
Public Hearing – Local Government Grants Commission	3/07/2018	•	•	•	•	•	•	•	•	•	A
Other Informal Gathering – Caretaker Policy and Procedural Requirements training	9/07/2018	•	A	•	A	•	•	•	•	A	•
Other Informal Gathering – Fleurieu Aquatic Centre Operations & Budgeting	12/07/2018	•	A	•	•	•	•	A	•	•	•
Other Informal Gathering – Local Government Association	13/08/2018	•	•	•	•	A	•	A	A	A	A
Informal Gathering – Crozier Hill Estate/Stock Road Independent Planning Review Report	20/8/2018	•	A	•	•	•	•	•	•	•	•
Designated Informal Gathering – Crozier Hill Estate / Stock Road Independent Planning Review Report	3/09/2018	•	•	•	•	A	•	•	•	•	•
Elected Member Roles and Responsibilities	27/09/2018	•	A	•	A	•	•	•	•	A	•
Victor Harbor Arts and Culture Centre	27/09/2018	•	•	•	A	•	•	•	•	•	•

Training	Date	Mayor M Jenkins	Cr Brayden Mann	Cr Tim Glazbrook	Cr Bryan Littley	Cr Nick Hayles	Cr Marilyn Henderson	Cr Peter Charles	Cr Carol Schofield	Cr David Kemp	Cr Andrew Robertson
Public Consultation Policy Workshop	3/12/2018	•	•	•	•	•	•	•	A	•	•
Designated Informal Gathering – SA Power Networks LED Street Lighting Tariff	10/12/2018	•	•	•	A	A	•	•	•	•	•
Designated Informal Gathering – Mainstreet Stage 3 Planning/Design	10/12/2018	•	•	•	A	A	•	•	•	•	•
Other Informal Gathering – Fleurieu Regional Waste Authority Bin Audit Outcome, Fortnightly Waste Collection and Adelaide Road Corridor Update	14/1/2019	•	•	A	•	A	•	•	A	•	•
Informal Gathering – Monthly Council Briefing	11/2/2019	•	•	•	A	A	•	•	•	•	•
Designated Informal Gathering – Environmental Management Plan 2019/2024	18/2/2019	•	•	•	•	•	•	•	•	•	•
Designated Informal Gathering – Draft Budget Workshop #1	18/2/2019	•	•	•	•	•	•	•	•	•	•
Other Informal Gathering – Key Planning Related Documents and Associated Acts	4/3/2019	•	•	•	•	•	•	•	•	•	•
Designated Informal Gathering – Draft Budget Workshop #2	13/3/2019	•	•	•	•	•	•	•	•	•	•
Designated Informal Gathering – Economic Development Strategy, Section 41 Committee Review	13/3/2019	•	•	•	•	•	•	•	•	•	•
Informal Gathering – Arts and Culture Facilities	18/3/2019	•	•	•	•	•	•	•	•	•	•
Community Workshop – Public Consultation	19/3/2019	•	•	•	•	A	•	•	•	•	A
Designated Informal Gathering – City Activation Strategy – Arts and Culture	3/4/2019	•	•	•	A	•	•	•	•	•	A
Budget workshop #3	8/4/2019	•	•	•	A	•	•	•	•	•	•
Budget workshop #4	24/04/2019	•	•	•	•	•	•	•	A	•	•
Informal Gathering – Trees for Life, Public Consultation Policy, Library Review	13/05/2019	•	•	•	•	•	A	•	A	•	•
Designated “Open” Informal Gathering – SHLGA Presentation, Working Party Terms of Reference, Supplementary Elections Policy	11/06/2019	•	•	A	•	•	•	•	•	•	•
Designated Informal Gathering – Budget Workshop #5	26/06/2019	•	A	•	•	A	•	•	•	•	•
Other Informal Gathering – Crozier Hill Estate	26/06/2019	•	A	•	•	A	•	•	•	•	•

Key: A - Apology • - Attended

Statutory Reporting

REPRESENTATION QUOTA

The City of Victor Harbor has 10 elected members, including the Mayor. Section 12 (4) of the Local Government Act 1999 requires the Council to undertake a comprehensive review of the structure of Council at least once every eight years. The City of Victor Harbor concluded its most recent review in April 2017, and no changes were made to the Council's representation structure.

The representation quota is determined by dividing the total number of electors for the area of the Council by the number of members of the Council. The City of Victor Harbor's total representation quota is 1:1,231

The table (right) shows the current representative structure for the City of Victor Harbor and comparative data for similar councils.

Council	Elected Members	Electors	Representative Quota
Alexandrina Council	12	20,350	1,695
Yankalilla District Council	9	4,203	467
Barossa Council	12	17,600	1,466
Berri Barmera	9	7,307	811
Copper Coast	10	11,226	1,122
Light Regional Council	11	10,316	937
Loxton Waikerie	11	8,158	741
Murray Bridge	10	14,334	1,433
Port Pirie	10	12,790	1,279
Wattle Range	12	8,444	703
Yorke Peninsula	12	8,770	730
City of Victor Harbor	10	12,313	1,231



Statutory Reporting

MANAGEMENT & STAFFING

Executive Team

The City of Victor Harbor employs four staff members classified as Senior Officers. These officers are employed on a performance based fixed-term contract and include the following:

- Chief Executive Officer;
- Director of Corporate and Customer Service;
- Director of Environment and Infrastructure; and
- Director of Community and Development.

Each Senior Officer receives a total employment cost package inclusive of a base salary, business and private use of a Council vehicle, and statutory superannuation.

Human Resources and Staffing Levels

The City of Victor Harbor is one of the city's major employers.

At 30 June 2019 Council employed 136 staff equalling 100.59 full time equivalents (FTE).

Around 500 volunteers provided support to activities such as the Visitor Information Centre, South Australian Whale Centre, Library, Southern Communities' Transport Scheme, community services, graffiti removal programs, gardening, and river and coastal protection initiatives.

Industrial Relations

There were no matters referred to the SA Industrial Relations Commission during 2018/19.

Training & Development

The City of Victor Harbor provides development and training opportunities for its employees to ensure that they can fulfil the requirements of their roles and meet the needs of the community.

Employees are encouraged to take advantage of council's training programs that are supported by annual budget allocations.

Training undertaken in 2018/19 was in the areas of claims and injury management, accident and incident reporting and investigation, hazard management, WHS due diligence, risk management, first aid, fire warden, vicarious trauma, contractor management, work zone traffic management, computer software, communications and customer service.

Council also promotes learning on-the-job, a program of job rotation, higher duties and internal promotion to ensure that skills are retained and developed within the organisation.

Health and Wellbeing

The City of Victor Harbor aims to provide and promote a healthy and safe working environment by providing a Healthy Lifestyle Program. The program is available to all staff and includes an online interactive health program, general health assessments, fitness tests, weight loss programs, nutrition seminars, eye and hearing testing, skin cancer checks, influenza and hepatitis vaccinations.

Work Health and Safety

In 2018/19, Council had four workers compensation claims amounting to six days lost time due to injury. This is compared to four workers compensation claims and three days lost time in the previous reporting year.

The figures are above council's targets for the period of three claims and five days lost time.

Traineeships and Apprenticeships

Council supported seven individuals in traineeship and apprenticeship opportunities in 2018/19 with five different work areas of council. These initiatives, undertaken in partnership with Statewide Group Training (SA) Inc., have provided a valuable learning environment for our youth by enhancing their abilities to gain future employment.

Statutory Reporting

DECISION MAKING STRUCTURE

Council makes decisions directly or indirectly through the following mechanisms:

- Council meetings (strategic planning, financial plans, budget, policies etc.)
- Regional subsidiaries
- Council Assessment Panel
- Authorised officers via appointment by the Chief Executive Officer
- Chief Executive Officer through delegated authority of the council (including sub-delegation to council officers)
- Regional representation

The council also draws on a number of committees to assist with its decision making. Details of the committees established by the City of Victor Harbor are provided below.

AUDIT COMMITTEE

The City of Victor Harbor's Audit Committee was constituted in 2007, under Section 126 of the Local Government Act 1999 and also operates in accordance with the Local Government (Financial Management) Regulations 1999.

Audit Committee Members 1 July to 9 November 2018

- Cr Tim Glazbrook (Chair)
- Cr Moira Jenkins
- Cr Nicholas Hayles
- Claudia Goldsmith
- David Papa

Audit Committee Members 17 November to 30 June 2019

- Cr Tim Glazbrook (Chair)
- Cr David Kemp
- Cr Andrew Robertson
- Claudia Goldsmith
- David Papa

Role of the Audit Committee

The Audit Committee met on a quarterly basis during 2018/19. Items discussed during the year, as required by the committee charter included:

- Internal audit program and results
- External audits
- Financial policies
- Service reviews
- Annual financial statements
- Internal control assessments and sample testing
- Annual business plan and budget
- Budget reviews
- Asset management plans
- Risk management and register.

SECTION 41 COMMITTEES

While the Council is the primary decision making body, Section 41 of the Local Government Act 1999, gives council the power to establish committees to:

- assist the Council in the performance of its functions

- inquire into and report to the Council on matters within the scope of the council's responsibilities
- provide advice to the Council, and
- Exercise, perform or discharge delegated powers, functions or duties.

When establishing a committee, the Council determines the reporting and other requirements that apply to the committee. In the case of the City of Victor Harbor, Section 41 committees play an advisory role to assist council in its decision making.

Section 41 committee meetings are open to the public. Meeting times, agendas and minutes are provided on Council's website and are available to be viewed in hard copy at the Civic Centre.

During 2018/19 the City of Victor Harbor convened the following Section 41 committees:

- Arts and Culture Advisory Committee
- Boating Advisory Committee
- Disability Access Advisory Committee
- Economic Development and Tourism Committee
- Fleurieu Region Community Services Advisory Committee
- Heritage Advisory Committee

- Recreation Centre Management Committee
- Southern Communities' Transport Advisory Committee
- Recreation and Sport Advisory Committee
- Victor Harbor Horse Tram Committee

During the reporting period, the Council undertook a comprehensive review of its committee structure. The outcome of the review resulted in a new structure being adopted in order to improve the effectiveness and efficiency of Council committees, at the same time as maintaining a strong connection with the community.

The new structure will see Section 41 Committees reduced to seven, and the establishment of less formal advisory or working groups which are not subject to formal meeting procedures and will allow for greater engagement.

COMMITTEES ESTABLISHED UNDER OTHER LEGISLATION

Several committees have also been established under other legislation.

- Work Health and Safety Committee
- Enterprise Bargaining Committee
- Council Assessment Panel

- Strategic Planning and Development Policy Committee
- Emergency Management Committee

COMMITTEE MEMBER ALLOWANCES

Each independent member of the Audit Committee received \$350 per meeting.

The Presiding Member of the Council Assessment Panel received \$450 per meeting and other panel members received \$350 each per meeting.

Independent members of the Victor Harbor Horse Tram Committee receive a \$250 sitting fee per meeting.

REPRESENTATIVE APPOINTMENTS

Council holds a number of representative positions on local and regional organisations.

Local Representation:

- Inman River Catchment Group
- Carrickalinga Board of Management
- Victor Harbor High School Governing Council
- Victor Harbor R-7 School Governing Council
- Encounter Youth (Schoolies Festival)
- Victor Harbor CoastCare
- Friends of the Victor Harbor Library

Regional Representation:

- Fleurieu Peninsula Tourism Marketing Committee
- Southern and Hills Local Government Association – Roads Working Party
- Regional Development Australia – Adelaide Hills, Fleurieu and Kangaroo Island
- Hills, Fleurieu and Kangaroo Island Emergency Management Committee
- Zone Emergency Management Committee

National Representation:

- Australian Coastal Councils' Association

SUBSIDIARIES

The Victor Harbor Horse Tram Authority was established in October 2018. The Authority is a Section 42 Subsidiary of Council and was established to oversee the operation of the iconic Victor Harbor Horse Tram.

Council is also member of three regional subsidiaries established under Section 43 of the Local Government Act.

- Fleurieu Regional Waste Authority
- Southern and Hills Local Government Association
- Fleurieu Regional Aquatic Centre Authority

Subsidiary annual reports are provided as attachments to this document.

Statutory Reporting

GOVERNANCE

COMPETITIVE TENDERING

In compliance with Section 49 of the Local Government Act 1999 the Council has a Procurement Policy which it refers to when acquiring goods and services. This policy is reviewed at least every three years with the last review undertaken in November 2018.

The Procurement Policy ensures that the acquisition of goods and services are underpinned by the following principles:

- Encouragement of open and effective competition
- Obtaining value for money
- Probity, ethical behaviour, fair dealing and professional integrity
- Accountability, transparency and reporting
- Encouragement of the development of a competitive local business and industry and South Australian/Australian made
- Environmental protection and sustainable procurement

When Council is purchasing goods or services where the estimated level of expenditure is between \$10,000 and \$150,000 formal quotations are obtained, and where the estimated level of expenditure exceeds \$150,000 the Council will call for formal tenders.

NATIONAL COMPETITION POLICY

The National Competition Policy seeks to remove competitive advantages and disadvantages that arise solely through the ownership differences between public sector and private sector organisations.

There are no significant business activities with an annual gross operating income greater than \$2 million to disclose, or that are considered significant to Council's core business activities.

Council is party to the following regional subsidiaries established under Section 43 of the Local Government Act 1999:

- Fleurieu Regional Waste Authority established to provide waste and recycling services for the

City of Victor Harbor, Alexandrina Council, District Council of Yankalilla and Kangaroo Island Council

- Southern and Hills Local Government Association established to advocate and lobby on behalf of Adelaide Hills Council, Alexandrina Council, Kangaroo Island Council, Mount Barker District Council, City of Victor Harbor and District Council of Yankalilla
- Fleurieu Regional Aquatic Centre Authority established by the City of Victor Harbor and Alexandrina Council to provide facilities and services at the Aquatic Centre.

The annual report of each regional authority is provided as an attachment to this document.



In 2018/19 the City of Victor Harbor operated the following business activities that are not considered 'significant' under the National Competition Policy principles:

- Horse Drawn Tram
- SA Whale Centre
- Victor Harbor Visitor Information Centre

The City of Victor Harbor reviewed its by-laws in 2015/16 and these were gazetted on 25 August 2016. Consideration was given to the principles of the National Competition Policy during this process. Council was satisfied that the benefits to the community relating to the effective management of activities prescribed in the by-laws, outweigh the potential restrictions on competition or costs posed by a by-law.

City of Victor Harbor by-laws include By-law 1: Permits and Penalties; By-law 2: Moveable Signs; By-law 3: Roads; By-law 4: Local Government Land; By-law 5: Dogs; By-law 6: Cats; and, By-law 7: Foreshore.

Council has a competitive neutrality complaint procedure in place. No competitive neutrality complaints were received during the reporting period.

COMMUNITY LAND

Council adopted its initial community land management plans in December 2004, with council properties added to the Land Register accordingly.

In accordance with Chapter 11 of the Local Government Act 1999, the table below outlines properties that are subject to inclusion (or revocation) as Community Land within the register during 2017/18.

Assess No.	Certificate of Title	Lot	Plan	Community Land Status	Description
A5074	CT 6220/648	20	D63045	Acquired	Undeveloped reserve on the corner of Greenhills Road and Hawke Road
A13358	CT 6210/869	504	D119044	Acquired	Small parcel of land (reserve) at the end of road on Franklin Island
A9504	CT 5887/938	101	D61062	Acquired but excluded	Undeveloped flat vacant land between residential house blocks
A13515	CT 6220/605	99	D120595	Acquired but excluded	Large drainage pit adjoining Bunnings/Coles site
A9591	CT5892/181	52	D58904	Revoked	Revoked to allow for vehicle access over buffer road reserve

LOCAL NUISANCE AND LITTER CONTROL

During 2018/19 council's Public Safety and Regulation team investigated 65 customer requests concerning matters provided for within the Local Nuisance and Litter Control Act 2016.

A snapshot of the requests received is provided below:

- Unightly - 9
- Noise - 15
- Litter - 33
- Air pollution - 5
- Insanitary - 3

Our officers continued to focus on engagement and education to achieve the desired outcome for customers which resulted in no expiation or abatement notices being issued or court actions being undertaken during this reporting period. A significant reduction in Air Pollution customer requests was realised which was attributed to major retail and associated development within our City during 2017/18.

Statutory Reporting

TRANSPARENCY

FREEDOM OF INFORMATION

Information statement

Council publishes an updated Freedom of Information Statement on its website annually in accordance with the requirements of Section 9(1a) of the Freedom of Information Act 1991.

The purpose of the Information Statement is to assist members of the public to identify the functions and decision making processes of council, detail the type of information held by council and how it can be accessed.

This statement is available on council's website.

Freedom of Information Applications

Seven applications were received under the Freedom of Information Act from 1 July 2018 to 30 June 2019.

Six applications were granted access in full. One application was unfinished at the end of the reporting period.

COUNCIL DECISIONS

Council's 'internal review of a council decision procedure' is available online at www.victor.sa.gov.au

In 2018/19, there were no applications to review a Council decision under Section 270 of the Local Government Act 1999.

ITEMS CONSIDERED IN CONFIDENCE

All Council and Committee meetings are open for the public to observe.

On occasion, council may order that the public be excluded from the meeting to enable a matter to be considered in confidence (pursuant to Section 90 of the Local Government Act 1999).

Government Act 1999 was utilised to exclude the public, the minutes outlined the grounds on which the order was made.

During 2018/19 the City of Victor Harbor convened 12 ordinary and 7 special meetings at which a total of 418 items were considered.

The public was excluded from the meetings for 20 agenda items. Fifteen (15) of these items have since been released from confidence either in full or in part.



The date, subject of item and grounds upon which Council determined to exclude the public from the meeting are outlined in the table (right).

Grounds on which the public can be excluded from the meeting include:

- (a) Personal affairs
- (b) Commercial advantage
- (c) Trade secret
- (d) Commercial information (not a trade secret)
- (e) Security / safety
- (f) Maintenance of law
- (g) Breach of law
- (h) Legal advice
- (i) Litigation
- (j) Minister of the Crown
- (k) Tenders for supply of goods or services
- (m) Amendment to Development Plan
- (n) Freedom of Information Act 1991

TABLE: STATUS OF ORDERS

Date	Subject	Confidential order clause
23 July '18	Arts and Culture Centre Committee Minutes - 9 July 2018	90(3)(a)(b)
23 July	2017/18 Annual Review of Confidential Items	90(3)(g)
23 July	CEO Probation and Key Performance Indicators	90(3)(a)
6 August	Notice of Motion - Mainstreet Gateway Art Revocation	90(3)(a)(b)
6 August	Victor Harbor Beachfront Caravan Park	90(3)(d)
6 August	Beachfront Caravan Park Recreation Area	90(3)(i)
26 November	Tender - Road/Footpath Maintenance Truck Replacement	90(3)(k)
17 December	2019 Australia Day Award Recipients	90(3)(g)
29 January '19	Strategic Planning and Policy Development Committee (S101A) Minutes 19 December 2018	90(3)(b)
5 February	Temporary Arrangements for the Victor Harbor Horse Tram Operations and Authority Transitional Provisions	90(3)(a)
25 February	Tender - Mainstreet Precinct Master Plan Stage 2 Construction	90(3)(k)
25 February	Victor Harbor Horse Tram Authority - Appointment of Independent Board Members	90(3)(a)
25 February	Tender - George T Fisher Natureplay Playground Stage 1 Construction	90(3)(k)
25 March	Proposed pedestrian link - Coromandel Drive to Adelaide Road	90(3)(b)
29 April	Fleurieu Regional Aquatic Centre Authority - Appointment of Independent Board Members	90(3)(a)
27 May	RSL Community Loan	90(3)(b)
27 May	CEO Performance Review Committee Confidential Minutes - 15 April 2019	90(3)(a)
27 May	CEO Performance Review Committee Confidential Minutes - 6 May 2019	90(3)(a)
24 June	Fleurieu Regional Aquatic Centre Authority Management Options	90(3)(b)
24 June	Strategic Planning and Development Policy Committee (S101A) minutes - 19 June	90(3)(b)

Statutory Reporting

COUNCIL DOCUMENTS

REGISTERS AND CODES

The following registers and codes are required to be kept by council under the Local Government Act 1999 and other relevant legislation:

Registers

- Council's Delegations Register
- Register of Community Land
- Parking Control Register
- Register of Dogs
- Register of Public Streets and Roads
- Register of Employees' Salaries and Wages and Benefits
- Register of Elected Members' Interests (Returns)
- Register of Interests (Officers)
- Register of Elected Member Allowances and Benefits
- Register of Land Management Agreements
- Register of Development Applications
- Register of Fees and Charges
- Register of By-Laws

Codes

- Code of Conduct for Elected Members
- Code of Conduct for Employees
- Code of Practice for Access to Meetings and Documents
- Code of Practice for Meeting Procedures

DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

The following documents are made available for public inspection at the council office or on council's website, www.victor.sa.gov.au

- Notice and agenda for meetings of council and council committees
- Minutes of meetings of the council or council committees
- Documents and reports to the council or council committee (except any confidential items made under Section 90 of the Local Government Act 1999)
- Recommendations adopted by resolution of the council
- Strategic Management Plans which include Asset Management Plans and Long Term Financial Plans
- Annual Business Plan and summary
- Annual Budget
- Audited Financial Statements
- Annual Report
- Extracts from council's assessment book
- List of fees and charges
- Management Plans for Community Land
- Procedures for the review of Council decisions and any report under Section 270(8)
- Terms of Reference for Council Committees
- Charters for subsidiaries established by the council
- Council by-laws
- Campaign Donations Return under the Local Government (Elections) Act 1999
- Representation options papers and reports on council's boundaries
- Victor Harbor (City) Development Plan
- Agenda and Minutes of Council's Development Assessment Panel (reasonable access provided in accordance with the Development Act)
- Documents relating to approved development (within the Development Regulations and to relevant consents and/or copyright obligations)
- Rates Policy Summary (refer to Council's Annual Business Plan)

COUNCIL POLICY DOCUMENTS

The following policies have been adopted by council, and are available for viewing at the council office or online at www.victor.sa.gov.au

- Agribusiness and Rural Affairs
- Asset Accounting
- Asset Management
- Budget Framework
- Building and Swimming Pool Inspection
- Car Parking Fund
- Caretaker
- Civic Centre Venue Hire
- Cross Over and Crossing Place
- Community and Sporting Leases, Licenses and Financial Assistance
- Community Grants
- Complaints Handling
- Council Meeting Procedures
- Debt Recovery
- Donations
- Elected Member Access to Information
- Elected Member Allowances, Reimbursements and Support
- Elected Member Training and Development
- Elected Member Records Management
- Enforcement
- Flag Management
- Footpaths
- Fraud and Corruption Prevention
- Graffiti Management
- Informal Gatherings
- Internal Control
- Internal Review of Council Decision Procedure
- Kerbside Waste Collection
- Light Fleet, Plant and Heavy Vehicles Changeover Replacement
- Major Events and Festivals
- Media
- Mobile Food Vendor Permit
- Order Making
- Outdoor Dining and Street Traders Permit
- Parks and Street Furniture Donation
- Policy and Procedure Framework
- Privacy
- Procurement
- Prudential Management
- Public Consultation
- Public Interest Disclosure
- Records Management
- Request for Service
- Risk Management
- Road Naming
- Rural Property Addressing – Road Signage Management
- Sale and Disposal of Council Land and Other Assets
- Signage Management
- Social Media
- Street Permit
- Supplementary Elections
- Sustainability
- Treasury
- Tree Management
- Unreasonable Complainant Conduct Management
- Volunteer
- WHS Contractor Management



2018 / 19 KEY PLANNED ACTIVITIES

Appendix 1

THE FOLLOWING TABLE OUTLINES A LIST OF THE 2018/19 KEY PLANNED ACTIVITIES (KPA) AND THEIR STATUS.

Key:

- - Complete
- - 80% or more complete
- - Cancelled
- - Not complete

OBJECTIVE 1 – HEALTHY ENVIRONMENTS

1.1 Protect and rehabilitate the natural environment

Implement the Victor Harbor Environmental Management Plan

- Continue the Native Vegetation Council Revegetation Program in accordance with agreements with the Native Vegetation Management Unit, and the Native Vegetation Act 1991
- Review of the Victor Harbor Environmental Management Plan 2010-2014

Undertake pest plant and animal control programs

- Provide a European Wasp Management Program

- Instigate the Rabbit/Fox Control Program as per council's Environmental Management Plan and the Natural Resource Management Act 2004

- Undertake 2018/19 Environmental Weed Control Program as per Environmental Management Plan and Natural Resource Management Act

Implement the Inman and Hindmarsh Rivers Estuarine Action Plans

- Undertake coastal and estuarine biodiversity projects in partnership with Natural Resources Management (NRM), Department of Environment and Water (DEW) and community groups as per the Southern Fleurieu Coastal Action Plan, Inman and Hindmarsh Rivers Estuarine Action Plans, and Environmental Management Plans

Peninsula Roadside Vegetation Management Plan

- Undertake roadside vegetation biodiversity projects in partnership with NRM, DEWNR and other groups as per the Southern Fleurieu Peninsula Roadside Vegetation Management Plan and Environmental Management Plan
- Implement the pine tree removal program as per the Tree Management Strategy

Implement actions from the Southern Fleurieu Coastal Action Plan

- Undertake priority actions identified in the Southern Fleurieu Coastal Action Plan

Undertake coastal management works including works in the Victor Harbor Coastal Management Study

- Undertake priority coastal protection works identified in the Victor Harbor Coastal Management Study, including Foreshore Promenade seawall rectification adjacent to the Victor Harbor Bowling Club

Support community groups involved in environmental projects

- Support activities of the Inman River Catchment Group and Victor Harbor Coastcare
- Continue the Victor Harbor bush care program in partnership with Bush for Life volunteers and Trees for Life

Undertake initiatives that increase community understanding of local environmental issues

- Undertake environmental education projects in partnership with the Adelaide and Mount Lofty Ranges NRM Board, Fleurieu Regional Waste Authority (FRWA), South Australian Whale Centre and other environmental groups

Work with neighbouring councils, other levels of government and the community to develop and implement regional natural resource management strategies

- Continue to work with neighbouring councils, other levels of government and the community to develop and implement regional natural resource management strategies

Support initiatives that maintain air quality and reduce greenhouse gas emissions

- Continue the Renewable Energy Program (C-PREP3) in collaboration with the Southern and Hills Local Government Association to reduce energy costs and greenhouse gas emissions

1.2 Protect and enhance landscape and scenic amenity

Incorporate relevant findings of the Victor Harbor Landscape Amenity Report into the Victor Harbor Development Plan

- Consider relevant findings in the Victor Harbor Landscape Amenity Report in order to protect and enhance landscape and scenic amenity

Implement Council's Street Tree Planting Program

- Undertake programmed tree maintenance as per the Tree Management Strategy
- Implement the Street Tree Planting Program in line with council's Tree Management Strategy and Streetscape Enhancement Program

Undertake revegetation and enhance the aesthetics of key public open spaces

- Continue the urban forests program

1.3 Adapt to the impacts of climate change

With regional partners, support implementation of regional priority adaptation options identified in "Resilient Hills and Coasts", the Climate Change Adaptation Plan for the Adelaide Hills, Fleurieu Peninsula and Kangaroo Island with regional partners

- Continue to work with regional partners to support implementation of regional priority adaptation options identified in "Resilient Hills and Coasts" Climate Change Adaptation Plan

Undertake sub-regional planning and action, based on the Regional Climate Change Adaptation Plan

- Develop the Victor Harbor Climate Adaptation Plan based on the "Resilient Hills and Coasts" Climate Change Adaptation Plan

OBJECTIVE 2 – ATTRACTIVE LIFESTYLE AND INCLUSIVE COMMUNITY

2.1 Provide for sustainable development and residential amenity

Ensure that development is in accordance with Council's Development Plan and the Development Act 1993

- Convene the Council Development Assessment Panel to determine development applications in accordance with relevant legislation, and provide advice to council on development policy matters
- Continue to improve development assessment help guides to reflect legislative changes and planning reforms
- Undertake an independent review of the Crozier Hill/ Stock Road land division

Prioritise and undertake Development Plan Amendments in accordance with Council's Strategic Directions Report

- Consider council's strategic planning priorities and potential resource implications in the context of the State's planning review and the implementation of the PDI Act 2016

Encourage property owners to enhance the Mainstreet Precinct and other business precincts

- Provide a Mainstreet Façade Grants Program

Continue staged implementation of the Mainstreet Precinct Master Plan

- Complete Mainstreet Precinct Master Plan Stage 2 works
- Complete the detailed design, documentation and specifications for the Mainstreet Precinct Master Plan Stage 3

Create safe open spaces and public areas through appropriate urban design

- Consider and progress opportunities to create pedestrian walkways between Ocean Street and surrounding areas
- Replace and upgrade public security cameras

Plan for appropriate housing stock and diversity to meet current and projected needs

- Incorporate the outcomes of the Residential Review into the new Residential Design Code for Victor Harbor (via changes associated with the rollout of the PDI Act 2016)

Plan for the staged release of residential land ahead of growth and in line with the provision of supporting services

- Maintain the differential rate for vacant land use category to encourage infill development and contain our environmental footprint

Encourage responsible dog and cat ownership to reduce public and environmental nuisance caused by dogs and cats

- Prepare a five year Dog and Cat Management Plan
- Undertake an audit of dog and cat registrations
- Transition dog and cat registrations to Dogs and Cats Online
- Provide public education regarding dog and cat management, Dogs and Cats Online, de-sexing and microchipping programs
- Undertake a feasibility study into the upgrade or relocation of the existing dog holding facility

Improve the amenity value of local areas by protecting individuals and communities from local nuisance and preventing littering

- Implement the requirements of the Local Nuisance and Litter Control Act 2016

2.2 Protect and promote heritage

Identify areas of unique heritage character or built form and protect through the Development Plan

- Initiate a heritage study that considers inter war buildings
- Develop the historic Whaler's Well feature including lighting and landscaping

Support property owners to maintain heritage listed items

- Provide a Heritage Incentive Grant Scheme to support property owners to maintain local heritage listed items within the Council area

- Provide a heritage advisory service for Local and State Heritage listed places

Identify and implement priority recommendations from the Railway Precinct Project

- Hold an official opening celebration for the completed Railway Turntable redevelopment

Work with the local Aboriginal community to support the protection of Aboriginal heritage

- Consider opportunities to develop an Indigenous cultural program

Work with the State Government for Granite Island to be maintained as a key cultural asset for residents and visitors

- Work cooperatively with Granite Island stakeholders to ensure the sustainability of Granite Island as a key tourist attraction

2.3 Provide and maintain open space and recreation facilities

Provide and maintain a range of facilities to meet the needs of the whole community and encourage active recreation

- Undertake priority actions in council's beach and reserves pedestrian access program
- Review Councils open space asset data
- Undertake a staged upgrade of the boardwalk at the Hindmarsh River Estuary

- In partnership with the Alexandrina Council support the operation of the Fleurieu Aquatic Centre through the Fleurieu Regional Aquatic Centre Authority
- Undertake council's 2018/19 street furniture replacement program
- Complete Stage 2 of the Bluff Boat Ramp holding area (subject to grant funding from the South Australian Boating Facilities Advisory Committee)
- Continue to investigate current and future needs for boat facilities, including the future direction of cruise ship infrastructure at Victor Harbor
- Remove existing toilet and kiosk facilities and construct a new toilet facility as part of the redevelopment of the Victor Harbor Oval
- In partnership with Victor Harbor High School, consider options for the provision of a bus shelter at the rear of the Recreation Centre

Implement the recommendations in the Victor Harbor Recreation and Open Space Strategy to ensure sport and recreation facilities meet demand

- Continue to plan for future open space development and upgrades in line with the Victor Harbor Recreation and Open Space Strategy 2017, Open Space Asset Management Plan and open space development and upgrade program

Implement Council's Open Space Development Program

- Undertake Council's reserve furniture replacement plan for 2018/19
- Undertake the open space backflow / potable water program to meet legislative requirements

Undertake Council's Playground Renewal and Upgrade Program

- Undertake the upgrade of the George T Fisher playground and hold an official opening celebration
- Undertake an audit of playgrounds, skate park and BMX track

Undertake Council's Walking Trails Development Program

- Undertake Council's 2018/19 walking trails development program
- Prepare walking trail promotional materials including a brochure and webpage

Implement the recommendations of the Victor Harbor Local Area Bicycle Plan

- Undertake planned works identified in the Victor Harbor Local Area Bicycle Plan including a bike path on Mill Road

2.4 Encourage community participation and interaction

Plan for infrastructure and services to be accessible and inclusive of people of all ages and with varying needs and capabilities

- Provide improved disability access by identifying and upgrading problem footpath areas

- Assist the development of the Victor Harbor RSL and Victor Harbor Football Club joint facility
- Review council's Disability Access Action Plan and prepare a Disability Access and Inclusion Plan to meet the requirements of the new Disability Access and Inclusion Bill

Support the development of strong and sustainable sporting clubs

- Through the Star Club Field Officer Program deliver improved supports to local sporting clubs and enhanced support to Council on a range of recreation and sport matters
- Provide a Recreation and Sport Small Grants Program
- Maintain engagement with Encounter Bay Recreation Grounds users in their future planning
- Continue to work with and provide support to clubs and recreation groups through liaison, grants for infrastructure and programs, loans through the Local Government Finance Authority, and guidance in best practice club and facility management

Encourage volunteering as a way for people to get involved in community life and share their skills and experiences

- Support Southern Volunteering in the provision of volunteering information and referral services

- Provide regular “Introduction to Volunteering” sessions for people interested in volunteering in the community

Encourage community initiatives that facilitate social interaction and connection with the community

- Plan and host the biennial Positive Ageing Festival in collaboration with local community groups and organisations to promote health and wellbeing, support social connection, encourage opportunities for skill development and skills sharing, and foster community engagement
- Provide the Caring Neighbourhood Program and encourage other initiatives that support an inclusive environment for older citizens to develop connections within the community

Consistent with the Libraries of SA “Tomorrow’s Libraries - Future Directions” report, provide library services to meet current and future needs

- Seek the community’s views on proposed library refurbishment concept
- Complete a review of the library’s radio-frequency identification system
- Implement the Tech Savvy Seniors Program in the Library

Encourage initiatives that maintain a vibrant intergeneration community

- Support the Southern Fleurieu Youth Advisory Committee in providing opportunities for young people to plan, implement and participate in arts and cultural activities

2.5 Cultivate a vibrant community culture

Facilitate and support arts and cultural activities, festivals and events

- Organise and stage a New Year’s Eve community celebration event
- Support local community celebrations during NAIDOC Week and Reconciliation Week
- Provide an Arts and Culture Community Grants program

- Partner with Country Arts SA in the delivery of arts and cultural programs in Victor Harbor
- Facilitate arts and cultural activities in line with the City Vibrancy Policy

Activate streets and public spaces to create places for creative and social activities

- Support the Victor Harbor Artisan Markets as a platform for practicing and professional artists to show, sell and demonstrate their art
- Continue to deliver the digital art program

Provide public infrastructure that supports arts and cultural activities

- Review concept plans and management model for the proposed Arts and Culture Centre, and prepare detailed design and a prudential report for consideration by Council
- Facilitate the use of the Old Library as a community activated arts space while Council prepares a longer term plan for the building in association with the proposed Arts and Culture Centre

OBJECTIVE 3 – THRIVING LOCAL ECONOMY

3.1 Support a competitive environment for business growth

Council regulations, procurement and operations support business growth and investment

- Provide information to local businesses on Council's procurement process and encourage local businesses to become prequalified contractors

Support and promote Victor Harbor as a year round tourist destination

- Support the transition of the Horse Drawn Tram management to a Section 42 subsidiary
- Undertake structural maintenance of Council's tourism website
- Undertake scheduled maintenance and renewal of the Victor Harbor Horse Tram including sleeper and rail renewal, and replacement of the Tram Barn roof
- Maintain a succession plan for horses delivering the Horse Drawn Tram service
- Implement a digital consumer marketing campaign

Finalise and commence implementation of Council's Economic Development Strategy

- Maintain the differential rating component of commercial and industrial land, with the proportion of differential rates above the base rate being used for the delivery of new and expanded economic development activities consistent with the Economic Development Strategy

- Prepare an Economic Development Policy – The Way We Do Business

Support events that enhance Victor Harbor's brand and improve business climate

- Organise and stage the Whale Time/Play Time Festival
- Organise and stage the Rock 'n' Roll Festival
- Organise and stage the South Australian Whale Season launch
- Consistent with Council's Major Events Policy consider opportunities that encourage improved reputation and business climate

Support the Mainstreet Precinct as the commercial and community heart of Victor Harbor

- Continue implementation of the Mainstreet Annual Business Plan
- Support the Business Victor Harbor Mainstreet Committee
- Coordinate the Victor Harbor Mainstreet Easter Hunt and Christmas events including Santa's Cave and street entertainment

Implement outcomes from the Economic and Tourism Development Service Review

- Undertake a feasibility study into combining the SA Whale Centre and the Visitor Information Centre

3.2 Promote a culture of innovation, creativity and collaboration

Support access for local businesses to training, information and funding assistance

- Through regular newsletters and emails provide local businesses with information on training opportunities and funding assistance
- Deliver 2018 Victor Business Week in partnership with Business Victor Harbor to support business growth in the area
- Work with agencies such as the Commission for Small Business, Regional Development Australia, and the Department of State Development to design business support programs for local delivery
- Review the economic development content on council's website

Engage with the business community to inform Council's economic development activities

- Undertake an annual survey of businesses in Victor Harbor
- Continue to implement the City of Victor Harbor Business Engagement Plan

Support business linkages through partnerships and collaboration

- Participate in the Fleurieu Peninsula Tourism Board, Regional Tourism Plan and related activities
- Work with Regional Development Australia (Adelaide Hills, Fleurieu and Kangaroo Island) to support business linkages and regional economic development activities

Implement Council's Digital Economy Strategy

- Implement the 2018/19 Digital Economy Action Plan in accordance with the adopted Digital Economy Strategy

Support strategies that build business productivity and efficiencies

- Provide corporate sponsorship for the 2018 Victor Harbor Business Awards

Support strategies that build local agri-business industry

- Implement priority actions from the 2018/19 Agribusiness Action Plan, informed by the City of Victor Harbor's Agribusiness Reference Group
- Provide a discounted differential rate for primary production land in recognition of the economic and social importance of primary production to the district

Build awareness of and encourage investment in higher education opportunities linked to Victor Harbor's assets

- Continue to work with Victor Harbor TAFE to provide training opportunities that meet the expectations of the business community and local employers

3.3 Attract investment that expands the economy

Plan for adequate supply of appropriately zoned land to support business investment and growth

- Initiate an 'Employment Lands' Review with outcomes considered for incorporation into planning policy via a future Development Plan Amendment and/or PDI Act 2016 planning policy process

Develop and promote the strengths and opportunities of Victor Harbor as a great place to do business, live and visit

- Implement the 2018/19 Investment Attraction Action Plan
- Implement a Welcome China Strategy including cultural awareness training and investment prospectus

Develop and maintain public infrastructure to support business growth and investment

- Maintain an RV Waste Disposal system to attract motorhome visitors to Victor Harbor

Build on Council's Place Branding Strategy

- Continue to roll out Council's Place Branding Strategy including promoting co-branding by local businesses

OBJECTIVE 4 – SERVICES AND INFRASTRUCTURE SUPPORTING THE COMMUNITY

4.1 Facilitate access to health, educations and community services

Work with the state and federal governments to plan for the health, education and community service needs of the whole community

- Continue to work with State and Federal governments to maximise opportunities associated with policy and program reforms relating to health, education and community services

Advocate for other levels of government to respond to social health issues in the community

- Advocate for local and regional needs of older people through contributing to consultations and submissions related to aged care policy reform and related issues
- Position programs funded by the Australian Government Department for Human Services under the Commonwealth Home Support Program to maximise opportunities associated with the Commonwealth Aged Care Reforms

Encourage coordination and collaboration in the planning, development and provision of health, education and community services in the local area and region

- Collaborate with other agencies and services to develop strategies that promote and facilitate coordinated services for young people and families with children
- Support the Southern Fleurieu and KI Positive Ageing Taskforce in order to encourage coordination of service delivery and collaboration of service providers, including services that respond to the needs of older people
- Work in partnership with key stakeholders to continue the Dementia Friendly Communities initiative in order to raise awareness of local dementia services, information and support
- Complete a Collective Impact Plan to inform a regional approach to support for the wellbeing of children
- Trial the CADDY project which will aim to support people living with memory loss and/or early stage dementia to feel valued, maintain independence and stay connected to their community

Assist community groups in the provision of services to improve the wellbeing of people in the community

- Provide a community grants program to assist community groups in the planning, coordination and provision of community services to improve the wellbeing of people within the Victor Harbor community

Implement the Southern and Hills Regional Public Health Plan

- Commence the roll out of the South Australian Food Rating Scheme to all food business within the City of Victor Harbor
- Apply specific public health legislation relating to food safety, on site waste water management, manufactured water systems, swimming pools/spas, disease prevention/control, pest and vermin control, sanitation, accommodation/housing, water quality, environmental management, contaminated land and emergency management
- Partner with the City of Onkaparinga in the delivery of a school based immunisation program
- Work with the Southern and Hills Local Government Association and SA Health in the operation of the Community Wellbeing Alliance to support implementation of the Regional Public Health Plan

Review demand for land suitable for future health, education and community services

- Consider the demand for land suitable for future health, education and community services

4.2 Provide key community infrastructure

Plan the development of a new cemetery

- Continue negotiations regarding a suitable location for a local/regional cemetery to meet future demand

- Continue development of the Victor Harbor cemetery

Provide halls and community meeting places responsive to community needs

- Provide the Old School Building Community Centre as an affordable meeting space for local community groups
- Continue to provide community meeting spaces in the Library, Recreation Centre and Town Hall and through the sub-hire arrangements with various council leased facilities such as sporting grounds

Manage Council's property portfolio to ensure efficient and effective use by the community

- Ensure compliance with legislation in regard to council/community land to ensure local community interest is maintained, managed and protected
- Prepare and manage leases, licences, permits and agreements
- Manage Dedicated Land Lease Approvals for Crown Land
- Administer Council land transfers, sales, gifting, land exchanges, road opening and closing
- Develop and maintain Community Land Management Plans, Register and community land revocations
- Plan for the restructure of Community Land Management Plans
- Further develop Council Roads Opening and Closing Register
- Further develop the Road Register as defined by Local Government Act 1999

- Prepare the Community Land Revocation Process for existing road buffer (driveway exclusion reserves)
- Finalise review of joint community housing agreements

Provide high quality public realm infrastructure

- Support the activities of the Town Pride Working Group and Encounter Lakes Beach Boys
- Continue the Encounter Lakes and Franklin Island water quality monitoring program
- Continue staged implementation of the Mainstreet Precinct Master Plan
- Undertake Adelaide Road Corridor Project (Stage 1)

4.3 Create and maintain safe road and footpath networks

Commence implementation of Council's Town Centre Traffic Movement and Car Parking Strategy

- Undertake Town Centre Traffic and Car Parking Strategy recommendations in accordance with the 10 Year Capital Works Program
- Amend the Development Plan provision for car parking in accordance with the Parking Spaces for Urban Places Car Parking Study via a Development Plan Amendment or incorporation into pending PDI Act 2016 amendments
- Investigate opportunities for improved integration of carpark facilities in McKinlay Street

Regulate Council's identified parking areas

- Continue to review and enforce regulatory parking arrangements
- Review and establish private parking area compliance agreements with new and existing private parking areas
- Investigate the use of parking permits in the Central Business District
- Investigate the use of technology, including the combination of parking sensors, fixed cameras and electronic plate recognition technology to facilitate the management of council's parking strategy and mainstreet urban design projects
- Investigate making the car park on George Main Road in front of the Victor Harbor High School a time limited park to support the safe drop off and pick up of school students

Maintain and implement Council's 10 Year Capital Works Program for each asset class for both new projects and renewal

- Complete bridge maintenance as identified from condition assessments and associated Asset Management Plan
- Complete road maintenance as identified from condition assessments and associated Asset Management Plan

- Complete kerb and channel maintenance and replacement as identified from condition assessments and associated Asset Management Plan including road reseals and re-sheeting of unsealed roads
- Undertake Pine Avenue renewal (Stage 1)
- Undertake reconstruction of The Parkway (Riverview Road to Field Avenue)
- Complete Stage 3 of the Waitpinga Road reconstruction
- Purchase trailer mounted variable message signs for roadworks, events and emergencies
- Undertake repairs to Pearce Bridge, Waitpinga Road
- Undertake design work for redevelopment of the Victor Harbor Oval carpark
- Undertake road and stormwater design works for the construction of Martha Close road
- Undertake design work for Crozier Road/Torrens Street roundabout construction

Implement the Victor Harbor Pedestrian Strategy

- Provide new footpaths on Bond Avenue, Brand Avenue, Broadway, High Street, Pine Avenue, Renown Avenue, Riverview Road, Tabernacle Road, and Peace Avenue

4.4 Advocate for improved local and regional transport networks and services

Lobby state and federal governments to improve local and regional road networks

- Continue regular meetings with the Department for Planning, Transport and Infrastructure regarding the provision of improved local and regional networks
- Continue participation in the Southern and Hills LGA Roads Working Party

Lobby the state government to provide improved public transport

- Advocate for improved regular passenger transport services between Victor Harbor, Goolwa and Adelaide

Support initiatives to assist transport disadvantaged people to access medical and other essential services

- In partnership with Alexandrina Council provide the Southern Communities Transport Scheme (SCOTS) to assist transport disadvantaged people

Work with Regional Development Australia to implement the Electric Highway project to provide for sustainable energy and low carbon emissions travel options

- Continue to work with Regional Development Australia to implement the Electric Highway project to provide for sustainable energy and low carbon emissions travel options

- Partner with Flinders University and Regional Development Australia for delivery of a trial electric pod vehicle service in Victor Harbor

4.5 Support improved information Communication Technology services

Capitalise on Council's fibre optic network

- Consider expansion of Council's fibre optic network as a part of future stages of the Mainstreet Precinct Upgrade Program

Continue implementation of Council's Digital Action Plan

- Work with NBN Co, the community and key business partners and neighbouring councils to maximise the potential of the NBN to deliver Council services

4.6 Provide sustainable waste collection

Work with the Fleurieu Region Waste Authority to provide a sustainable kerbside waste collection system

- Work with the Fleurieu Region Waste Authority to ensure efficient kerbside waste collection systems
- Work with the FRWA to investigate possible models and costs for introducing a household hard waste collection service

Monitor and maintain the closed Victor Harbor landfill site in accordance with the Victor Harbor Landfill Environment Management Plan and EPA licence conditions

- Monitor and maintain the closed Victor Harbor landfill site in accordance with the Victor Harbor Landfill Environmental Management Plan and EPA licence conditions

4.7 Provide stormwater infrastructure

Construct stormwater upgrades as identified in the Urban Stormwater Master Plan and Asset Management Plan

- Undertake stormwater upgrade at Petrel Avenue and Shields Crescent
- Undertake investigative works for the development of flood plain mapping

Seek appropriate contributions from developers towards provision of new stormwater infrastructure

- Consider development of a framework to inform appropriate developer contributions to storm water and other infrastructure

4.8 Plan for water and electricity security

Work with SA Power Networks to secure access to electricity that will allow for long term planning and development

- Consider the local and regional implications of the State Government Energy Security Plan

Consider alternative sources and systems for both reducing energy demand and generating energy from renewable and sustainable sources

- Continue to investigate and implement renewable energy options in open space including solar lighting at the Bluff Jetty

- Participate in the implementation of the Resilient Hills and Coast Community Energy Program

Work with SA Water to secure access to potable water that will allow for long term planning and development

- Engage with SA Water to secure access to potable water that will allow for long term planning and development

Work with the State Government to secure long-term water security for the environment and agriculture through the sustainable management and use of local water resources

- Through the Agribusiness Advisory Group consider opportunities to enhance long-term water security for the environment and agriculture through the sustainable management and use of local water resources

Expand the Victor Harbor Recycled Water Plan

- Continue to investigate and implement options for the expansion of the Victor Harbor Recycled Water Program

Consider opportunities for expanding the reuse of stormwater

- Provide for water sustainable urban design and rainwater harvesting for gardens in the Mainstreet Precinct Master Plan design

4.9 Facilitate capacity to deal with emergencies

In partnership with the Fleurieu Bushfire Management Committee develop and maintain a Regional Bushfire Management Plan

- Continue to participate in the Fleurieu Bushfire Management Committee to develop and maintain a Regional Bushfire Management Plan

In partnership with the Adelaide Hills Fleurieu and Kangaroo Island Zone Emergency Committee maintain a Zone Management Plan

- Utilising support from the Local Government Association of SA, commence the development of a Victor Harbor Emergency Management Plan that aligns with State and regional emergency management plans
- Continue to participate in the Adelaide Hills Fleurieu and Kangaroo Island Zone Emergency Committee in order to maintain a Zone Management Plan

OBJECTIVE 5 – AN INNOVATIVE COUNCIL EMPOWERING THE COMMUNITY

5.1 Cultivate and demonstrate community leadership

Decision making is transparent, and complies with legislative and policy requirements

- Maintain live streaming of Council meetings and audio recording
- Promote informal gatherings of Council not covered by Section 90 of the Local Government Act
- Provide Council and committee agendas and minutes on Council's website
- Respond to Freedom of Information requests and Section 270 Reviews of Council decisions

Take a leadership role in advocating on behalf of the community

- Take a leadership role in advocating for issues of community concern as they arise

Build leadership within the community

- Support the Southern Fleurieu Youth Advisory Committee as a means of developing young leaders
- Support the participation of local young people in leadership opportunities such as the United Nations Youth SA Conference, and YMCA SA Youth Parliament

- Encourage community representation on Council advisory committees
- Support staff membership of relevant professional associations
- Accept opportunities to present to community groups
- Facilitate the 2018 council elections

Establish and maintain strategic regional, state and national relationships and partnerships

- Participate in the Southern and Hills Local Government Association, Regional Development Australia (Hills Fleurieu and KI), Fleurieu Peninsula Tourism, and the Fleurieu Regional Waste Authority
- Continue to provide a range of community service programs in partnership with neighbouring councils
- Continue involvement in the Australian Coastal Councils Association

Support Elected Members to fulfil their role as the governing body of Council

- Continue to provide Elected Members with information through weekly updates and informal gatherings
- Provide Elected Members with corporate support (administration, record keeping and IT)
- Replace Elected Member notebook computers

- Prepare and deliver an induction program and relevant training to the new council

5.2 Encourage active citizenship and community pride

Recognise and celebrate the Council and community's achievements

- Provide a series of Australia Day Awards which recognise the achievement of the community

Recognise the contributions of volunteers

- Recognise the contribution of volunteers involved in Council programs and as members of Council advisory committees
- Provide a Volunteer Week Small Grants Program to assist community groups to recognise the contribution of their volunteers during National Volunteer Week

Maintain high quality public infrastructure, streetscapes, parks and open spaces

- Implement Council's Asset Management Plans which detail information about infrastructure assets including actions required to provide an agreed level of service in the most cost effective manner

Engage with the broader community to seek their views and expectations

- Grow community subscription to Council's e-newsletter, Victor Viewpoint
- Hold two community forums, including one as a part of Council's annual business plan and budget consultation

- Commence development of a community engagement framework and review council's Public Consultation Policy

- Promote and encourage community participation in the 2018 council elections

Council strategies, plans and other information are easily accessible to the community

- Review the structure of council's corporate website for consistency and better user experience

5.3 Provide effective and efficient levels of service delivery

Support continuous improvement, innovation and excellence in service delivery

- Maintain the House of Assembly Roll from the State Electoral Commission
- Maintain the Council's Supplementary Voters Roll
- Implement priority outcomes from the Customer Service Review
- Prioritise and begin implementing actions from the library service review
- Monitor the impacts of the amended Dog and Cat Management Act and Local Nuisance and Litter Control Act on the Health and Regulatory Services section of council
- Undertake a review of management options for the Fleurieu Aquatic Centre

Promote the range and availability of services provided by Council

- Continue to maintain and update Council's website to promote the range and availability of services provided by Council

Apply appropriate technology systems that enhance service delivery and efficiency

- Maintain existing ICT services
- Replace the disaster recovery battery back-up

Develop business processes to enhance service delivery and efficiency including improved cross department collaboration

- Increase awareness of Market Place software to support procurement
- Increase the uptake of Vendor Panel across the organisation to support effective procurement processes
- Improve communication and collaboration across departments through increased project role clarity

Develop an outcomes based accountability methodology to Council programs and services

- Further investigate and implement as appropriate improved evidence based performance evaluation and productivity tools to more effectively measure the outcomes of community service projects

5.4 Operate in a strategically planned environment

Collect and analyse information that enables Council to respond to developing needs and opportunities

- Maintain annual subscription to .id information products including profile.id and atlas.id with full community access via Council's website

Encourage long term thinking and planning across the organisation

- Review and update council's Long Term Financial Plan in line with council's Asset Management Plans, 2017/18 actuals and 2018/19 adopted budget

Business plans, budgets and decision making are directly related to achieving Council's visions and long term objectives

- Facilitate budgeting and financial planning to assist Council in decision making and delivery of the Community Plan and Annual Business Plan, concurrently meeting Council's legislated financial management obligations
- Continue to develop approaches to provide stronger links between council reports and key strategic documents
- Review the layout and content of the Annual Business Plan to more clearly indicate how Council will allocate its budget and what services, programs and projects will be delivered to contribute to achieving the community's long term objectives

Develop and maintain policies and procedures that are consistent with Council's long term objectives

- Develop procedures including BPay VIEW, SAILIS reports, and electoral roll maintenance
- Work with Elected Members in development of policies, and to address gaps in Council's policy structure to meet Council's strategic objectives
- Review Council's Procurement Policy and develop procurement procedures
- Review council's Caretaker Policy to reflect legislative updates, and conduct necessary training for elected members and staff

5.5 Sustainably manage Council's financial and infrastructure assets

Manage Council's assets to improve financial sustainability

- Manage Council's assets in accordance with the Long Term Financial Plan and adopted Asset Management Plans

- Undertake full re-valuations including condition assessments for asset classes identified in the City of Victor Harbor revaluation schedule
- Maintain assessment record for non-rateable assessments and those eligible for mandatory or discretionary rate rebates
- Review and reconcile all non-rateable land
- Progress development of the Building Asset Management Plan and MyData implementation

Encourage an effective and transparent internal control environment

- Ensure Councils' financial internal controls and legislative compliance is being adhered to and rectify any deficiencies

Maintain Council's spatial data to inform Council planning and operations

- Further development of council's GIS (Spatial) Data Plan, including identification for the potential rollout of ESRI site licencing, GIS Servers and Cloud data systems

- Maintain GIS/spatial systems within SynergySoft, ArcMap and ArcReader
- Provide and assist other staff with access and use of GIS/spatial systems
- Deliver updated Aerial Ortho Imagery to Council every two years

Manage revenue streams to ensure sufficient cash flow to meet Council objectives

- Continue debt recovery procedures to recover rate arrears efficiently and effectively

5.6 Provide organisational sustainability

Assess opportunities within an effective risk management framework

- Complete review of the Corporate Risk Register in consultation with key stakeholders
- Develop and provide risk management training for staff
- Ensure risk management is embedded and considered across all activities within council

- Provide quarterly reports to the Audit Committee on performance of risk management

- Review departmental risk registers and provide quarterly progress reports to the Senior Management Team

Provide a safe and healthy workplace

- Provide training for staff on SkyTrust online hazard and incident reporting

- Provide the LGA Workers Compensation Scheme Healthy Lifestyle Program

- Undertake a self-audit of documented Work Health Safety and Risk Management processes to meet legislative objectives under the South Australian Work Health Safety Act 2012

- Implement council's Work Health and Safety and Injury Management Plan 2018/2020

- Provide regular reporting to council's Senior Management Team, and Work Health and Safety Committee on implementation of the Work Health and Safety and Injury Management Plan 2018/2020

Develop an adaptable, skilled and satisfied workforce

- Undertake annual employee professional development reviews

- Further develop electronic staff training database with linkages to WHS, personal and professional development, and specific job requirements

- Develop and implement a 2018/19 employee training program

Implement Council's Records Management Plan

- Restructure local computer drives to align with the new file structure

- Assess council's records management system for GDS21 compliance



2018 / 19 FINANCIAL STATEMENTS

John Nicholls
Men's Hair Salon

John Nicholls
Men's Hair Salon

VICTORIA CINEMA
THE VICTORIA CINEMA
VETS
BABY
5 DRAGON

City of Victor Harbor

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

A city that offers opportunity and lifestyle

CITY OF
Victor Harbor



City of Victor Harbor

General Purpose Financial Statements for the year ended 30 June 2019

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City of Victor Harbor

General Purpose Financial Statements for the year ended 30 June 2019

Certification of Financial Statements

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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Victoria MacKirdy
CHIEF EXECUTIVE OFFICER



Dr Moira Jenkins
MAYOR

Date: 26 November 2019

City of Victor Harbor

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Income			
Rates Revenues	2a	21,910	20,791
Statutory Charges	2b	461	491
User Charges	2c	2,416	2,359
Grants, Subsidies and Contributions	2g	1,837	1,564
Investment Income	2d	93	91
Reimbursements	2e	815	824
Other Income	2f	32	73
Net Gain - Equity Accounted Council Businesses	19	-	34
Total Income		27,564	26,227
Expenses			
Employee Costs	3a	9,763	9,674
Materials, Contracts & Other Expenses	3b	9,934	9,478
Depreciation, Amortisation & Impairment	3c	6,895	6,357
Finance Costs	3d	479	517
Net loss - Equity Accounted Council Businesses	19	362	-
Total Expenses		27,433	26,026
Operating Surplus / (Deficit)		131	201
Asset Disposal & Fair Value Adjustments	4	(1,635)	(2,152)
Amounts Received Specifically for New or Upgraded Assets	2g	2,795	1,345
Physical Resources Received Free of Charge	2i	904	831
Net Surplus / (Deficit) ¹		2,195	225
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	(1,521)	12,987
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	9a	-	(281)
Total Other Comprehensive Income		(1,521)	12,706
Total Comprehensive Income		674	12,931

¹ Transferred to Statement of Changes in Equity

City of Victor Harbor

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	554	1,846
Trade & Other Receivables	5b	3,061	1,302
Inventories	5c	333	334
Total Current Assets		3,948	3,482
Non-Current Assets			
Financial Assets	6a	324	1,046
Equity Accounted Investments in Council Businesses	6b	10,424	10,786
Infrastructure, Property, Plant & Equipment	7a	267,033	270,916
Other Non-Current Assets	6c	2,130	644
Total Non-Current Assets		279,911	283,392
TOTAL ASSETS		283,859	286,874
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	2,688	2,397
Borrowings	8b	1,461	966
Provisions	8c	2,426	1,963
Total Current Liabilities		6,575	5,326
Non-Current Liabilities			
Borrowings	8b	5,781	10,431
Provisions	8c	448	736
Total Non-Current Liabilities		6,229	11,167
TOTAL LIABILITIES		12,804	16,493
Net Assets		271,055	270,381
EQUITY			
Accumulated Surplus		67,021	64,204
Asset Revaluation Reserves	9a	203,429	204,950
Other Reserves	9b	605	1,227
Total Council Equity		271,055	270,381

City of Victor Harbor

Statement of Changes in Equity for the year ended 30 June 2019

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
2019					
Balance at the end of previous reporting period		64,204	204,950	1,227	270,381
a. Net Surplus / (Deficit) for Year		2,195	-	-	2,195
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	(1,521)	-	(1,521)
Other Comprehensive Income		-	(1,521)	-	(1,521)
Total Comprehensive Income		2,195	(1,521)	-	674
c. Transfers between Reserves		622	-	(622)	-
Balance at the end of period		67,021	203,429	605	271,055
2018					
Balance at the end of previous reporting period		63,995	192,244	1,211	257,450
a. Net Surplus / (Deficit) for Year		225	-	-	225
b. Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	12,987	-	12,987
- IPP&E Impairment (Expense) / Recoupments Offset to ARR	7a	-	(281)	-	(281)
Other Comprehensive Income		-	12,706	-	12,706
Total Comprehensive Income		225	12,706	-	12,931
c. Transfers between Reserves		(16)	-	16	-
Balance at the end of period		64,204	204,950	1,227	270,381

City of Victor Harbor

Statement of Cash Flows

for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Cash Flows from Operating Activities			
Receipts			
Operating Receipts		27,220	28,627
Investment Receipts		93	91
Payments			
Operating Payments to Suppliers and Employees		(20,137)	(21,495)
Finance Payments		(493)	(535)
Net Cash provided by (or used in) Operating Activities	11b	6,683	6,688
Cash Flows from Investing Activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets		2,795	1,345
Sale of Replaced Assets		154	136
Repayments of Loans by Community Groups		161	165
Payments			
Expenditure on Renewal/Replacement of Assets		(4,105)	(3,068)
Expenditure on New/Upgraded Assets		(2,799)	(4,856)
Loans Made to Community Groups		-	(625)
Net Cash provided by (or used in) Investing Activities		(3,794)	(6,903)
Cash Flows from Financing Activities			
Receipts			
Proceeds from Borrowings		-	1,357
Proceeds from Bonds & Deposits		-	26
Payments			
Repayments of Borrowings		(4,155)	(912)
Repayment of Bonds & Deposits		(26)	-
Net Cash provided by (or used in) Financing Activities		(4,181)	471
Net Increase (Decrease) in Cash Held		(1,292)	256
plus: Cash & Cash Equivalents at beginning of period	11	1,846	1,590
Cash & Cash Equivalents at end of period	11	554	1,846

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

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n/a - not applicable

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies

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

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

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 4 November 2019.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

City of Victor Harbor is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 1 Bay Road, Victor Harbor. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income Recognition

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

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

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

	Cash Payment Received	Annual Allocation	Difference
2016/17	\$1,118,377	\$567,084	\$621,293
2017/18	\$328,125	\$578,919	(\$250,794)
2018/19	\$324,287	\$594,005	(\$269,718)

The 2019/20 and 2020/21 Supplementary Local Road Funding of \$270,052 was paid in advance in June 2019.

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

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

4 Cash, Cash Equivalents and other Financial Instruments

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

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

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

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

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

6.2 Materiality

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

Buildings - new construction/extensions	\$10,000
Roads, Drainage & Other Infrastructure	\$10,000
Plant & Machinery	\$5,000
Minor Plant & Tools	\$1,000
Reserve Furniture & Equipment	\$1,000
Office Furniture & Equipment	\$1,000

6.3 Subsequent Recognition

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

6.4 Depreciation of Non-Current Assets

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Plant, Furniture & Equipment

Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equip	5 to 8 years
Other Plant & Equipment	5 to 15 years

Building & Other Structures

Buildings & Other Structures	10 to 100 years
Park Furniture	20 to 40 years
Walkways & Trails	15 to 30 years
Playground equipment	5 to 15 years
Plant & Machinery	2 to 20 years
ICT Equipment	2 to 10 years
Office Furniture	5 to 10 years

Infrastructure

Sealed Roads	16 to 60 years
Unsealed Roads	10 to 15 years
Bridges – Concrete	80 to 100 years
Traffic Devices	20 to 45 years
Stormwater Drainage	80 to 100 years
Footpaths	30 to 50 years
Kerbing	60 to 70 years

Other Assets

Library Books	10 to 15 years
Artworks	indefinite

6.5 Impairment

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

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount

(which is the higher of the present value of future cash inflows or value in use).

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

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 Goods & Services

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

7.2 Payments Received in Advance & Deposits

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

8 Borrowings

Borrowings are 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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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

Weighted avg. discount rate 0.71% (2018, 1.94%)
Weighted avg. settlement period 5 years (2018, 5 years)

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

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

10 Leases

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

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised

as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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

11 Equity Accounted Council Businesses

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

12 GST Implications

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

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

13 New accounting standards and UIG interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

not resulted in any material changes to Council's accounting policies.

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

AASB 7 Financial Instruments - Disclosures and AASB 9 Financial Instruments commenced from 1 July 2018 and have the effect that non-contractual receivables (e.g. rates & charges) are now treated as financial instruments. Although the disclosures made in Note 13 Financial Instruments have changed, there are no changes to the amounts disclosed.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities, which will commence from 1 July 2019, affect the timing with which revenues, particularly special purpose grants, are recognised. Amounts received in relation to contracts with sufficiently specific performance obligations will in future only be recognised as these obligations are fulfilled. In these Statements, the sum of \$981,500 has been recognised as revenue, in accordance with the current Standards, but would in future be recorded as a liability "Amounts in Advance" until the performance obligations have been fulfilled.

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts - except leases with a maximum term of 12 months and leases for non-material amounts - be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2019, Council has seven leases to which this treatment will need to be applied.

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

The standards that are expected to have a material impact upon Council's future financial statements are:

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 16 Leases (Appendix D)
- AASB 1058 Income of Not-for-Profit Entities
- AASB 1058 Income of Not-for-Profit Entities (Appendix D)

The standards that are not expected to have a material impact upon Council's future financial statements are:

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 1059 Service Concession Arrangements: Grantors (Appendix D)
- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities
- AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1. Summary of Significant Accounting Policies (continued)

- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors
- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

Effective for annual reporting periods beginning on or after 1 January 2021

- AASB 17 Insurance Contracts
- AASB 17 Insurance Contracts (Appendix D)

14 Comparative Figures

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

15 Disclaimer

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

City of Victor Harbor

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 2. Income

\$ '000	Notes	2019	2018
(a). Rates Revenues			
General Rates			
General Rates		21,665	20,545
Less: Mandatory Rebates		(213)	(198)
Less: Discretionary Rebates, Remissions & Write Offs		(23)	(24)
Total General Rates		21,429	20,323
Other Rates (Including Service Charges)			
Natural Resource Management Levy		402	394
Total Other Rates		402	394
Other Charges			
Penalties for Late Payment		59	54
Legal & Other Costs Recovered		20	20
Total Other Charges		79	74
Total Rates Revenues		21,910	20,791
(b). Statutory Charges			
Development Act & Town Planning Fees		205	237
Health & Septic Tank Inspection Fees		13	8
Animal Registration Fees & Fines		109	98
Parking Fines / Expiation Fees		78	85
Search Fees		49	49
Other Statutory Charges		7	14
Total Statutory Charges		461	491
(c). User Charges			
Cemetery/Crematoria Fees		123	132
Parking Fees		112	124
Caravan Park		192	245
Community Transport		161	130
Horse Drawn Tram		305	465
Recreation Centre		72	62
Whale Centre		185	182
Tourism Marketing & Sales		755	679
Other Leases, Hire & Rentals		255	265
Other User Charges		97	75
Horse Drawn Tram (Note 19)		159	-
Total User Charges		2,416	2,359

City of Victor Harbor

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 2. Income (continued)

\$ '000	Notes	2019	2018
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		33	34
- Banks & Other		5	9
- Loans to Community Groups		55	48
Total Investment Income		93	91
(e). Reimbursements			
Private Works		6	5
Council Contributions		503	465
Employee Reimbursements		12	12
Utilities, Insurance and Cleaning		70	65
Other Reimbursements		224	277
Total Reimbursements		815	824
(f). Other Income			
Donations and Contributions		14	7
Horse Drawn Tram (Note 19)		1	-
Other Income		17	66
Total Other Income		32	73
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets		2,795	1,345
Total Amounts Received Specifically for New or Upgraded Assets		2,795	1,345
Untied - Financial Assistance Grants		403	-
Roads to Recovery		188	380
Other Grants, Subsidies and Contributions		922	856
Individually Significant Item - Additional Grants Commission Payment (refer below)		324	328
Total Other Grants, Subsidies and Contributions		1,837	1,564
Total Grants, Subsidies, Contributions		4,632	2,909
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		2,245	1,244
State Government		2,349	283
Other		38	1,382
Total		4,632	2,909
(ii) Individually Significant Items			
Grant Commission (FAG) Grant - Advance 2019/20 Payment		324	328
2019: \$324k Financial Assistance Grant prepaid June 2019			
2018: Of the 2018/19 Financial Assistance Grant (FAG) \$328k has been prepaid in June 2018 and has been reported as a Grant for the 2017/18 year.			

City of Victor Harbor

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 2. Income (continued)

\$ '000	Notes	2019	2018
(h). Physical Resources Received Free of Charge			
Roads, Bridges & Footpaths		161	434
Stormwater Drainage		356	270
Sealed Roads		272	-
Kerbing		115	116
Open Space		-	11
Total Physical Resources Received Free of Charge		904	831

Note 3. Expenses

(a). Employee Costs

Salaries and Wages		7,737	7,529
Employee Leave Expense		1,134	1,130
Superannuation - Defined Contribution Plan Contributions	18	670	665
Superannuation - Defined Benefit Plan Contributions	18	133	134
Workers' Compensation Insurance		268	300
Other		143	197
Less: Capitalised and Distributed Costs		(322)	(281)
Total Operating Employee Costs		9,763	9,674
Total Number of Employees (full time equivalent at end of reporting period)		101	106

(b). Materials, Contracts and Other Expenses

(i) Prescribed Expenses

Auditor's Remuneration			
- Auditing the Financial Reports		17	16
Elected Members' Expenses		200	192
Election Expenses		84	6
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		178	146
Subtotal - Prescribed Expenses		479	360

City of Victor Harbor

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 3. Expenses (continued)

\$ '000	Notes	2019	2018
(b). Materials, Contracts and Other Expenses (continued)			
(ii) Other Materials, Contracts and Expenses			
Contractors		1,450	1,444
Maintenance		142	121
Legal Expenses		104	120
Levies Paid to Government - NRM levy		402	396
Levies - Other		23	28
Professional Services		402	454
Sundry		1,101	1,286
Materials		894	934
Energy and Water		710	723
External Plant Hire		49	81
Insurances		512	513
Waste Services		1,648	1,471
Advertising		83	78
Information and Communications		645	556
Donations and Contributions		293	100
Rates and taxes		58	57
Regional Board Contributions		414	657
Street Cleaning		93	99
Horse Drawn Tram (Note 19)		432	-
Subtotal - Other Material, Contracts & Expenses		9,455	9,118
Total Materials, Contracts and Other Expenses		9,934	9,478
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings & Other Structures		972	1,000
Infrastructure			
- Sealed Roads		2,207	1,908
- Unsealed Roads		470	501
- Stormwater Drainage		502	495
- Kerbing		299	263
- Footpaths		284	249
- Bridges		301	256
- Open Space		604	493
- Carparks & Traffic		237	228
- Other Infrastructure		116	90
Plant & Equipment		662	644
Furniture & Fittings		87	89
Library Books		154	141
Subtotal		6,895	6,357
(ii) Impairment			
Nil			
Total Depreciation, Amortisation and Impairment		6,895	6,357

City of Victor Harbor

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 3. Expenses (continued)

\$ '000	Notes	2019	2018
(d). Finance Costs			
Interest on Loans		479	517
Total Finance Costs		479	517

Note 4. Asset Disposal & Fair Value Adjustments

Infrastructure, Property, Plant & Equipment

(i) Assets Renewed or Directly Replaced

Proceeds from Disposal		154	136
Less: Carrying Amount of Assets Sold		(1,789)	(2,288)
Gain (Loss) on Disposal		(1,635)	(2,152)
Net Gain (Loss) on Disposal or Revaluation of Assets		(1,635)	(2,152)

Note 5. Current Assets

(a). Cash & Cash Equivalents

Cash on Hand at Bank		(85)	245
Deposits at Call		639	1,601
Total Cash & Cash Equivalents		554	1,846

(b). Trade & Other Receivables

Rates - General & Other		658	449
Council Rates Postponement Scheme		99	79
Accrued Revenues		192	211
Debtors - General		59	108
Other Levels of Government		1,153	238
GST Recoupment		16	(2)
Prepayments		172	68
Loans to Community Organisations		712	151
Total Trade & Other Receivables		3,061	1,302

City of Victor Harbor

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 5. Current Assets (continued)

\$ '000	Notes	2019	2018
(c). Inventories			
Stores & Materials		292	294
Trading Stock		41	40
Total Inventories		333	334

Note 6. Non-Current Assets

(a). Financial Assets

Receivables

Loans to Community Organisations		324	1,046
Total Receivables		324	1,046
Total Financial Assets		324	1,046

(b). Equity Accounted Investments in Council Businesses

Fleurieu Regional Aquatic Centre Authority	19	10,150	10,503
Fleurieu Regional Waste Authority	19	274	283
Total Equity Accounted Investments in Council Businesses		10,424	10,786

(c). Other Non-Current Assets

Capital Works-in-Progress		2,130	644
Total Other Non-Current Assets		2,130	644

City of Victor Harbor

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 7a. Infrastructure, Property, Plant & Equipment

	Fair Value Level	as at 30/6/2018				Asset Movements during the Reporting Period							as at 30/6/2019				
		At Fair Value	At Cost	Acc. Dep'n	Carrying Value	Asset Additions			WDV of Asset Disposals	Depreciation Expense (Note 3c)	Impairment Loss (recognised in Equity) (Note 9)	Revaluation Decrements to Equity (ARR) (Note 9)	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Acc. Dep'n	Carrying Value
						New / Upgrade	Renewals										
\$ '000																	
Land - Community	3	14,944	-	-	14,944	-	-	-	-	-	-	-	-	14,944	-	-	14,944
Land - Other	2	32,576	-	-	32,576	145	-	-	-	-	-	-	-	32,576	145	-	32,721
Buildings & Other Structures	3	42,460	99	18,603	23,956	110	276	(271)	(972)	-	-	-	(12)	41,691	485	19,089	23,087
Buildings & Other Structures	2	491	32	51	472	-	-	-	-	-	-	-	-	491	32	51	472
Infrastructure																	
- Sealed Roads	3	96,496	-	23,418	73,078	272	1,762	(925)	(2,207)	-	-	-	125	95,238	2,034	25,167	72,105
- Unsealed Roads	3	8,989	-	3,071	5,918	-	137	(117)	(470)	-	-	-	(96)	8,627	138	3,393	5,372
- Stormwater Drainage	3	54,009	2,354	13,921	42,442	496	60	(126)	(502)	-	-	-	(23)	53,842	2,910	14,405	42,347
- Kerbing	3	23,965	-	7,248	16,717	296	348	(73)	(299)	-	-	-	-	23,855	643	7,509	16,989
- Footpaths	3	11,154	1	3,340	7,815	654	24	(16)	(284)	-	-	138	-	11,286	705	3,660	8,331
- Bridges	3	26,348	-	4,103	22,245	-	-	-	(301)	-	-	-	-	26,348	-	4,404	21,944
- Open Space	3	16,484	-	4,169	12,315	684	56	(114)	(604)	-	-	-	(594)	15,478	741	4,476	11,743
- Carparks & Traffic	3	9,663	1,316	2,606	8,373	6	-	-	(237)	-	-	-	(1,110)	9,610	-	2,578	7,032
- Other Infrastructure	3	-	4,752	1,322	3,430	-	75	-	(116)	-	-	-	-	-	4,828	1,439	3,389
Plant & Equipment																	
Furniture & Fittings																	
Library Books	2	-	2,096	1,195	901	127	672	(147)	(662)	-	-	-	(10)	-	9,495	4,587	4,908
Artworks	2	287	1,010	500	510	-	85	-	(154)	-	-	61	-	1,103	601	502	
														287	9	-	296
Total Infrastructure, Property, Plant & Equipment		337,866	20,805	87,755	270,916	2,790	3,532	(1,789)	(6,895)				(1,521)	334,273	25,401	92,641	267,033
Comparatives		327,751	18,850	88,115	258,486	5,302	3,068	(2,287)	(6,357)	(281)	(147)	13,134	337,866	20,805	87,755	270,916	

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

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

\$ '000

Valuation of Assets

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

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

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

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

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

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

Information on Valuations

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

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

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

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

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

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

\$ '000

Valuation of Assets (continued)

Other Information

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

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

Highest and best use

The following non financial assets of Council are being utilised at other than their highest and best use:

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

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1991. Other types of restrictions also exist.

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

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

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

\$ '000

Valuation of Assets (continued)

Adjustments:

Adjustments for found or re-measured assets have been processed against the revaluation reserve as shown in Note 7 for road, kerb, footpath, open space and furniture & fittings assets and does not represent a formal revaluation of these asset classes.

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

Buildings	\$10,000
Roads, Drainage & Other Infrastructure	\$10,000
Plant & Machinery	\$5,000
Minor Plant & Tools	\$1,000
Reserve Furniture & Equipment	\$1,000
Office Furniture & Equipment	\$1,000

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:

Building & Other Structures	10 to 100 years
Sealed Roads	16 to 60 years
Unsealed Roads	10 to 15 years
Kerbing	60 to 70 years
Footpaths	30 to 50 years
Bridges — Concrete	80 to 100 years
Traffic Devices	20 to 45 years
Stormwater Drainage	80 to 100 years
Park Furniture	20 to 40 years
Playground Equipment	15 to 50 years
Walkaways and Trails	15 to 30 years
Plant & Machinery	2 to 20 years
ICT Equipment	2 to 10 years
Office Furniture	5 to 10 years
Library Books	2 to 7 years
Artworks	indefinite

Transition to AASB 13 - Fair Value Measurement

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

\$ '000

Valuation of Assets (continued)

Land & Land Improvements

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

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis, originally deriving from a valuation at 30 June 1997 at current replacement cost. Additions are recognised at cost.

Land assets were valued as at 30 June 2016 by Maloney Field Services. The next scheduled valuation of these assets is to be undertaken in 2019/20

Buildings & Other Structures

Buildings and other structures were revalued as at 30 June 2016 by Maloney Field Services utilising the Market Approach or the Cost Approach. The factors considered in selecting the appropriate valuation technique include whether the underlying land is designated Community Land or Excluded/Revoked from Community Land Status, together with other factors which determine whether highest and best use of the property is the current use that would maximise the value of the asset.

The next scheduled valuation of these assets is to be undertaken in 2019/20.

Infrastructure

Car Parks and Traffic Device assets were revalued at written down replacement cost by Assetic Pty Ltd as at 30 June 2019. The next scheduled revaluation of these assets is to be undertaken in 2021/22. Roads, Bridges, Kerb, Footpath and Open Space Assets were last revalued in 2017/18 and their next scheduled revaluation is to be undertaken in 2019/20. Other Infrastructure is recognised at cost.

Car Parks & Traffic Devices

- Basis of valuation: Fair Value
- Date of valuation: 30 June 2019.
- Valuer: City of Victor Harbor and verified by Assetic Pty Ltd

Plant & Equipment

These assets are recognised at cost.

Furniture & Fittings

These assets are recognised at cost.

All other Assets

These assets are recognised at cost.

Library books and other lending materials are capitalised in bulk and written out when fully depreciated. Artworks were independently valued by Theodore Bruce Auctions as at 30 June 2015. The next scheduled valuation of these assets is to be undertaken in 2019/20.

City of Victor Harbor

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 8. Liabilities

\$ '000	Notes	2019 Current	2019 Non Current	2018 Current	2018 Non Current
(a). Trade and Other Payables					
Goods & Services		2,044	-	1,147	-
Payments Received in Advance		179	-	768	-
Accrued Expenses - Employee Entitlements		286	-	270	-
Accrued Expenses - Finance Costs		84	-	98	-
Accrued Expenses - Other		90	-	83	-
Deposits, Retentions & Bonds		5	-	31	-
Total Trade and Other Payables		2,688	-	2,397	-
(b). Borrowings					
Loans		1,461	5,781	966	10,431
Total Borrowings		1,461	5,781	966	10,431
All interest bearing liabilities are secured over the future revenues of the Council					
(c). Provisions					
Long Service Leave		1,014	62	886	108
Annual Leave		1,061	-	1,067	-
Landfill Depot Remediation Liability		351	386	10	628
Total Provisions		2,426	448	1,963	736

City of Victor Harbor

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 9. Reserves

\$ '000	1/7/2018	Increments (Decrements)	Transfers	Impairments	30/6/2019
(a). Asset Revaluation Reserve					
Land - Community	33,399	-	-	-	33,399
Buildings & Other Structures	18,331	(12)	-	-	18,319
Infrastructure					
- Roads	72,081	29	-	-	72,110
- Stormwater Drainage	28,879	(23)	-	-	28,856
- Kerbing	8,436	-	-	-	8,436
- Footpaths	5,970	138	-	-	6,108
- Bridges	19,160	-	-	-	19,160
- Open Space	10,191	(594)	-	-	9,597
- Carparks & Traffic	5,733	(1,110)	-	-	4,623
- Other Infrastructure	1,536	-	-	-	1,536
Plant & Equipment	-	(10)	-	-	(10)
Library Books	1,115	61	-	-	1,176
Artworks	119	-	-	-	119
Total Asset Revaluation Reserve	204,950	(1,521)	-	-	203,429
Comparatives	192,244	12,987	-	(281)	204,950

\$ '000	1/7/2018	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2019
(b). Other Reserves					
Car Park Development	363	2	(363)	-	2
Developers Contributions	361	6	(63)	-	304
Economic Development	264	3	(229)	-	38
Open Space	216	5	(25)	-	196
Renewable Energy	23	56	(14)	-	65
Total Other Reserves	1,227	72	(694)	-	605
Comparatives	1,211	37	(21)	-	1,227

PURPOSES OF RESERVES

Asset Revaluation Reserves

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

Car Park Development

Developer Contributions are used for planning, design and construction of car parking facilities within the prescribed area.

Developers Contributions

Developer contributions are use for the construction of footpaths, drainage and other infrastructure.

Economic Development

From commercial/industrial rates and used for economic development initiatives including tourism.

Renewable Energy

Contributions from solar programs participants and contractors and used for renewable energy initiatives.

Open Space

Monies held from creation of sub-divisions to be utilised for future open space projects.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 10. Assets Subject to Restrictions

\$ '000	Notes	2019	2018
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Council does not hold any assets subject to restrictions.

Note 11. Reconciliation to Statement of Cash Flows

(a). Reconciliation of Cash

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

Total Cash & Equivalent Assets	5	554	1,846
Balances per Statement of Cash Flows		554	1,846

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

Net Surplus/(Deficit)		2,195	225
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		6,895	6,357
Equity Movements in Equity Accounted Investments (Increase)/Decrease		362	(34)
Non-Cash Asset Acquisitions		(904)	(831)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(2,795)	(1,345)
Net (Gain) Loss on Disposals		1,635	2,152
		7,388	6,524
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		(1,198)	2,249
Net (Increase)/Decrease in Inventories		1	(16)
Net Increase/(Decrease) in Trade & Other Payables		317	(1,763)
Net Increase/(Decrease) in Other Provisions		175	(306)
Net Cash provided by (or used in) operations		6,683	6,688

(c). Non-Cash Financing and Investing Activities

Acquisition of assets by means of:			
- Physical Resources Received Free of Charge	2h	904	831
Amounts recognised in Income Statement		904	831
Total Non-Cash Financing & Investing Activities		904	831

(d). Financing Arrangements

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

Corporate Credit Cards	20	20
LGFA Cash Advance Debenture Facility	12,500	13,031

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

City of Victor Harbor

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018
\$ '000										
Business Undertakings	856	895	1,329	1,255	(473)	(360)	-	-	344	343
Community Services	1,582	1,040	2,795	2,780	(1,213)	(1,740)	783	726	3,489	3,526
Culture	176	102	1,328	1,569	(1,152)	(1,467)	128	104	1,063	1,074
Economic Development	889	667	1,687	1,996	(798)	(1,329)	-	-	131	132
Environment	18	132	4,485	3,689	(4,467)	(3,557)	-	-	46,347	46,840
Recreation	309	201	3,147	2,821	(2,838)	(2,620)	-	4	13,706	13,852
Regulatory Services	413	400	1,914	1,890	(1,501)	(1,490)	-	-	26	26
Transport & Communication	205	698	4,728	4,377	(4,523)	(3,679)	188	380	124,298	125,621
Plant Hire & Depot/Indirect	3	185	1,088	906	(1,085)	(721)	-	-	2,685	2,714
Unclassified Activities	78	301	479	1,285	(401)	(984)	-	-	72,120	72,887
Council Administration	410	348	4,453	3,458	(4,043)	(3,110)	11	19	19,650	19,859
Revenue	22,625	21,258	-	-	22,625	21,258	727	331	-	-
Total Functions/Activities	27,564	26,227	27,433	26,026	131	201	1,837	1,564	283,859	286,874

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

BUSINESS UNDERTAKINGS

Caravan Parks, Private Works, Horse drawn tram and Whale Centre.

COMMUNITY SERVICES

Crime Prevention, Fire Protection, Other Public Order and Safety, Health Services, Pest Control – Health, Immunisation, Health Services, Community Support, Senior Citizens Facilities, Youth Services, Community Assistance, Community Transport, Family and Neighbourhood Support, Cemeteries, Public Conveniences, Car Parking and Star Club.

CULTURE

Library Services, Town Hall and Other Cultural Services.

ECONOMIC DEVELOPMENT

Regional Development, Support to Local Businesses, Tourism, and Other Economic Development.

ENVIRONMENT

Waste Services, Coastal Protection, Environment Projects, Stormwater Drainage, Natural Resource Management, Street Cleaning, Street Lighting and Street Scaping.

RECREATION

Parks and Gardens, Indoor and Outdoor.

REGULATORY SERVICES

Dog and Cat Control, Building Control, Town Planning, Clean Air/Pollution Control, Litter Control, Health Inspection, Parking Control, and Other Regulatory Services.

TRANSPORT

Bridges, Community Bus Service, Footpaths and Kerbing, Roads – sealed and unsealed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

PLANT HIRE & DEPOT

Plant and Machinery, Depot and Indirect Works.

UNCLASSIFIED ACTIVITIES

Other Property, Loans and Interest.

COUNCIL ADMINISTRATION

Governance, Administration n.e.c., Elected Members, Organisational, Support Services, Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Records, Occupancy, Contract Management, Customer Service, Other Support Services, Revenues, LGGC – General Purpose and Rates Administration.

REVENUE

General Rates, Separate Rates, LG Grants Commission.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13. Financial Instruments

\$ '000

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

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

Terms & Conditions:

Deposits are returning fixed interest rates at 1.5%.
(2018: 1.75% and 2.5%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 6.6% (2018: 6.75%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other Charges

Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

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

Carrying Amount:

Approximates fair value.

Liabilities

Creditors and Accruals

Accounting Policy:

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

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Interest Bearing Borrowings

Accounting Policy:

Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4.15% and 6.90% (2018: 4.15% and 6.90%).

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

City of Victor Harbor

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2019					
<u>Financial Assets</u>					
Cash & Equivalents	554	-	-	554	554
Receivables	2,945	-	-	2,945	2,889
Other Financial Assets	-	214	198	412	324
Total Financial Assets	3,499	214	198	3,911	3,767
<u>Financial Liabilities</u>					
Payables	2,509	-	-	2,509	2,509
Current Borrowings	1,825	-	-	1,825	1,461
Non-Current Borrowings	-	4,772	1,951	6,723	5,781
Total Financial Liabilities	4,334	4,772	1,951	11,057	9,751
2018					
<u>Financial Assets</u>					
Cash & Equivalents	1,846	-	-	1,846	1,846
Receivables	1,267	-	-	1,267	1,234
Other Financial Assets	-	936	176	1,112	1,046
Total Financial Assets	3,113	936	176	4,225	4,126
<u>Financial Liabilities</u>					
Payables	1,629	-	-	1,629	1,629
Current Borrowings	1,387	-	-	1,387	966
Non-Current Borrowings	-	5,839	6,000	11,839	10,431
Total Financial Liabilities	3,016	5,839	6,000	14,855	13,026

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

	30 June 2019		30 June 2018	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	5.79%	7,242	5.98%	11,397
		7,242		11,397

Net Fair Value

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13. Financial Instruments (continued)

\$ '000

Risk Exposures

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

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

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

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

Note 14. Commitments for Expenditure

\$ '000

Notes

2019

2018

Other Expenditure Commitments

Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

Audit Services	30	34
Employee Remuneration Contracts	2,216	1,267
Street Sweeping	28	117
Asset Maintenance	453	147
Security Services	86	70
Other	22	11
	2,835	1,646

These expenditures are payable:

Not later than one year	1,422	1,096
Later than one year and not later than 5 years	1,413	550
Later than 5 years	-	-
	2,835	1,646

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 15. Financial Indicators

\$ '000	Amounts 2019	Indicator 2019	Prior Periods 2018	Prior Periods 2017
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These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus	131			
Total Operating Income	27,564	0%	1%	4%

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

2. Net Financial Liabilities Ratio

Net Financial Liabilities	8,865			
Total Operating Income	27,564	32%	47%	47%

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

Adjustments to Ratios

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

Adjusted Operating Surplus Ratio		(1%)	(0%)	1%
Adjusted Net Financial Liabilities Ratio		33%	47%	47%

3. Asset Renewal Funding Ratio

Net Asset Renewals	4,105			
Infrastructure & Asset Management Plan required expenditure	5,314	77%	88%	99%

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 16. Uniform Presentation of Finances

\$ '000	2019	2018
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	27,564	26,227
less Expenses	(27,433)	(26,026)
Operating Surplus / (Deficit)	131	201
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(4,105)	(3,068)
<i>add back</i> Depreciation, Amortisation and Impairment	6,895	6,357
<i>add back</i> Proceeds from Sale of Replaced Assets	154	136
Subtotal	2,944	3,425
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(2,799)	(4,856)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	2,795	1,345
Subtotal	(4)	(3,511)
Net Lending / (Borrowing) for Financial Year	3,071	115

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 17. Operating Leases

\$ '000	2019	2018
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Leases Providing Revenue to the Council

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

Leases commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

Not later than one year	355	317
Later than one year and not later than 5 years	1,386	1,106
Later than 5 years	4,275	1,659
	<u>6,016</u>	<u>3,082</u>

Lease Payment Commitments of Council

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

No contingent rentals were paid during the current or previous reporting periods.

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

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

No lease contains any escalation clause.

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

Not later than one year	157	85
Later than one year and not later than 5 years	437	93
Later than 5 years	162	69
	<u>756</u>	<u>247</u>

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 18. Superannuation

\$ '000

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2018/19; 9.50% in 2017/18). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2017/18) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

City of Victor Harbor

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 19a. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2019	2018	2019	2018
Joint Ventures	(362)	34	10,424	10,786
Total	(362)	34	10,424	10,786

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2019	2018
Fleurieu Regional Aquatic Centre Authority	Aquatic Centre	10,150	10,503
Fleurieu Regional Waste Authority	Waste Management	274	283
Total Carrying Amounts - Joint Ventures & Associates		10,424	10,786

Fleurieu Regional Aquatic Centre Authority

A joint initiative between the City of Victor Harbor and Alexandrina Council, the Fleurieu Regional Aquatic Centre is owned by the Fleurieu Regional Aquatic Authority. The City of Victor Harbor and Alexandrina Council are joint owners of the FRAA owing 50% each.

Fleurieu Regional Waste Authority

Established by the City of Victor Harbor, Alexandrina Council, District Council of Yankalilla and Kangaroo Island Council in July 2010, this organisation is responsible for the waste management function across the Fleurieu and Kangaroo Island Council areas.

(b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2019	2018	2019	2018	2019	2018
Fleurieu Regional Aquatic Centre Authority	50%	50%	50%	50%	50%	50%
Fleurieu Regional Waste Authority	35%	35%	35%	35%	25%	25%

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 19a. Interests in Other Entities (continued)

\$ '000

(c) Movement in Investment in Joint Venture or Associate

	Fleurieu Regional Aquatic Centre Authority		Fleurieu Regional Waste Authority	
	2019	2018	2019	2018
Opening Balance	10,503	10,499	283	253
Share in Operating Result	(353)	4	(9)	30
Council's Equity Share in the Joint Venture or Associate	10,150	10,503	274	283

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position	Fleurieu Regional Aquatic Centre Authority		Fleurieu Regional Waste Authority	
	2019	2018	2019	2018
Cash and Cash Equivalents	917	890	474	623
Other Current Assets	132	8	544	448
Non-Current Assets	19,563	20,201	3,642	2,781
Total Assets	20,612	21,099	4,660	3,852
Current Trade and Other Payables	312	93	1,156	1,010
Current Financial Liabilities	-	-	335	495
Current Provisions	-	-	182	111
Non-Current Trade and Other Payables	-	-	125	195
Non-Current Financial Liabilities	-	-	2,016	1,161
Non-Current Provisions	-	-	65	71
Total Liabilities	312	93	3,879	3,043
Net Assets	20,300	21,006	781	809
Statement of Comprehensive Income	Fleurieu Regional Aquatic Centre Authority		Fleurieu Regional Waste Authority	
	2019	2018	2019	2018
Other Income	2,421	3,049	8,180	7,856
Total Income	2,421	3,049	8,180	7,856
Employee Costs	-	-	3,018	2,888
Materials, Contracts & Other Expenses	2,492	2,368	4,540	4,195
Depreciation, Amortisation and Impairment	678	673	543	602
Finance Costs	-	-	85	84
Total Expenses	3,170	3,041	8,186	7,769
Other Revenue / Expense Items	42	-	(21)	(1)
Operating Result	(707)	8	(27)	86

City of Victor Harbor

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 19b. Controlled Entities

\$ '000

SUBSIDIARIES

Council's consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with AASB 10 and the accounting policy described in Note 1(c).

Name of Operation/Entity	Principal Activity and Place of Business:			
Victor Harbor Horse Tram Authority	Tourism, Victor Harbor Causeway			
	Ownership		Voting Rights	
Interests in Subsidiary	2019	2018	2019	2018
Council's Interest in Subsidiary	100%	100%	100%	100%
Non-Controlling Interest in Subsidiary	0%	0%	0%	0%

The nature and extent of significant restrictions relating to the Subsidiary

The Victor Harbor Horse Tram Authority is a subsidiary of the City of Victor Harbor established under section 42 of the Local Government Act 1999 to oversee the operations, business development and marketing of Victor Harbor's iconic Horse Tram service.

The Authority is subject to the direction and control of the City of Victor Harbor.

The Horse Tram Authority has 5 members. One elected member and four other independent members. The independent members are appointed by the City of Victor Harbor.

City of Victor Harbor is partially funding the Authority covering any deficit that the Authority makes.

A Board has been established to ensure that all plans, targets, structures, systems and practices required or applied to the Authority by City of Victor Harbor are in place.

The nature of risks associated with Council's interests in the Subsidiary

All property held by the Authority is accounted for by the City of Victor Harbor. Written Down Value of Non-Current Assets of \$530,484 as at 30 June 2019.

Budget of the Authority is approved by City of Victor Harbor.

Summarised Financial Information for the Subsidiary

Summarised Statement of Comprehensive Income	2019	2018
Revenue	434	-
Expenses	(432)	-
Profit for the Period	2	-
Total Comprehensive income ⁽¹⁾	2	-
Summarised Statement of Financial Position	2019	2018
Current Assets	7	-
Total Assets	7	-
Current Liabilities	5	-
Total Liabilities	5	-
Net Assets	2	-
Summarised Statement of Cash Flows	2019	2018
Cash Flows from Operating Activities	7	-
Net increase (decrease) in Cash and Cash Equivalents	7	-
Transactions with Council	2019	2018
Aggregate amount of transactions with Council	2	-
- payments to Council	-	-

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

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

\$ '000

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

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

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

1. LAND UNDER ROADS

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

At reporting date, Council controlled 384 km of road reserves of average width 19.8 metres.

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. BANK GUARANTEES

Council does not expect to incur any loss arising from guarantees.

4. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of appeals against planning decisions made prior to reporting date.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2019, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 04/11/19.

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

Note 23. Related Party Transactions

\$ '000	2019	2018
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Key Management Personnel

Transactions with Key Management Personnel

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

The compensation paid to Key Management Personnel comprises:

Salaries, allowances & other short term benefits - Employees	697	869
Salaries, allowances & other short term benefits - Elected Members	210	185
Total	907	1,054

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

One KMP has a relationship with Oops Security Pty Ltd. Council paid this entity \$1,621 in 2018/19.

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Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renaë Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CA, CPA
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of City of Victor Harbor

Opinion

We have audited the accompanying financial report of City of Victor Harbor (the Council), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

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

Council's Responsibility for the Financial Report

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA Registered Company Auditor
Partner

2 December 2019

David Chant CA, FCPA
Simon Smith CA, FCPA
David Sullivan CA, CPA
Jason Seidel CA
Renaë Nicholson CA
Tim Muhlhauser CA
Aaron Coonan CA
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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROLS

To the members of City of Victor Harbor

Independent Assurance Report on the Internal Controls of City of Victor Harbor

Opinion

We have audited the compliance of City of Victor Harbor (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2018 to 30 June 2019 have been conducted properly and in accordance with law.

In our opinion, City of Victor Harbor has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to Internal Controls established by the Council 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 Council have been conducted properly and in accordance with law for the period 1 July 2018 to 30 June 2019.

Basis for Opinion

We conducted our engagement 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 Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council 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 2018 to 30 June 2019. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Council's Responsibility for Internal controls

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

Our Independence and Quality Control

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

Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. 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 Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council 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 2018 to 30 June 2019. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Limitations of Controls

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

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

Limitation of Use

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA Registered Company Auditor
Partner

2 December 2019

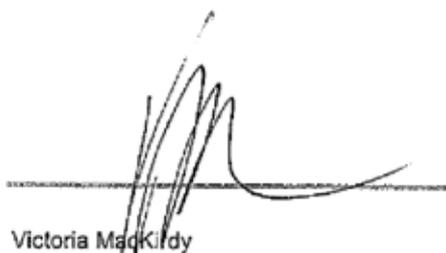
City of Victor Harbor

General Purpose Financial Statements for the year ended 30 June 2019

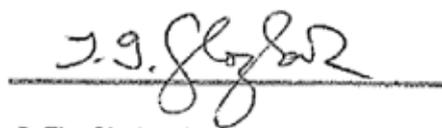
Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Victor Harbor for the year ended 30 June 2019, the Council's Auditor, Galpins 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*.



Victoria MacKirdy
CHIEF EXECUTIVE OFFICER



Cr Tim Glazbrook
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 4 November 2019

City of Victor Harbor

General Purpose Financial Statements

for the year ended 30 June 2019

Statement by Auditor

I confirm that, for the audit of the financial statements of City of Victor Harbor for the year ended 30 June 2019, 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*.



Tim Muhlhausler
Galpins

Dated this 2nd day of December 2019.

city of
Victor Harbor



STAY IN TOUCH

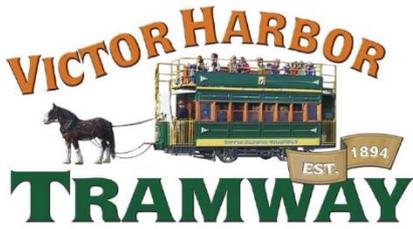
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VICTOR HARBOR
HORSE TRAM AUTHORITY

2018/19 Annual Report



Victor Harbor Horse Tram Authority Annual Report 2018/19

About the Authority

The Victor Harbor Horse Tram Authority (the Authority) is a subsidiary of the City of Victor Harbor (Council), established under section 42 of the *Local Government Act 1999*. The Authority is governed by a Charter approved by the Minister on 17 October 2019, which details its purpose, powers, functions, duties, funding, property and delegation as well as the role, function and requirements of the Authority Board, among other things. The Charter was gazetted on 25 October 2018.

The Horse Tram, like many other services, is subsidised by Council and provides a valuable service to the City of Victor Harbor community on behalf of ratepayers. It serves as an important and highly significant contributor to the economy of Victor Harbor. The horse tram is a part of what makes this city thrive!

Strategic Direction

With the Authority confirmed as a subsidiary by the Minister in October 2018, and Board and General Manager positions established in the second half of 2018/19, a strategic plan was not in place during this financial year. A strategic planning session will be held early in 2019/20.

Through 2018/19, strategic direction was determined by way of a work plan which included the recruitment of the Board and General Manager to establish the Authority for the future. The establishment of certain key policies and other requirements of the Minister, as detailed in the Charter, were also strategic priorities included within the work plan in 2018/19.



The Board



Paul Brown (Chair)

Paul Brown is the Owner and Director of Kangaroo Island Wilderness Tours, a high-end tour company on Kangaroo Island with up to 25 team members. They have been looking after guests from around the world for 17 years.

He is a former Chair of Tourism Kangaroo Island and the Australian Tourism Export Council (ATEC) SA Branch, as well as a board member of ATEC nationally. He is currently on the Food, Wine, Tourism & Hospitality Industry Skills Council Advisory Group, a member of the Collaborative Project to develop a Professional Certificate in Older People's Mental Health, as well as the board of the Victor Harbor Horse Drawn Tram Authority.

A graduate of the Australian Institute of Company Directors course Paul has always sought to make a contribution to his industry and community.



Councillor Carol Schofield AM

Councillor Carol Schofield AM is the City of Victor Harbor's Elected Member representative on the Victor Harbor Horse Tram Authority Board. Carol was Chair of the City of Victor Harbor's Horse Tram Advisory Committee before it transitioned to form the Inaugural Victor Harbor Horse Tram Authority. She brings to the Board skills in business management, event management, tourism and agribusiness.

Carol is a long-time resident of Victor Harbor and has been involved in many local organisations. She was a dairy farmer and established her own agriculture business in Inman Valley.



Rachel Kennedy

Professor Rachel Kennedy (PhD, B.Bus(Hons), GAICD) is a globally recognised expert in marketing and evidence-based growth. As a co-founder and director of the Ehrenberg-Bass Institute, she has a proven track record of successful industry engagements that profitably grow businesses and build and protect their iconic assets. She combines this with hands-on experience marketing a local tourism reliant business.

Rachel is passionate about her community in Victor Harbor where she can often be seen running, at the beach patrolling or playing hockey with her family. She is excited to bring her skills and knowledge to our Horse Tram.



Nigel Catt

Nigel Catt has been in the Australian Wine Industry since 1983 in various roles such as senior winemaker for a number of large and medium wine companies, as well as owning my own vineyards, wineries and wine brands.

During this time, Nigel has produced wines in other countries, consulted to other wineries and the State Government, run Industry Supply Companies at board and management level. He owned the Middleton Winery and Vineyards, developed and built the Flying Fish Café and has been a board member for 10 years at Encounter Lutheran College. National Sales and Marketing Consultant for Radoux, a French oak barrel company that he still represents here in Australia.

Nigel has supported and developed many business', and mentored young business people here and overseas. The majority of Nigel's focus and life has been spent in the Fleurieu Peninsula, specifically Victor Harbor, where he is based with his family.



Natasha Hunt

Natasha Hunt has over 15 years' experience working in local government and the tourism industry. She is the Team Leader of the Fleurieu Coast Visitor Centre, who won the 2018 South Australian Tourism Award for Visitor Information Services. Natasha is responsible for the marketing of the Fleurieu Coast region and manages the District Council of Yankalilla's volunteer programs. Natasha represented the Fleurieu Peninsula on the South Australian Tourism Commission's Industry Skills Advisory Committee and was an inaugural member of the South Australian Accredited Visitor Information Centre Network.

Natasha grew up on the Fleurieu Peninsula on her family's farm where they operate two horse-based businesses. Natasha is passionate about the Fleurieu and has volunteered in many community organisations including the Normanville New Year's Eve Pageant, Yankalilla Football and Netball Club and the Fleurieu Horse and Pony Club.

Note: Roland Roccioletti was appointed as an independent board member of the Victor Harbor Horse Tram Authority. Due to other commitments Roland resigned in June 2019 and Natasha Hunt was appointed.

Induction of Board Members

An induction of Authority Board Members took place in April 2019. The induction providing an overview of the legislative requirements of the Authority, a briefing on the Victor Harbor Horse Tram Authority Charter, details about the roles and responsibilities of the Board of Management and individual Board Members. In May Board Members were taken on a tour of key sites relating to the horse tram operation. This included visits to the Causeway office and stables, tram barn at Warland Reserve and stables on Armstrong Road.



General Manager

The General Manager reports directly to the Board and is responsible for overseeing the operations of the iconic Horse Tram service. When the Authority was first established City of Victor Harbor Chief Executive Officer Victoria MacKirdy was appointed as the interim General Manager.

As the interim General Manager Victoria was responsible for managing the transition to the Victor Harbor Horse Tram Authority which included implementing policies and procedures, undertaking recruitment and induction of a new board, recruiting a general manager, at the same time as keeping the day to day operations running smoothly.

In early 2018 a competitive selection process was undertaken and Megan (Meg) Whibley appointed from a strong field of candidates.

As the former managing director of Greenhills Adventure Park, Meg has extensive experience in the tourism and service industry. It was these skills along with her experience with horses and local knowledge that led her to be selected as the successful candidate.

Starting in the new role, Meg's first priority was to oversee the tram restarting after an extended period of causeway closure and transition back to a full horse tram service after the completion of track maintenance.

She was responsible for preparing an Open Day event "Back on Track" on 23 June 2019, a well-received community celebration of the Horse Tram recommencing after the extended causeway closure.

The General Manager also prepared a Strategic Planning day utilising a facilitator to support the Board in planning their strategic direction, with the planning day scheduled for early in the new financial year.

Audit and Risk Committee

In accordance with the Charter, the Authority is required to establish an Audit Committee and may establish its own or with agreement of Council, use the Council's Audit Committee. In 2018/19, a year of establishing the Authority, Audit Committee requirements were met through the City of Victor Harbor. The Authority will determine its future approach to meeting these needs in 2019/20.

2018/2019 Achievements

The establishment of the Horse Tram Authority subsidiary was confirmed by the Minister with gazettal of the Authority Charter on 25 October 2018. The inaugural Board consisted of the former City of Victor Harbor Section 41 Committee, who appointed Victoria MacKirdy as the interim General Manager in November 2018. In accordance with the Charter, both the interim General Manager and interim Board could only be in place for six months. As such, their role was largely to set up a number of the foundational policies and procedures required of the Authority, as per the Charter.

During their first few months, the interim Board were charged with responsibility to determine an appropriate structure for a new Board and made a number of decisions in this regard. The interim Board appointed McArthur to assist with recruitment of the new Board. Board positions were called in December 2018.

Due to the deterioration of the causeway there were extended closures of the Horse Tram from 23 January 2019 until 17 June 2019. A Special Council Meeting was called by Council Chief Executive Officer Victoria MacKirdy (also Interim General Manager of the Horse Tram Authority) seeking support to amend the Charter to provide the Board with 12 months rather than just the initial six months, to appoint a General Manager and prepare its first business plan. The Minister was notified of this request and an extension was formally granted by his Office, permitting the Charter to be amended in this way. The purpose of seeking this extension of time was in light of the Causeway closure and to save the Authority (and consequently, City of Victor Harbor residents) money if the Causeway was to remain closed for an extended period. This negated the need to have a paid General Manager in place over this time. For this reason, an extension was not sought for appointment of a brand new independent Board. The new Board came into effect in February 2019.

Since the appointment of the new Board in February 2019, the following achievements have been made:

- research into land options for relocation of horses
- setting the first Authority budget
- purchase of a new horse and horse accessories
- an open day to relaunch the Horse Tram after the Causeway reopening
- advertisement published for new Horse Husbandry position
- engagement with Union representative to set up a new wage structure and enterprise agreement for Horse Tram staff
- appointment of General Manager position - commenced at the start of June 2019.



Looking Ahead

With the Horse Tram not operating for six months during 2018/19 due to issues with the Causeway, the Board positioned themselves to improve the running of the Horse Tram over the coming months and years. Whilst considering the direction of the previous Board and committee, the skills and expertise on the new Board are quite different and a number of exciting new ideas were discussed in the final months of 2018/19 for consideration and implementation in 2019/20.

Of particular note, the Board will look into sponsorship opportunities in 2019/20 and are in the process of drafting a sponsorship package, prior to seeking sponsorship support from relevant businesses.

2018/19 Financial Statements

Victor Harbor Horse Tram Authority

General Purpose Financial Report for the year ended 30 June 2019

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Victor Harbor Horse Tram Authority

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

CERTIFICATION OF FINANCIAL STATEMENTS

I have been authorised by Victor Harbor Horse Tram 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 2019 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.

.....
Paul Brown
Chairperson

Date:

Victor Harbor Horse Tram Authority
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
INCOME			
User charges	2	159	-
Other	2	<u>275</u>	<u>-</u>
Total Income		<u>434</u>	<u>-</u>
EXPENSES			
Employee costs	3	-	-
Materials, contracts & other expenses	3	432	-
Finance costs		-	-
Depreciation, amortisation & impairment	3	<u>-</u>	<u>-</u>
Total Expenses		<u>432</u>	<u>-</u>
OPERATING SURPLUS / (DEFICIT)		2	-
transfer to Equity Statement			
Asset disposal & fair value adjustments		-	-
Amounts received specifically for new/upgraded assets		<u>-</u>	<u>-</u>
NET SURPLUS / (DEFICIT)		<u>2</u>	<u>-</u>
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		<u>-</u>	<u>-</u>
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>2</u>	<u>-</u>

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

Victor Harbor Horse Tram Authority

STATEMENT OF FINANCIAL POSITION
as at 30 June 2019

ASSETS	Notes	2019 \$'000	2018 \$'000
Current Assets			
Cash and cash equivalents	4	7	-
Trade & other receivables		-	-
Total Current Assets		<u>7</u>	<u>-</u>
Non-current Assets			
Infrastructure, Property, Plant & Equipment		-	-
Total Assets		<u>7</u>	<u>-</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	5	5	-
Provisions		-	-
Borrowings		-	-
Total Current Liabilities		<u>5</u>	<u>-</u>
Non-current Liabilities			
Borrowings		-	-
Provisions		-	-
Total Non-current Liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>5</u>	<u>-</u>
NET ASSETS		<u>2</u>	<u>-</u>
EQUITY			
Accumulated Surplus		2	-
TOTAL EQUITY		<u>2</u>	<u>-</u>

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

Victor Harbor Horse Tram Authority

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2019

2019 \$'000	Accumulated Surplus	TOTAL EQUITY
Balance at end of previous reporting period	-	-
Net Surplus/ (Deficit) for Year	2	2
Other Comprehensive Income		
Contributed Equity	-	-
Distributions to Member Councils	-	-
Balance at end of period	<u>2</u>	<u>2</u>
2018 \$'000	Accumulated Surplus	TOTAL EQUITY
Balance at end of previous reporting period	-	-
Net Surplus/ (Deficit) for Year	-	-
Other Comprehensive Income		
Contributed Equity	-	-
Distributions to Member Councils	-	-
Balance at end of period	<u>-</u>	<u>-</u>

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

Victor Harbor Horse Tram Authority

STATEMENT OF CASH FLOWS
for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Operating receipts		434	-
Investment receipts		-	-
<u>Payments</u>			
Employee costs		-	-
Materials, contracts & other expenses		(427)	-
Finance payments		-	-
Net Cash provided by (or used in) Operating Activities	6	<u>7</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of replaced assets		-	-
Sale of surplus assets		-	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		-	-
Expenditure on new/upgraded assets		-	-
Distributions to member councils		-	-
Net Cash provided by (or used in) Investing Activities		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts</u>			
Capital contribution by member councils		-	-
Proceeds from Borrowings		-	-
<u>Payments</u>			
Repayments of Borrowings		-	-
Net Cash provided by (or used in) Financing Activities		<u>-</u>	<u>-</u>
Net Increase (Decrease) in cash held		<u>7</u>	<u>-</u>
Cash & cash equivalents at beginning of period	6	-	-
Cash & cash equivalents at end of period	6	<u>7</u>	<u>-</u>

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

Victor Harbor Horse Tram Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian 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*.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of the City of Victor Harbor. The City of Victor Harbor resolved to establish a subsidiary which was published in the South Australian Government Gazette on 25 October 2018. The 2018/19 financial year is the first year of operation for the Authority.

The Authority is a wholly owned Subsidiary of the City of Victor Harbor per the *Local Government Act 1999*.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

The Victor Harbor Horse Tram Authority operates as a subsidiary pursuant to the *Local Government Act 1999*.

3 Income Recognition

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

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

Victor Harbor Horse Tram Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - Significant Accounting Policies (cont)

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 7.

5 Property, Plant & Equipment

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

As at reporting date, the Authority held no Property, Plant & Equipment assets.

All plant and equipment assets deployed to provide services are hired by the Authority from the City of Victor Harbor.

5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by 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.

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received.

Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

The Authority did not employ any staff during the 2018/19 financial year. All labour is contracted from the City of Victor Harbor and accordingly, the Authority recognises an expense for contract labour costs in Note 3 of the Financial Statements.

8 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.

9 Comparative Information

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

Victor Harbor Horse Tram Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *for the year ended 30 June 2019*

Note 1 - Significant Accounting Policies (cont)

10 New Accounting Standards

Certain new accounting standards have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

As at the time of preparing the financial statements, the Authority has not undertaken a review as to whether any of the new accounting standards will have a material impact on the future financial performance and position of the Authority. Given the Authority is a wholly owned subsidiary of the City of Victor Harbor, it will adopt any change in accounting policies adopted by the Council as a result of the introduction of the new accounting standards in 2019/20.

Given the nature of the Authority's current operations, the introduction of new accounting standards as from 1 July 2019 is not expected to have a material impact on the future financial performance and position of the Authority.

11 Economic Dependence

The Authority provides horse tram services to the City of Victor Harbor and annually charges a fee to the Council to fund the costs of operating the Authority. The Authority is economically dependent on the Council annually funding the cost of the Authority's operations given insufficient income is generated through other services provided to fund the costs of operating the Authority.

For the 2018/19 financial year, the Council's contributed income accounted for 63.13% of total Operating Income recorded by the Authority.

Victor Harbor Horse Tram Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 2 - INCOME

	Notes	2019 \$'000	2018 \$'000
USER CHARGES			
Ticket Sales		157	-
Souvenir Sales		2	-
		<u>159</u>	<u>-</u>
OTHER INCOME			
Council Contributions		274	-
Donations		1	-
		<u>275</u>	<u>-</u>

Note 3 - EXPENSES

MATERIALS, CONTRACTS & OTHER EXPENSES			
Auditor's Remuneration		-	-
Board Expenses		17	-
Subtotal - Prescribed Expenses		<u>17</u>	<u>-</u>
<u>Other Materials, Contracts & Expenses</u>			
Advertising		14	-
Contract Labour Costs (including on-costs)		238	-
Equipment Rental		28	-
External Contractors		3	-
Horse & Tram Maintenance Costs		59	-
Insurance		17	-
Other Expenses		17	-
Printing, Stationery & Postage		1	-
Professional Services		38	-
Subtotal - Other Materials, Contracts & Expenses		<u>415</u>	<u>-</u>
		<u>432</u>	<u>-</u>

Note 4 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		7	-
Deposits at Call		-	-
		<u>7</u>	<u>-</u>

Victor Harbor Horse Tram Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 5 - LIABILITIES

	Notes	2019 \$'000		2018 \$'000	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		5	-	-	-
Accrued expenses - other		-	-	-	-
		<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note 6 - 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

	Notes	2019 \$'000	2018 \$'000
Total cash & equivalent assets	4	7	-
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>7</u>	<u>-</u>

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

Net Surplus (Deficit)		2	-
Non-cash items in Income Statement			
Net increase (decrease) accrued interest charges		-	-
(Gain) / Loss on Disposal		-	-
		<u>2</u>	<u>-</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		-	-
Net increase (decrease) in trade & other payables		5	-
Net Cash provided by (or used in) operations		<u>7</u>	<u>-</u>

(c) Financing Arrangements

The Authority has no additional financing arrangements to disclose.

Victor Harbor Horse Tram Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 7 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Deposits on Call do not have a maturity period.</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Gate Fees & Associated Charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Net Fair Value

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

Risk Exposures

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

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

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

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

Victor Harbor Horse Tram Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 7 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2019	Floating	Fixed interest maturing in			Non-interest bearing	Total
	Interest Rate	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Fair Value through P&L						
Cash Assets	7	-	-	-	-	7
Loans & Receivables						
Receivables	-	-	-	-	-	-
Total	7	-	-	-	-	7
Financial Liabilities						
Payables	-	-	-	-	5	5
Current Borrowings	-	-	-	-	-	-
Non-Current Borrowings	-	-	-	-	-	-
Total	-	-	-	-	5	5
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	7	-	-	-	(5)	2
2018						
	Floating	Fixed interest maturing in			Non-interest bearing	Total
	Interest Rate	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Fair Value through P&L						
Cash Assets	-	-	-	-	-	-
Loans & Receivables						
Receivables	-	-	-	-	-	-
Total	-	-	-	-	-	-
Financial Liabilities						
Payables	-	-	-	-	-	-
Current Borrowings	-	-	-	-	-	-
Non-Current Borrowings	-	-	-	-	-	-
Total	-	-	-	-	-	-
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	-	-	-	-	-	-

Victor Harbor Horse Tram Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 8 - COMMITMENTS FOR EXPENDITURE

	<u>Notes</u>	2019 \$'000	2018 \$'000
Expenditure Commitments			

The Authority has no expenditure commitments to disclose.

Note 9 - OPERATING LEASES

Lease payment commitments of Authority

The Authority has no operating lease commitments to disclose.

The Authority has entered into a hire agreement with the City of Victor Harbor for the use of all plant and equipment used in the delivery of horse tram services provided. No formal long-term lease has been executed between the Authority and the City of Victor Harbor given the Authority is a wholly owned entity of the City of Victor Harbor.

Note 10 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events after Balance Date that are required to be disclosed.

Victor Harbor Horse Tram Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 11 - RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other prescribed officers as defined under Section 112 of the *Local Government Act 1999*. In all, 1 person was paid the following compensation:

	2019 \$'000	2018 \$'000
Salaries, allowances, sitting fees & other short term benefits	17	-
Long term benefits	-	-
TOTAL	17	-

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Victor Harbor	274	-	Provision of Horse Tram services to local community.

The Related Party disclosed is the 100% equity owner of the Authority and are referred to as the Member Council. The Member Council has 100% control and influence on the financial and operating decisions of the Authority.



FLEURIEU REGIONAL WASTE AUTHORITY

Annual Report 2018-2019



Photographs Cover-Clockwise

1. New Waste collection truck outside mechanical workshop – Goolwa Waste and Recycling Depot
2. New Loader – Goolwa Waste and Recycling Depot
3. FRWA Education Officer Jo McPhee and Encounter Lutheran CREST Sustainability Group
4. Recyclable load unloaded in the waste transfer shed – Goolwa Waste and Recycling Depot

CONSTITUENT COUNCILS:

Alexandrina Council
City of Victor Harbor
District Council of Yankalilla
Kangaroo Island Council

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About The Authority

WHO WE REPRESENT

The Fleurieu Regional Waste Authority (FRWA) was formed by the member councils of the Fleurieu Peninsula in South Australia:

- Alexandrina Council
- City of Victor Harbor
- District Council of Yankalilla
- Kangaroo Island Council

WHAT WE DO

FRWA provides waste and recycling services on behalf of the four member councils. This includes:

- The operation of four Waste and Recycling Depots,
- The provision of waste, recycling and green waste kerbside collection services,
- Public litter bin collections,
- Event bin provision and collection, and
- Community information and education.

These services are covered by a Service Level Agreement with each Council setting out the key performance indicators that must be achieved and the agreed budgets to deliver services.

The services are benchmarked against comparable services provided by local government and the private sector.

OUR HISTORY

In 2007 the Constituent Councils of the Fleurieu Region unanimously adopted the Fleurieu Peninsula Waste Strategy. A key recommendation of the strategy was that if Councils decided to own and operate common assets, then they should establish a Regional Subsidiary pursuant to Section 43 of the SA Local Government Act, 1999.

The Fleurieu Regional Waste Authority (FRWA) was subsequently established as a regional subsidiary.

The FRWA Charter was approved in January 2010 with the second revision completed and gazetted in November 2016.

THE FUTURE

A key consideration going forward for FRWA, is to ensure the region has the necessary strategy, infrastructure and planning in place to meet both the region's population growth and legislative requirements under the EPA's Environment Protection (Waste to Resources Policy).

Education and promotional programs within the community will continue to remain a high priority with community education based around;

- Waste avoidance and reduction,
- Reduction of food organics and green waste in the general waste stream,
- Recycle right, recycle more, and
- Hazardous waste management

The Authority is cooperating with neighbouring councils and other waste authorities in South Australia to develop a best-practice approach to sustainable waste and resource management.

The Authority commits to its continued support of local and regional businesses and services as their preferred suppliers wherever possible.



Chairperson's Message

The 2018/19 Financial Year was both a challenging and an exciting one for the Authority. Indeed, I note that this reflection resonates with my comments last year about the future of waste.

The challenges came in the form of the impact from the implementation by China of its waste import policy for recyclables, commonly known, as the 'China National Sword' policy. This policy, as mentioned in my first "Chairperson's Message" appearing in our last Annual Report, adversely impacted not only the Authority, but also Australia and the global market for recyclable materials.

The position for the Authority was further compounded by the consequential difficulties that one of our service providers, SKM, found itself in and contributing to its resultant receivership.

In addition, we saw the departure of the Authority's long-term Executive Officer, Marina Wagner, who had been fundamental to the establishment and evolution of the Authority from its inception to its current position.

The exciting matters for the Authority saw the November 2018 periodic elections resulting in the appointment of three new Board members in Elizabeth Williams, Michael Scott and Alistair Christie, each of whom have brought new skills and a fresh perspective to Board decision-making and direction. The 'new' Board has been working hard over the last half of the financial year in the development of the Authority's draft 10-year Strategic Plan.

This will become a final draft with input from and under the guidance of the new EO when he/she is appointed before it is presented to the Constituent Councils for input.

Relevant to the Strategic Plan are the emerging opportunities which are being recognised as a necessary consequence of the impact of the China National Sword policy. South Australia is and has shown itself to be, a leader in recycling. The State Government ban on single use plastics is testimony to this State's environmental leadership. In addition, it is to be noted that the amount of recovered materials reprocessed locally is significant at 87%.

The Authority is well placed to participate both directly and indirectly in the exciting initiatives which are now occurring in our economy that seek to positively address the requirements of and for a circular economy. With a particular interest in green waste and an eye on waste to energy and the necessary community education and engagement, the Authority will continue to pursue its objectives and goals to minimise waste to landfill and the increased use of resources in a sustainable manner.

As we move forward in a new era of sustainability, the Authority looks forward to a focus that is less on waste but improved use of resources to achieve broader environmental, social and economic benefits. In the words of Otto Scharmer "*We are truly standing on a precipice, a turning point.*" (*Leading from The Emerging Future*) and our commitment to our Constituent Councils and their respective communities is that the Authority recognises this position and will continue to identify and pursue opportunities in the circular economy, as appropriate.

MICHAEL KELLEDY
CHAIRPERSON, FRWA BOARD OF MANAGEMENT

The FRWA Board

FRWA is governed by a nine member Board comprising an Independent Chair to govern and lead the Authority and eight other members, made up of an Elected Member and one Officer from each Constituent Council.



Independent Chairperson
Michael Kelledy



Elizabeth Williams
General Manager Resources
Alexandrina Council



Michael Scott
Councillor
Alexandrina Council



Glenn Sanford
Director Environment &
Infrastructure
City of Victor Harbor



Tim Glazbrook
Councillor
City of Victor Harbor



Andy Baker
Chief Operating Officer
District Council of Yankalilla



Alistair Christie
Councillor
District Council of Yankalilla



Greg Georgopoulos
Chief Executive Officer
Kangaroo Island Council



Peter Denholm
Councillor
Kangaroo Island Council

BOARD MEETINGS

During the 2018/19 financial year the Board met eight times, with each council and FRWA taking turns in hosting the proceedings. All Board members complied with statutory requirements.

The FRWA Year - 2018 / 19

KERBSIDE COLLECTIONS

The Authority continued to service all four member councils, with kerbside collection services for over 51,000 residential and small business premises across the region. In July 2019 the City of Victor Harbor moved to a new fortnightly kerbside collection system. All four FRWA member councils now have a fortnightly system, with current trends indicating an increase in diversion and reduction in waste to landfill as a result.

Over the last 12 months FRWA delivered just over 1.7 million bin pickups across all four member councils and collected;

- 10,383 tonnes of general waste (14% decrease from last year)
- 4,848 tonnes of comingled dry recyclables (increase of 4% from last year)
- 5,644 tonnes of green waste (25% increase from last year)

The introduction of kerbside green waste collection in designated areas in the District Council of Yankalilla in July 2018 was well received, with all four constituent councils now providing this service in nominated areas within each council.

In preparation for the move to fortnightly collection, the City of Victor Harbor provided subsidised bins and compost equipment to residents and introduced Exceptional Circumstances (EC) bins, providing 140L general waste bins free of charge to eligible residents. The FRWA Education Officer and Kerbside Supervisor offered education and advice to residents and small businesses to assist in the transition to fortnightly collection.

FOGO COLLECTION LAUNCHED ON KANGAROO ISLAND

Via an education program, the Authority sought to increase diversion of FOGO (food organics / green organics) out of the landfill bin and into the green organics waste stream, for retention and processing on Kangaroo Island via the in vessel composting system.

Businesses and households were encouraged to place compostable food waste into the green bin, diverting it away from landfill.

The Authority along with KESAB and the Kangaroo Island Council worked with several food processing businesses in Kingscote, educating staff on diversion of food waste at the source, with waste separation occurring in the kitchen area before emptying into the correct bin. Initial audits of the general waste bin from four businesses indicated that 70% of the weight was FOGO material that could go into the green bin for composting.

The Authority continues to work with local businesses to increase diversion away from landfill and would like to thank KESAB, Green Industries SA and Kangaroo Island Council for their support of the FOGO campaign.



Compostable food waste placed in the general waste (landfill) bin

IN-VESSEL COMPOSTING UNIT

To assist in FOGO diversion and management of compostable material on Kangaroo Island, the Authority purchased an in vessel composting system to recycle this material into a product for use on the island, located at the Kangaroo Island Resource Recovery Centre (KIRRC) near Kingscote, production of compost from FOGO material commenced in July 2019.

Diversion of FOGO material out of the general waste bin and into the green waste bin to enable composting on Kangaroo Island will reduce compostable material going to landfill, reduce transport costs and also supply a high quality compost product for purchase by the community for use in domestic gardens and agricultural applications.

This compost unit was the first of its type installed in South Australia and allows Kangaroo Island residents the opportunity to see a circular economy in action, reducing both the financial and environmental cost of waste transport to the mainland.



In vessel composting system at the KIRRC

WOODEN BOAT FESTIVAL – WASTE LESS EVENT

The Goolwa Wooden Boat Festival took place along the foreshore area of the Goolwa Wharf Precinct in April 2019, with FRWA and Alexandrina Council working together to make this a ‘Waste Less’ event, promoting the use of compostable and recyclable material and minimising event waste going to landfill.

In addition, the program provided an opportunity to undertake education and behaviour change and encourage correct recycling practices for the yellow and green bins. FRWA assisted in planning for the event and provided waste separation posters and bin monitors, to assist attendees at bin stations located throughout the venue with advice on which bin to use for their waste.

The program was enthusiastically received by the majority of attendees. Many people chose to engage with the bin monitors and displayed a willingness to learn more about waste diversion, with many attendees surprised to learn that food waste could go into the green bin.

Only 25% of the event bins provided for the festival were general waste (landfill) bins, with the majority green (food waste and compostable packaging) and yellow (recyclable items) bins. Monitored bin stations were successful in encouraging correct use of the three bin system and engaging with

attendees through advice and education. FRWA will continue to explore opportunities for ‘Waste Less’ events in our member council areas.



Bin station to assist in waste segregation

BIN TAGGING PROGRAM

Bin tagging this year was a follow on program from bin tagging carried out last year in Mt Compass and Strathalbyn. This year it was located in selected areas of the City of Victor Harbor and District Council of Yankalilla.

Inspectors carried out weekly inspections of kerbside bins to provide advice to residents in the correct use of the three bin system. Bins were tagged with either a ‘Thank You’ tag for correct use of the bin, an ‘Alert’ tag to indicate some contamination and a need for improvement (e.g. food scraps in recycling bin) or an ‘Unacceptable’ tag if items placed in the bin were not suitable for kerbside collection (e.g. liquid or E waste).

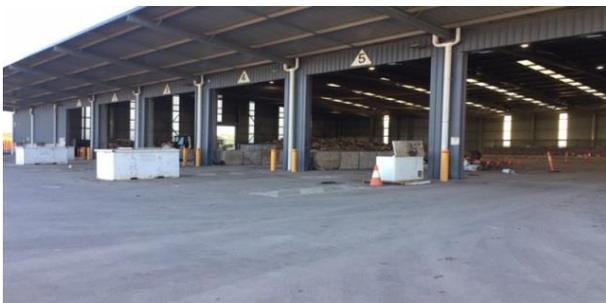
Data was collected at the beginning and end of the program in each area and revealed improvement in selected areas with the following results:

- 11% reduction in general waste bins containing recyclables in Victor Harbor
- 6% reduction in recycling bins containing non-recyclables in Victor Harbor
- 2% reduction in green organics bins containing non-compostable material in Victor Harbor
- 7% reduction in general waste bins containing recyclables in Yankalilla
- 4% reduction in recycling bins containing non-recyclables in Yankalilla
- 2% reduction in green organics bins containing non-compostable material in Yankalilla

The tagging program was funded via a grant from Green Industries SA and supported by councils and residents, with many residents engaging with tagging staff to find out more about waste diversion and correct use of their kerbside bins.

WASTE AND RECYCLING DEPOTS

FRWA operates four waste & recycling depots (WRD's) at Goolwa, Strathalbyn, Yankalilla and Kingscote, the largest at Goolwa where the recently redeveloped facilities are proving to be an efficient way of managing the waste and recycling needs of our communities.



Waste sorting shed at the Goolwa WRD

Through our waste and recycling depots we diverted a wide range of recyclable items in 2018/19 including;

- 2,181 mattresses with metal springs recovered for recycling
- 4,252 tonnes of green waste processed into mulch
- 7,364 tonnes of rock and inert construction waste processed into road base
- 1,223 tonnes of scrap metal diverted to recyclers
- 32,500 litres of waste oil collected and diverted to recyclers
- 690kg of light globes
- 17 tonnes of batteries
- 10,540 Drum Muster containers diverted to recyclers

FRWA came second in the national Agsafe Awards in July, for our contribution to the Drum Muster recycling program, with our Strathalbyn site handling over 7,000 containers in the 2018/19 year.

FRWA also provides a range of mulches, road base material, composting equipment, bin parts, advice and education via our WRD's to both residential and commercial customers.

COMMUNITY INFORMATION AND EDUCATION

The Authority continued its successful education and information sessions to community groups, kindergartens, primary and high schools during 2018/19. During the year a total of eighteen presentations to 599 students were delivered on the mainland and five presentations to 100 children at primary schools on Kangaroo Island.

On the mainland, one show and two local markets were attended and eleven presentations delivered to various local service and community groups directly reaching an audience of almost 300 residents. The focus of the presentations was 'where our waste goes', efficient waste separation and the Food Organics / Green Organics (FOGO) initiative to divert food waste away from landfill.



Jo McPhee Education Officer at Victor Harbor Kindergarten

On Kangaroo Island one market and three events were attended, with nearly 140 residents taking advantage of the opportunity to learn more about waste and recycling.

FRWA's Education Officer assisted in the implementation of fortnightly collection in the City of Victor Harbor through attendance at composting workshops presented by the ABC's Sophie Thompson, council foyer displays and community group presentations.

FRWA will continue the focus on community education in 2019/20 with continued interest from schools, businesses and community groups throughout our member council area keen to learn how to better manage their waste and reduce waste to landfill.

FRWA'S PEOPLE

FRWA employed 34 FTE staff of which

- 43% work in kerbside collections,
- 37% in WRD operations, and
- 20% in community education and corporate services.

FINANCE AND GOVERNANCE

The Authority is committed to meeting the highest standards in governance, financial and human resources management.

FRWA CHARTER

FRWA's Charter must be reviewed at least once in every four years and Revision 2 of the Charter was Gazetted on 17 November 2016.

INTERNAL AUDIT COMMITTEE

The Committee conducted six meetings during the 2018/19 financial year and provided advice and recommendations to the FRWA Board on the Authority's financial performance, the review of core financial controls, policies, procedures and asset management matters.

FINANCIAL STATEMENTS

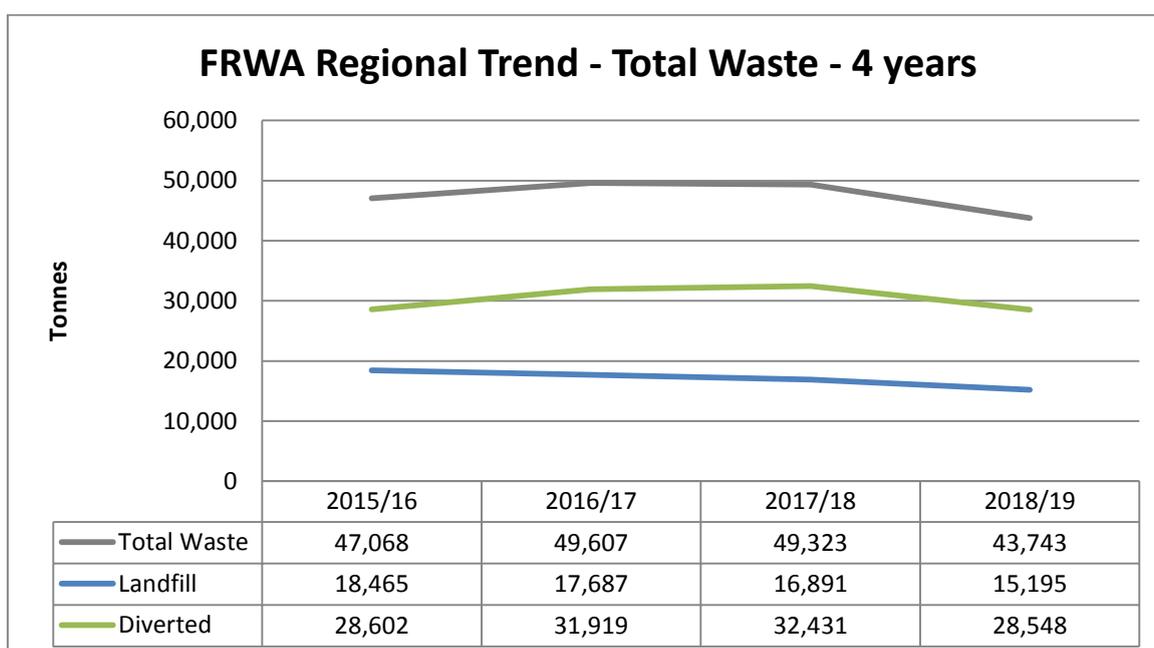
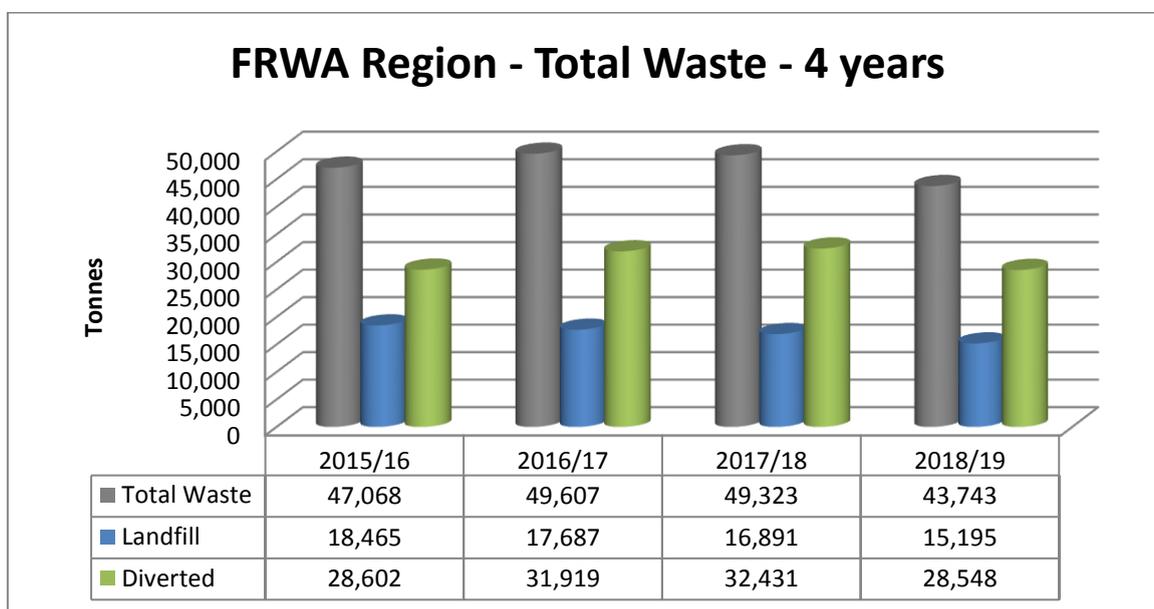
Nexia Edward Marshall audited the 2018/19 Financial Statements which were provided to all Constituent Councils.

A complete copy of the FRWA Audited Financial Statements 2019 forms part of this report.

FRWA Region Waste Statistics 2018/19

Annual Waste (t)	FRWA Region	Alexandrina	City of Victor Harbor	DC Yankalilla	KI Council
Waste to Landfill	15,195	8,243	3,573	1,596	1,783
Waste Diverted from Landfill	28,548	22,385	2,679	1,840	1,644
Total 2018/19	43,743	30,628	6,252	3,436	3,427

2015/16 to 2018/19 – FRWA Region

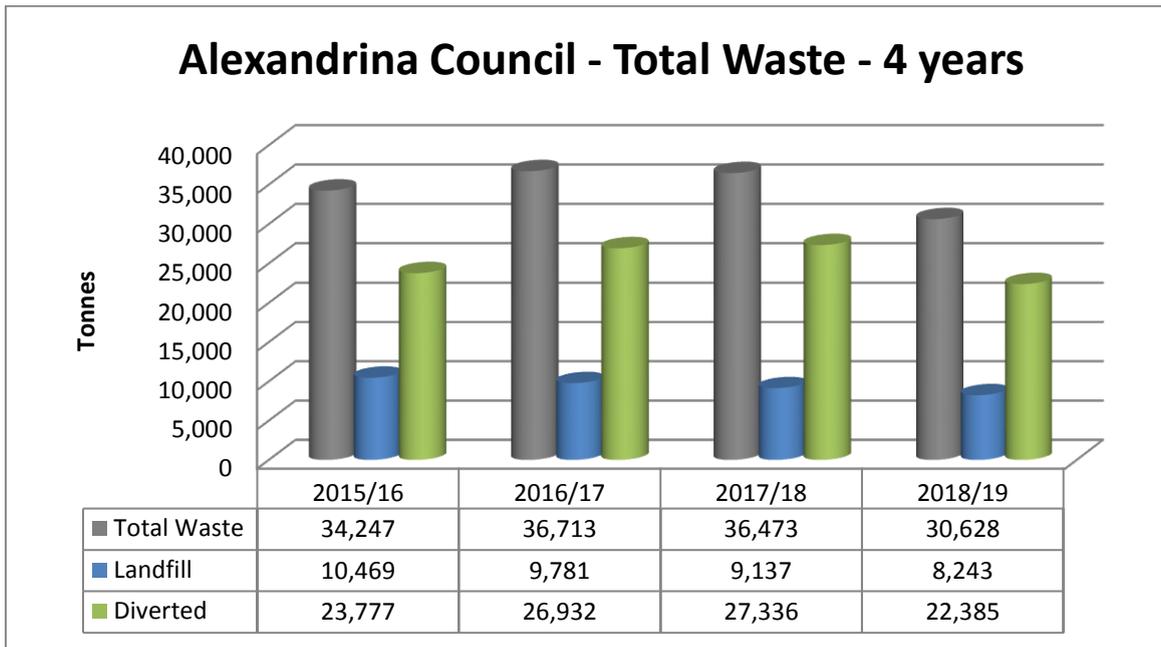


Waste Statistics 2018/19 by Council Area

	FRWA Region	Alexandrina Council	City of Victor Harbor	District Council of Yankalilla	Kangaroo Island Council
Kerbside Waste to Landfill	10,383	4,804	3,573	1,134	872
Kerbside Green waste	5,644	3,300	1,492	658	194
Kerbside Recyclables	4,848	2,635	1,1187	551	475
Total Diverted from Landfill	10,492	5,935	2,679	1,209	670
Total Kerbside Collected	20,875	10,739	6,252	2,343	1,542
WRD Waste to landfill	4,812	3,439		461	911
WRD Waste Diverted	18,055	16,450		631	974
Total WRD Waste	22,867	19,889	N/A	1,092	1,885
Total Waste to Landfill	15,195	8,243	3,573	1,596	1,783
Total Waste Diverted	28,548	22,385	2,679	1,840	1,644
Total all Waste Streams	43,743	30,628	6,252	3,436	3,427

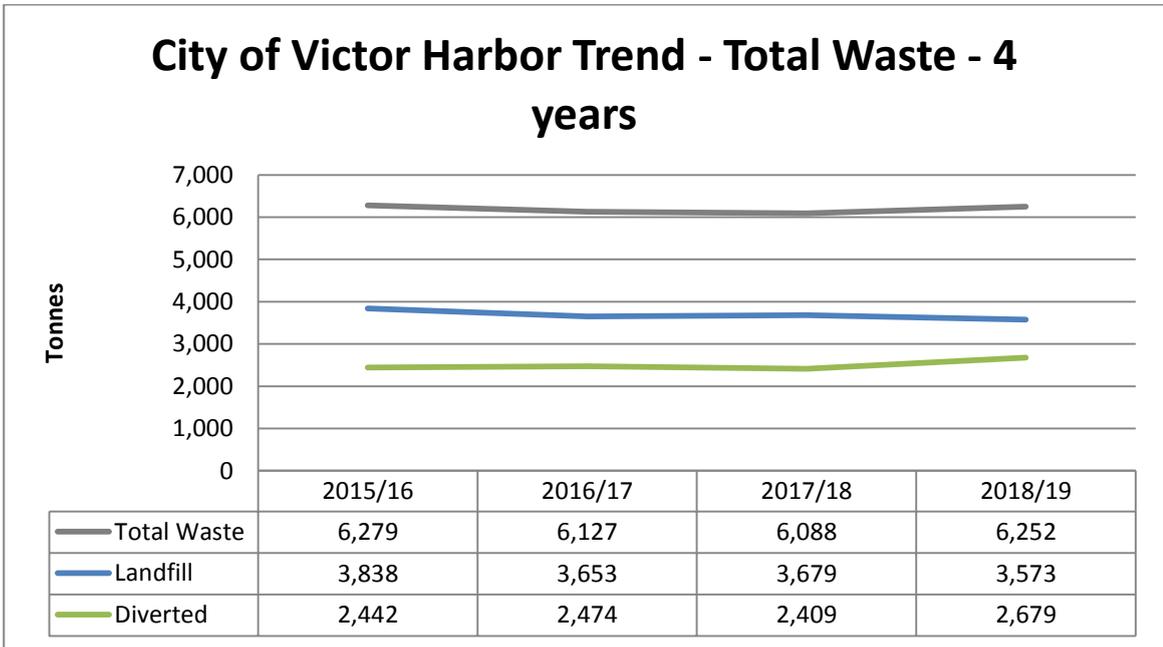
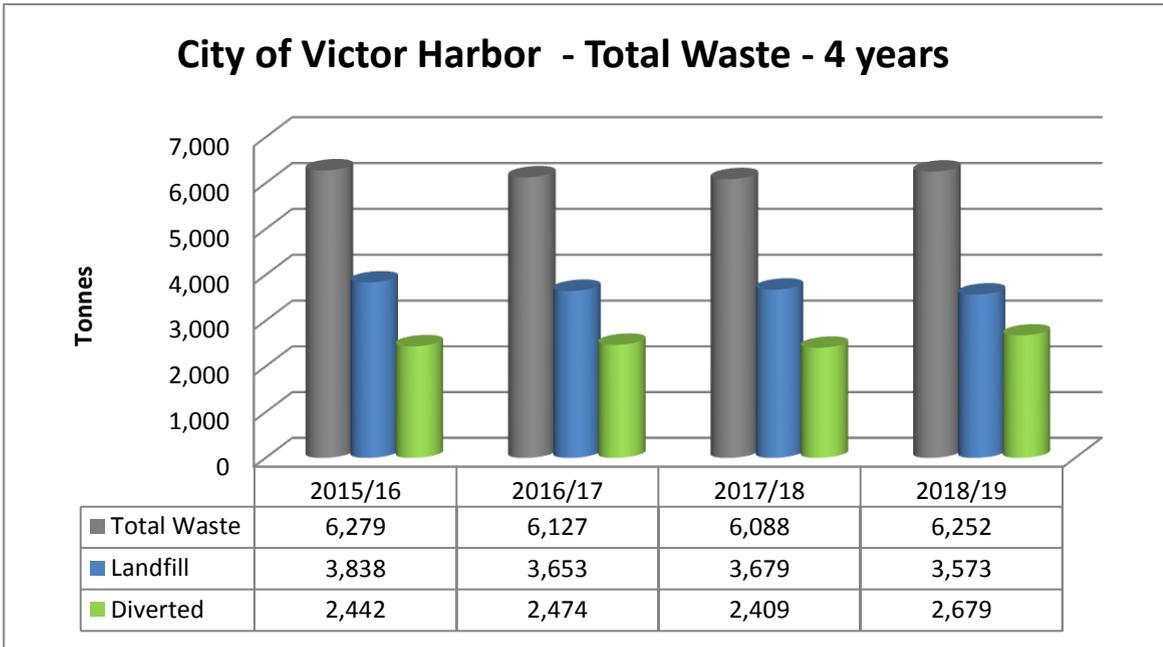
*The tables above only include waste streams that are weighed; there are a wide range of waste products diverted from landfill that are managed per item and not included; mattresses, lounges, light globes, batteries, paint, tyres, x-rays, mobile phones and a wide range of salvage items.

Trends 2015/16 to 2018/19 – by Council Area

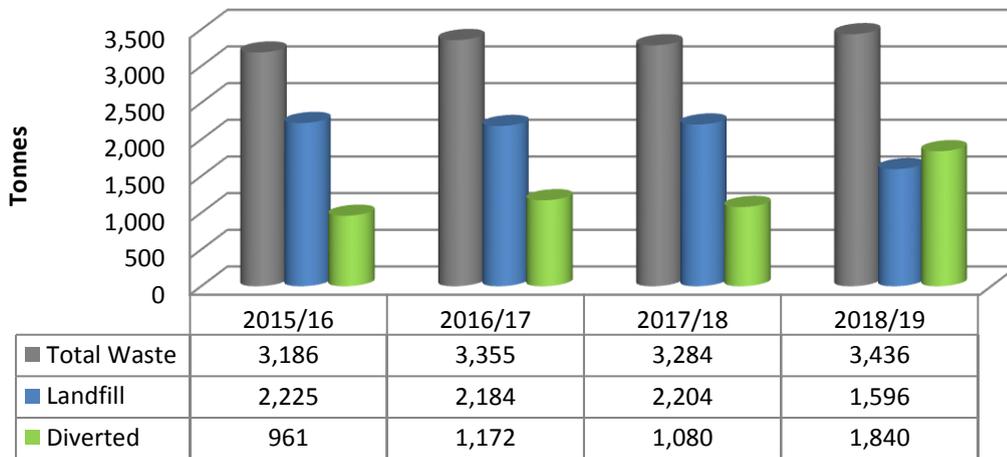


*Introduction fortnightly collection system July 2016



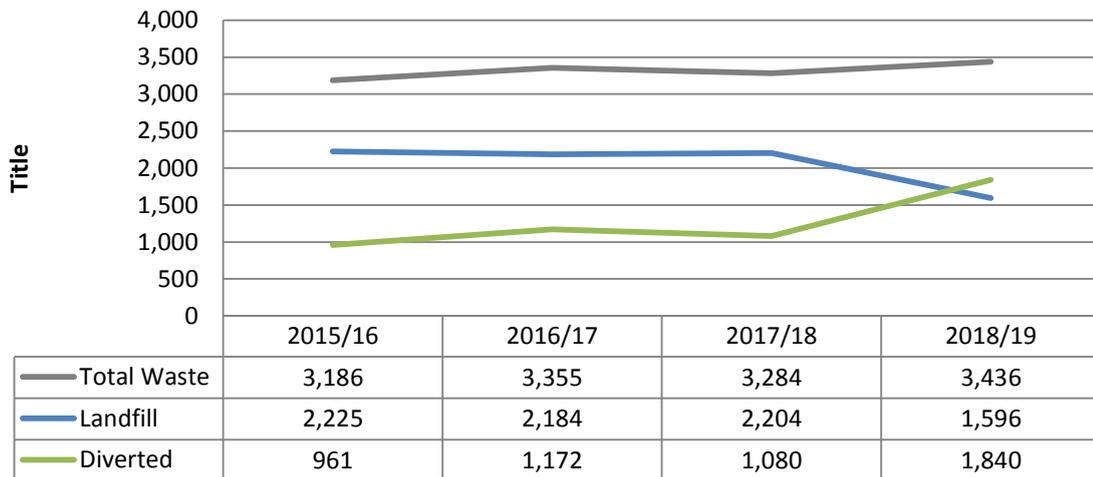


District Council of Yankalilla - Total Waste - 4 years

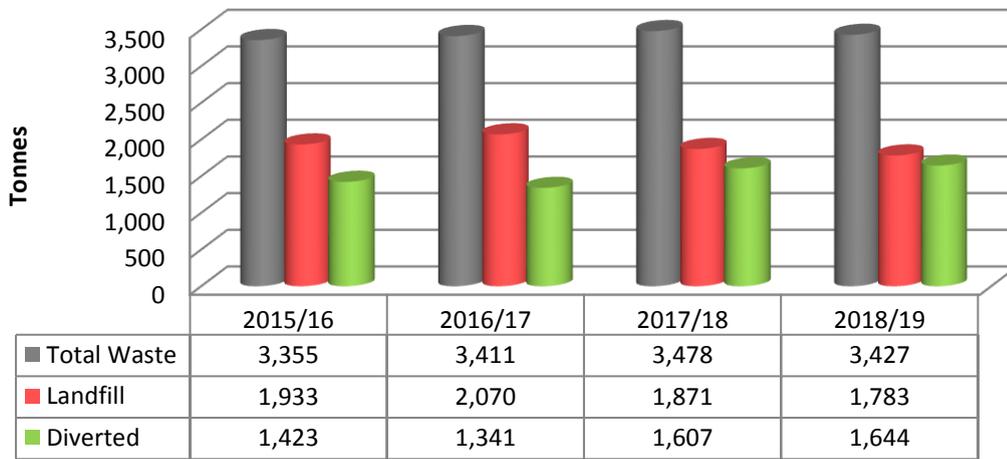


*Introduction fortnightly collection and kerbside green waste collection July 2018

District Council of Yankalilla Trend - Total Waste - 4 years

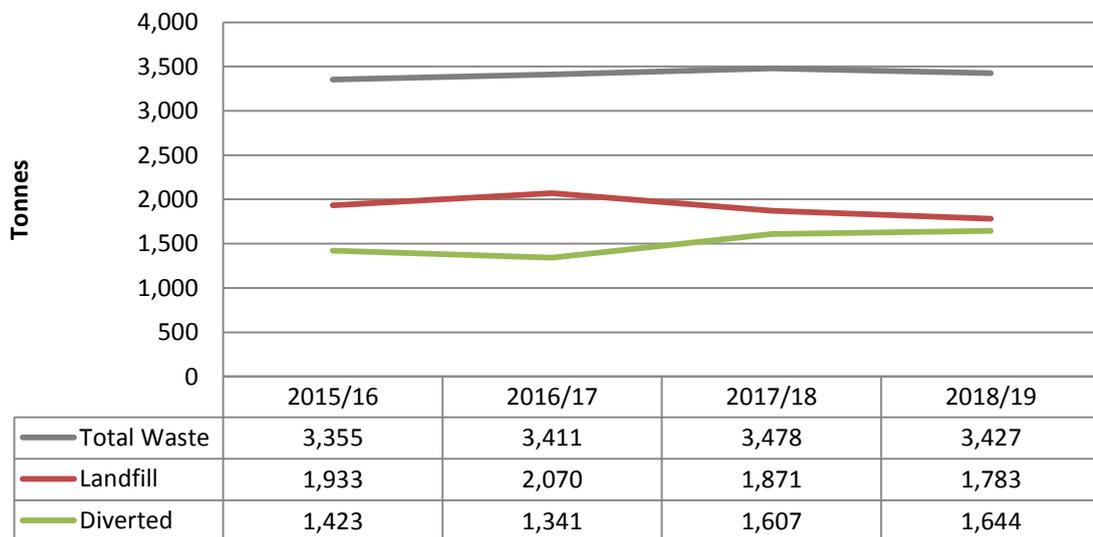


Kangaroo Island Council - Total Waste - 4 years



*Introduction fortnightly collection and kerbside green waste collection October 2017

Kangaroo Island Trend - Total Waste - 4 years



FLEURIEU REGIONAL WASTE AUTHORITY
General Purpose Financial Reports
for the year ended 30 June 2019

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FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

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 2019 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.


.....
Michael Kelleedy
CHAIR OF THE BOARD


.....
John Coombe
ACTING EXECUTIVE OFFICER

Date: **30 September 2019**

FLEURIEU REGIONAL WASTE AUTHORITY
Statement of Comprehensive Income
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
INCOME			
User charges	2	7,848,469	7,711,038
Grants, subsidies and contributions	2	302,166	116,956
Investment income	2	2,876	2,948
Reimbursements	2	9,871	7,932
Other income	2	16,843	17,524
Total Income		<u>8,180,225</u>	<u>7,856,398</u>
EXPENSES			
Employee costs	3	3,018,245	2,888,006
Materials, contracts & other expenses	3	4,540,002	4,194,620
Depreciation, amortisation & impairment	3	543,092	602,350
Finance costs	3	85,413	84,107
Total Expenses		<u>8,186,752</u>	<u>7,769,083</u>
OPERATING SURPLUS / (DEFICIT)		<u>(6,527)</u>	<u>87,315</u>
Asset disposal & fair value adjustments	4	(20,536)	(1,000)
NET SURPLUS / (DEFICIT) (transferred to Equity Statement)		<u>(27,063)</u>	<u>86,315</u>
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>(27,063)</u>	<u>86,315</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 2019

		2019	2018
ASSETS	Notes	\$	\$
Current Assets			
Cash and cash equivalents	5	474,409	622,770
Trade & other receivables	5	380,329	323,005
Inventories	5	164,040	125,195
Total Current Assets		<u>1,018,778</u>	<u>1,070,970</u>
Non-current Assets			
Infrastructure, property, plant & equipment	6	3,641,795	2,781,701
Total Non-current Assets		<u>3,641,795</u>	<u>2,781,701</u>
Total Assets		<u>4,660,573</u>	<u>3,852,671</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	7	1,155,940	1,009,656
Borrowings	7	335,516	495,270
Provisions	7	181,530	111,151
Other current liabilities	8	124,944	195,312
Total Current Liabilities		<u>1,797,931</u>	<u>1,811,389</u>
Non-current Liabilities			
Borrowings	7	2,015,684	1,161,470
Provisions	7	65,326	71,117
Total Non-current Liabilities		<u>2,081,010</u>	<u>1,232,587</u>
Total Liabilities		<u>3,878,941</u>	<u>3,043,976</u>
NET ASSETS		<u>781,632</u>	<u>808,695</u>
EQUITY			
Accumulated Surplus		781,632	808,695
TOTAL EQUITY		<u>781,632</u>	<u>808,695</u>

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 2019

2019	Notes	Accumulated Surplus \$	TOTAL EQUITY \$
Balance at end of previous reporting period		808,695	808,695
Net Surplus / (Deficit) for Year		(27,063)	(27,063)
Other Comprehensive Income			
Balance at end of period		781,632	781,632
2018			
Balance at end of previous reporting period		722,380	722,380
Net Surplus / (Deficit) for Year		86,315	86,315
Other Comprehensive Income		-	-
Balance at end of period		808,695	808,695

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 2019

		2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	\$	\$
Receipts:			
User charges		7,726,473	7,729,013
Investment receipts		2,876	6,381
Grants utilised for operating purposes		152,166	116,956
Reimbursements		9,871	7,932
Other revenues		17,248	14,091
Payments:			
Employee costs		(3,018,245)	(2,888,006)
Materials, contracts & other expenses		(4,371,812)	(4,263,537)
Finance payments		(87,674)	(84,107)
Net Cash provided by (or used in) Operating Activities	9	430,903	638,723
 CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts:			
Amounts specifically for new or upgraded assets		150,000	-
Sale of replaced assets		20,000	7,000
Payments:			
Expenditure on renewal/replacement of assets		(755,181)	(758,323)
Expenditure on new/upgraded assets		(688,542)	(276,382)
Net Cash provided by (or used in) Investing Activities		(1,273,723)	(1,027,705)
 CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts:			
Proceeds from borrowings		1,189,730	721,722
Payments:			
Repayments of borrowings		(495,271)	(647,211)
Net Cash provided by (or used in) Financing Activities		694,459	74,511
Net Increase (Decrease) in cash held		(148,361)	(314,471)
Cash & cash equivalents at beginning of period	9	622,770	937,241
Cash & cash equivalents at end of period	9	474,409	622,770

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 2019

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 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 30 September 2019.

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 this Note.

1.4 Rounding

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

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 5214. These 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

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

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

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

4 Cash, Cash Equivalents and other Financial Instruments

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

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

AASB 7 Financial Instruments - Disclosures and AASB 9 Financial Instruments commenced from 1 July 2018 and have the effect that non-contractual receivables (e.g. rates & charges) are now treated as financial instruments. Although the disclosures made in Note 9 Financial Instruments have changed, there are no changes to the amounts disclosed.

All financial instruments are recognised at fair value at the date of recognition. 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.

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

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.

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. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

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.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

6.5 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value 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 assessed for impairment.

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 outflows 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 the 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 are recognised as liabilities until the service is delivered or the amount is refunded as the case may be.

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

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

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 employees' nominated superannuation fund. No changes in accounting policy have occurred during either the current or previous reporting periods.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

10 GST Implications

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

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

11 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

AASB 15	Revenue from Contracts with Customers
AASB 16	Leases
AASB 1058	Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

(Standards not affecting local government have been excluded from the above list.)

The Authority is of the view that other than AASB 16 and AASB 1058, none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

Accounting Standard AASB 16 *Leases* may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not the Authority's intention to adopt this Standard early.

Accounting Standard AASB 1058 *Income of Not-for-Profit Entities* may have a material effect on the amounts disclosed in these reports, particularly in relation to the timing of revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not the Authority's intention to adopt this Standard early.

12 New Accounting Standards

AASB 7 *Financial Instruments – Disclosures* and AASB 9 *Financial Instruments* commenced from 1st July 2018. Although the disclosures made in Note 10 *Financial Instruments* have changed, there are no changes to the amounts disclosed.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

Classification and measurement of financial assets and liabilities

The following table represents the classification and measurement of financial assets and financial liabilities under AASB 9 and AASB 139 at the date of initial application, 1 July 2018.

	Financial instrument category	
	AASB 139 original	AASB 9 new
Financial assets		
Bank, Deposits at Call, Short Term Deposits	Loans and receivables (amortised cost)	Financial assets at amortised cost
Receivables – Fees & Other Charges	Loans and receivables (amortised cost)	Financial assets at amortised cost
Financial liabilities		
Creditors and Accruals	Amortised cost	Financial liabilities at amortised cost
Interest Bearing Borrowings	Amortised cost	Financial liabilities at amortised cost

The application of these changes in accounting policies had no impact on the comprehensive income, financial position and cash flows of the Authority.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 2 - INCOME

	Notes	2019 \$	2018 \$
USER CHARGES			
Council Contributions		5,658,579	5,417,569
Waste Disposal Operations		2,189,890	2,293,469
		7,848,469	7,711,038
INVESTMENT INCOME			
Interest on investments:			
Banks & other		2,876	2,948
		2,876	2,948
REIMBURSEMENTS			
- other		9,871	7,932
		9,871	7,932
OTHER INCOME			
Sundry		16,843	17,524
		16,843	17,524
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions		302,166	116,956
		302,166	116,956
Sources of grants			
State government		302,166	116,956
		302,166	116,956
Conditions over grants & contributions			
	Notes	2019 \$	2018 \$
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
<i>Unexpended at the close of the previous reporting period</i>		90,000	-
<i>Less: expended during the current period from revenues recognised in previous reporting periods:</i>			
<i>Plant & Equipment</i>		(90,000)	-
<i>Subtotal</i>		(90,000)	-
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Plant & Equipment</i>		-	90,000
<i>Subtotal</i>		-	90,000
<i>Unexpended at the close of this reporting period</i>		-	90,000

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 3 - EXPENSE

	Notes	2019 \$	2018 \$
EMPLOYEE COSTS			
Salaries and Wages		2,488,717	2,419,042
Employee leave expense		141,935	58,080
Superannuation	16	221,876	212,778
Superannuation - defined benefit plan contributions	16	5,336	6,108
Workers' Compensation Insurance		106,251	146,159
Other		54,130	45,839
Total Operating Employee Costs		3,018,245	2,888,006
Total Number of Employees		34	32
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		9,980	10,020
- Auditing of Internal Controls		1,970	1,930
Bad and Doubtful Debts		70,000	-
Board members' expenses		25,379	20,246
Operating Lease Rentals - non-cancellable leases			
- minimum lease payments		80,000	25,890
Subtotal - Prescribed Expenses		187,329	58,086
<u>Other Materials, Contracts & Expenses</u>			
Contractors		1,044,974	969,040
Energy		618,875	564,568
Waste Disposal		1,595,931	1,603,844
Maintenance		374,365	362,255
Legal Expenses		87,600	43,567
Parts, accessories & consumables		105,097	150,480
Professional services		126,500	59,718
Sundry		399,331	383,062
Subtotal - Other Materials, Contracts & Expenses		4,352,672	4,136,534
		4,540,002	4,194,620
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Plant, machinery & equipment		543,092	602,350
		543,092	602,350
FINANCE COSTS			
Interest on Loans		85,413	84,107
		85,413	84,107

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

	Notes	2019 \$	2018 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		20,000	7,000
Less: Carrying amount of assets sold		<u>(40,536)</u>	<u>(8,000)</u>
Gain (Loss) on disposal		<u>(20,536)</u>	<u>(1,000)</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		<u>(20,536)</u>	<u>(1,000)</u>

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 5 - CURRENT ASSETS

	2019	2018
	Notes	
CASH & EQUIVALENT ASSETS	\$	\$
Cash on Hand and at Bank	100,188	269,510
Deposits at Call	374,221	353,260
	<u>474,409</u>	<u>622,770</u>
TRADE & OTHER RECEIVABLES		
Debtors - general	414,186	294,425
Prepayments	36,143	28,580
Total	450,329	323,005
Less: Provision for Impairment	(70,000)	-
	<u>380,329</u>	<u>323,005</u>
<i>Amounts included in receivables that are not expected to be received within 12 months of reporting date.</i>	-	-
INVENTORIES		
Stores & Materials	164,040	125,195
	<u>164,040</u>	<u>125,195</u>

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

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

	2018				2019			
	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Plant, machinery & equipment	2,781,701	6,500,239	(3,718,538)	2,781,701	-	7,235,643	(3,593,848)	3,641,795
Office Equipment, Furniture & Fittings	-	20,634	(20,634)	-	-	20,634	(20,634)	-
Buildings & Other Structures	-	3,181	(3,181)	-	-	3,181	(3,181)	-
Total IPP&E	2,781,701	6,524,054	(3,742,353)	2,781,701	-	7,259,458	(3,617,663)	3,641,795
Comparatives		5,536,534	(3,179,187)	2,357,347	2,781,701	6,524,054	(3,742,353)	2,781,701

	2018	CARRYING AMOUNT MOVEMENTS DURING YEAR							2019	
	\$	\$							\$	
	Carrying Amount	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation	Carrying Amount
		New / Upgrade	Renewals				In	Out		
Plant, machinery & equipment	2,781,701	688,542	755,180	(40,536)	(543,092)	-	-	-	-	3,641,795
Total IPP&E	2,781,701	688,542	755,180	(40,536)	(543,092)	-	-	-	-	3,641,795
Comparatives	2,357,347									2,781,701

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 2019

Note 6 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Buildings & Other Structures

Buildings and other structures are recognised on a cost basis.

Plant, Furniture & Equipment

These assets are recognised on a cost basis.

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	\$1,000
Other Plant & Equipment	\$1,000
Buildings - new construction/extensions	\$5,000

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

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 7 - LIABILITIES

	Notes	2019		2018	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		502,222	-	481,194	-
Revenue received in advance		23,645	-	95,475	-
Accrued expenses - employee entitlements		392,911	-	352,200	-
Accrued expenses - other		237,162	-	74,638	-
Other		-	-	6,149	-
		<u>1,155,942</u>	<u>-</u>	<u>1,009,656</u>	<u>-</u>
BORROWINGS					
Loans		335,516	2,015,684	495,270	1,161,470
		<u>335,516</u>	<u>2,015,684</u>	<u>495,270</u>	<u>1,161,470</u>
<i>All interest bearing liabilities are secured over the future revenues of the Authority</i>					
PROVISIONS					
Employee entitlements (including oncosts)		146,530	65,326	111,151	71,117
Other		35,000	-	-	-
		<u>181,530</u>	<u>65,326</u>	<u>111,151</u>	<u>71,117</u>

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 8 - OTHER CURRENT LIABILITIES

		2019	2018
		\$	\$
OTHER	Notes		
Deferred gate sales		124,944	195,312
		<u>124,944</u>	<u>195,312</u>

Revenue received from gate takings associated with rock to be crushed at a later date is quarantined as an other liability until such time as it is utilised for crushing expenditure.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 9 - 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	2019 \$	2018 \$
Total cash & equivalent assets	5	<u>474,409</u>	<u>622,770</u>
Balances per Cash Flow Statement		<u>474,409</u>	<u>622,770</u>

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

Net Surplus (Deficit)		(27,063)	86,315
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		543,092	602,350
Net increase (decrease) in unpaid employee benefits		29,588	(19,086)
Grants for capital acquisitions treated as Investing Activity		(150,000)	-
Net (Gain) Loss on Disposals		<u>20,536</u>	<u>1,000</u>
		416,153	670,579
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(57,324)	(118,061)
Net (increase) decrease in inventories		(38,845)	(117,667)
Net increase (decrease) in trade & other payables		146,284	170,059
Net increase (decrease) in other provisions		159,947	(124,127)
Net increase (decrease) in other liabilities		<u>(195,312)</u>	<u>157,940</u>
Net Cash provided by (or used in) operations		<u>430,903</u>	<u>638,723</u>

(c) Financing Arrangements

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

Corporate Credit Cards	10,000	10,000
LGFA Cash Advance Debenture facility	868,520	500,000

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 10 - FINANCIAL INSTRUMENTS

Accounting Policies - Recognised Financial Instruments

Initial Recognition and Measurement	<p>Recognition: Financial assets and financial liabilities are recognised when the Authority becomes a party to the contractual provisions of the instrument. For financial assets, this is the date that the Authority commits itself to the purchase or sale of the asset.</p> <p>Measurement: Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.</p>
Classification and Subsequent Measurement	
Financial Assets	<p>Financial assets are measured at amortised cost if they meet the following conditions;</p> <ul style="list-style-type: none"> - the financial asset is managed solely to collect contractual cash flows and - the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates
Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Bank deposits are measured at amortised cost, interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 0.10% and 0.15% (2018: 0.05% and 0.50%).</p>
Receivables - Fees & Other Charges	<p>Accounting Policy: Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.</p> <p>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.</p>

FLEURIEU REGIONAL WASTE AUTHORITY

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 10 - FINANCIAL INSTRUMENTS (con't)

Classification and Subsequent Measurement

Financial Liabilities	<p>Financial liabilities are subsequently measured at amortised cost.</p> <p>The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.</p> <p>The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount of initial recognition.</p>
Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p>
Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable in six monthly instalments; interest is charged at fixed or variable rates between 3.10% and 4.80% (2018: 4.00% and 6.65%)</p>
Derecognition	<p>Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.</p>
<p><i>Derecognition of financial liabilities</i> A liability is derecognised when it is extinguished i.e. when the obligation in the contract is discharged, cancelled or expires. An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.</p> <p>The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non cash assets transferred or liabilities assumed is recognised in profit or loss.</p>	

FLEURIEU REGIONAL WASTE AUTHORITY

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 10 - FINANCIAL INSTRUMENTS (con't)

Derecognition of financial assets A financial asset is derecognised when the holder's contractual rights to its cash flows expires or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset;

- the right to receive cash flows from the asset has expired or been transferred
- all risk and rewards of ownership of the asset have been substantially transferred, and
- the Authority no longer controls the asset
i.e. no practical ability to make a unilateral decision to sell the asset to a third party

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the simplified approach to impairment, as applicable under AASB9.

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to receivables.

In measuring the expected credit loss, a provision matrix for receivables is used, taking into consideration various historical data to get to an expected credit loss, (ie diversity of its customer base, appropriate groupings of its historical loss experience etc).

Recognition of expected credit losses in financial statements At each reporting date the Authority recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

For financial assets that are unrecognised e.g. loan commitments yet to be drawn, a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 10 - FINANCIAL INSTRUMENTS (con't)

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:	
<p><u>Credit Risk</u> 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 allowance for doubtful debts. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Authorities's boundaries, and there is no material exposure to any individual debtor.</p>	
<p><u>Market Risk</u> 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.</p>	
<p><u>Liquidity Risk</u> 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.</p>	
<p><u>Interest Rate Risk</u> 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.</p>	

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2019**

Note 10 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2019	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	474,409			474,409	474,409
Receivables	344,186	-	-	344,186	380,329
Total	818,595	-	-	818,595	474,409
Financial Liabilities					
Payables	525,867			525,867	525,867
Current Borrowings	431,866			431,866	335,516
Non-Current Borrowings		1,808,076	492,084	2,300,160	2,015,685
Total	957,733	1,808,076	492,084	3,257,893	2,351,201
2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	622,770	-	-	622,770	622,770
Receivables	294,425	-	-	294,425	323,005
Total	917,195	-	-	917,195	945,775
Financial Liabilities					
Payables	582,818			582,818	582,818
Current Borrowings	561,499			561,499	495,270
Non-Current Borrowings		1,103,730	178,847	1,282,577	1,161,470
Total	1,144,317	1,103,730	178,847	2,426,894	2,239,558

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

	30 June 2019		30 June 2018	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Variable Rates	3.10	735,480		-
Fixed Interest Rates	2.08	1,615,720	4.63	1,656,740
		<u>2,351,200</u>		<u>1,656,740</u>

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 11 - COMMITMENTS FOR EXPENDITURE

	2019	2018
Notes	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Board & Employee Remuneration Contracts	248,500	408,218
Maintenance Contracts	63,333	-
	<u>311,833</u>	<u>408,218</u>
These expenditures are payable:		
Not later than one year	281,138	211,374
Later than one year and not later than 5 years	30,695	196,844
Later than 5 years	-	-
	<u>311,833</u>	<u>408,218</u>

Kangaroo Island Council provide mobile garbage bins for residents and small commercial operations and provision for replacement of these bins on the island has been accrued since 2011. This amount was spent in full during the 2017/18 year with the change to fortnightly waste collection on the island and replacement of existing mobile garbage bins for residents and small businesses under the kerbside collection system.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 12 - FINANCIAL INDICATORS

	2019	2018	2017
Operating Surplus Ratio			
<u>Operating Surplus</u>	-0.33%	1.10%	0.00%
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>	37%	27%	22%
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>Net Outlays on Existing Assets</u>	63%	99.0%	87.0%
Net Asset Renewals - IAMP			

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

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a simplified Uniform Presentation Framework basis.

All Authorities in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Authorities provide a common 'core' of financial information, which enables meaningful comparisons of each Authorities's finances

	2019	2018
	\$	\$
Income	8,180,225	7,856,398
Expenses	<u>(8,186,752)</u>	<u>(7,769,083)</u>
Operating Surplus / (Deficit)	(6,527)	87,315
 Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(755,181)	(758,323)
Add back Depreciation, Amortisation and Impairment	543,092	602,350
Proceeds from Sale of Replaced Assets	<u>20,000</u>	<u>7,000</u>
	(192,089)	(148,973)
 Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(688,542)	(276,382)
Amounts received specifically for New and Upgraded Assets	150,000	-
	<u>(538,542)</u>	<u>(276,382)</u>
Net Lending / (Borrowing) for Financial Year	<u>(737,158)</u>	<u>(338,040)</u>

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 14 - OPERATING LEASES

Lease payment commitments of the Authority

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

	2019	2018
	\$	\$
Not later than one year	-	26,000
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>26,000</u>

The Authority had entered into a non-cancellable operating lease for office premises in Goolwa that ended on 30th June 2018.

The Authority is currently negotiating a lease agreement for office and workshop premises at Goolwa with Alexandrina Council. This leasing arrangement had not been finalised as at signing of these financial statements.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 15 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Authority include the Independent Board Chair, External Member of the Internal Audit Committee and Executive Officer under section 112 of the Local Government Act 1999. In all, three persons were paid the following total compensation:

	2019	2018
	\$	\$
Salaries, allowances & other short term benefits	169,697	163,422
Post-employment benefits	18,418	17,883
Long term benefits	4,073	4,902
Termination benefits	-	-
TOTAL	192,188	186,207

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 16 – SUPERANNUATION

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2018-19; 9.50% in 2019-20). 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 2017-18) 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 119.32(b), 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 Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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 2019

Note 17 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

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.

FLEURIEU REGIONAL WASTE AUTHORITY

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 18 - EVENTS OCCURING AFTER REPORTING DATE IN THE BALANCE SHEET

There are no events subsequent to 30 June 2019 that need to be disclosed in the financial statements.

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

We have audited the financial report of Fleurieu Regional Waste Authority, which comprises the Statement of Financial Position as at 30 June 2019, 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 other explanatory information and the Certification of Financial Statements.

In our opinion, the financial report presents fairly, in all material respects, the financial position of Fleurieu Regional Waste Authority as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) 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.

Other Information

The Board are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board's Responsibility for the Financial Report

The Board of Fleurieu Regional Waste Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011. The Board's responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial report, the Board of Fleurieu Regional Waste Authority are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLEURIEU REGIONAL WASTE AUTHORITY (CONT)*****Auditor's Responsibilities for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fleurieu Regional Waste Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Nexia Edwards Marshall
Chartered Accountants



Jamie Dreckow
Partner

Adelaide, South Australia
Dated: 30 September 2019

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF FLEURIEU REGIONAL WASTE AUTHORITY

We have audited the Internal Controls of Fleurieu Regional Waste Authority ("the Authority") under the requirements of *Section 129(1)(b) 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, the acquisition and disposal of property and incurring of liabilities for the year ended 30 June 2019 have been conducted properly and in accordance with law.

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* to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law.

Auditor's Responsibility

Our responsibility is to express an opinion on the Authority's compliance with *Section 129(1)(b) 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, the acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the year ended 30 June 2019. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

Limitation of Use

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

**INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF FLEURIEU REGIONAL WASTE
AUTHORITY (CONT)****Inherent Limitations**

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with *Section 125 of the Local Government Act 1999* in relation to the Internal Controls specified above, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with *Section 125 of the Local Government Act 1999* in relation to the Internal Controls specified above are undertaken on a test basis.

The opinion expressed in this report has been formed on the above basis.

Independence

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

Opinion

In our opinion, the Authority has complied, in all material respects, with *Section 129(1)(b) of the Local Government Act 1999* in relation to Internal Controls established by the Authority relating to the receipt, expenditure and investment of money, the acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Authority have been conducted properly and in accordance with law for the year ended 30 June 2019.



Nexia Edwards Marshall
Chartered Accountants



Jamie Dreckow
Managing Partner

Adelaide
South Australia

Dated: 30 September 2019

FLEURIEU REGIONAL WASTE AUTHORITY



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

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 2019, the Authority's Auditor, Edwards Marshall, 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 'M Kelleedy', is written over a dotted line.

Michael Kelleedy
CHAIR OF THE BOARD
Fleurieu Regional Waste Authority

**PRESIDING MEMBER
AUDIT COMMITTEE**
Subsidiary is exempt from the
requirements for an external audit
committee

Date: 22.8.2019

FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

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 2019, the Authority's Auditor, Nexia Edwards Marshall, 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 'John Coombe', is written over a horizontal dotted line.

John Coombe
ACTING EXECUTIVE OFFICER
Fleurieu Regional Waste Authority

**PRESIDING MEMBER
AUDIT COMMITTEE**
Subsidiary is exempt from the
requirements for an external audit
committee

Date: 20th August 2019

FLEURIEU REGIONAL WASTE AUTHORITY



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

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 2019, the Authority's Auditor, Nexia Edwards Marshall, 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 'Glenn Rappensberg', is written over a dotted line.

Glenn Rappensberg
CHIEF EXECUTIVE OFFICER
Alexandrina Council

**PRESIDING MEMBER
AUDIT COMMITTEE**
Subsidiary is exempt from the
requirements for an external audit
committee

Date: 21 AUGUST 2019

FLEURIEU REGIONAL WASTE AUTHORITY



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

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 2019, the Authority's Auditor, Nexia Edwards Marshall, 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*.



Victoria MacKirdy
CHIEF EXECUTIVE OFFICER
City of Victor Harbor

**PRESIDING MEMBER
AUDIT COMMITTEE**
Subsidiary is exempt from the
requirements for an external audit
committee

Date: 21 August 2019.

FLEURIEU REGIONAL WASTE AUTHORITY



**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

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 2019, the Authority's Auditor, Nexia Edwards Marshall, 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*.


.....
Nigel Morris
CHIEF EXECUTIVE OFFICER
District Council of Yankalilla

**PRESIDING MEMBER
AUDIT COMMITTEE**
Subsidiary is exempt from the
requirements for an external audit
committee

Date: **21st August 2019**

FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

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 2019, the Authority's Auditor, Nexia Edwards Marshall, 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 'G. Georgopoulos'.

.....
Greg Georgopoulos
CHIEF EXECUTIVE OFFICER
Kangaroo Island Council

PRESIDING MEMBER
AUDIT COMMITTEE
Subsidiary is exempt from the
requirements for an external audit
committee

Date: **2nd September 2019**

**FLEURIEU REGIONAL WASTE AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of Fleurieu Regional Waste Authority for the year ended 30 June 2019, 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 and 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*.



Jamie Dreckow
Partner



Nexia Edwards Marshall
Chartered Accountants

Dated: 30 September 2019

Lot 1226 Port Elliot Road
(PO Box 2375)
Goolwa SA 5214
Telephone: (08) 8555 7405
Website: www.frwa.com.au



Fleurieu Regional Waste Authority





ANNUAL REPORT

2018-2019



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Area of 8,656 Km²



Population
127,975



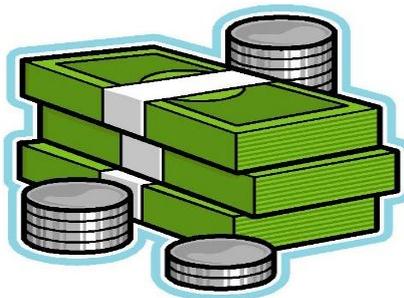
Prominent retirement
destination



Coastline 652 Kilometres



Total Council revenue
\$182.4 million



Adelaide Hills, Fleurieu and
Kangaroo Island are major
tourism destinations



5,539 kilometres of Local
Roads



25% projected
Population increase
by 2026



About the Southern & Hills Local Government Association region

The Southern & Hills Local Government Association was first formed in July 1969 and is now constituted as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. Consisting of six (6) local government Councils:

- Adelaide Hills Council
- Alexandrina Council
- Kangaroo Island Council
- Mt Barker District Council
- City of Victor Harbor
- District Council of Yankalilla

Collectively these six (6) Councils have:

- ☑ More than 127,000 people as at 30th June 2018.
- ☑ 5,539 kilometres of local roads
- ☑ Area consists of 8,656 square kilometres.
- ☑ An ocean coastline of 652 Km.
- ☑ The River Murray and lakes form the southeast boundary of the region.
- ☑ The region has extreme diversity from the foothill suburbs of Adelaide to the isolation of the inaccessible west coast of Flinders Chase National Park.
- ☑ Significant areas within the region are under primary production include highly productive farm, horticulture, viticulture, forestry, fishing and intensive animal keeping enterprises and in the more undulating parts sheep farming, cereal growing and dairying.
- ☑ The region contributed nearly \$3 billion in gross value to the State economy in 2006/07 or 4.4% of gross state product.
- ☑ Much of the area has, (by South Australian standards) a high rainfall.
- ☑ A large part of the area is within the 30 Year Plan for Greater Adelaide.
- ☑ Significant growth pockets both in population and development, placing demands on infrastructure and the natural environment.
- ☑ Projected change in the population to 2026 by approximately 25%.
- ☑ Within the region, Victor Harbor and Goolwa are key retirement destinations.
- ☑ Within the region, The Adelaide Hills, The Fleurieu and Kangaroo Island are all major tourism destinations.
- ☑ Kangaroo Island is a major component of the Australian and SA tourism plan with tourist numbers targeted to double over the next decade.

The Southern and Hills Local Government Association Board

June 2019

Council	Elected Member Representative	Council Staff Representative
Adelaide Hills Council	Deputy Mayor Jan - Claire Wisdom	CEO Andrew Aitken
<i>Post November 2018 LG election</i>	Mayor Jan – Claire Wisdom	CEO Andrew Aitken
Alexandrina Council	Mayor Keith Parkes	CEO Glenn Rappensberg
Kangaroo Island Council	Mayor Peter Clements	CEO Andrew Boardman
<i>Post November 2018 LG election</i>	Mayor Michael Pengilly	CEO Greg Georgopolous
Mt Barker District Council	Mayor Ann Ferguson	CEO Andrew Stuart
City of Victor Harbor	Mayor Graham Philip	CEO Victoria MacKirdy
<i>Post November 2018 LG election</i>	Mayor Moira Jenkins	CEO Victoria MacKirdy
District Council of Yankalilla	Mayor Glen Rowlands	CEO Nigel Morris

Office Bearers 2018 – 2019

President	Mayor Keith Parkes, Alexandrina Council	
Deputy President	Mayor Glen Rowlands, District Council of Yankalilla	
Executive Officer	Mr Graeme Martin	
Auditor	Mr Jon Colquhoun, FCA, HLB Mann Judd	
Elected under the provisions of the Constitution of the Local Government Association		
Delegates to LGA Board	Mayor Keith Parkes Mayor Jan – Claire Wisdom (via Metro/GAROC)	
Delegates to SAROC	Mayor Keith Parkes Mayor Glen Rowlands	Alexandrina Council District Council of Yankalilla

President's Forward

The 2018-2019 year yet again has largely seen Southern and Hills Local Government Association consolidate its role and activities.

Core activities remain and have included the continuing work of the existing Roads Working Party and the 2020 Transport Plan review, monitoring the S&HLGA Regional Public Health plan and implementing the region's Climate Change Adaptation Plan, working very closely with the RDA to further the Regional Infrastructure Plan, as well as maintaining and reviewing key strategy and performance documents such as the Annual Action Items, Annual Budget and adopting a new 4 year Business Plan. These activities are all designed to drive and improve the wellbeing of our communities.

Critically during the year we have developed and presented the S&HLGA Value proposition which demonstrated a hugely significant 3,500% return on member Council subscriptions as well as conduct a future directions and strategy forum for the organisation.

Following on from the Local Government Association of SA governance review and restructure the S&HLGA has been an active player in the further development of its regional SAROC committee.

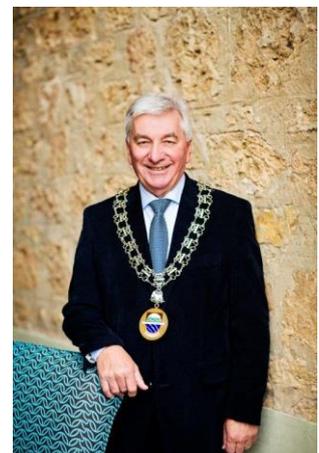
We acknowledge and continue to work with the Local Government Association of SA and State Government's Office of Local Government. We have partnered with our regional economic development organisation, Regional Development Australia as well as PIRSA and the Natural Resource Management Boards as we continue to confront the many impacting regional issues.

We were able to welcome new S&HLGA Board members in Mayors Moira Jenkins (Victor Harbor) and Michael Pengilly (KI) and new CEOs Victoria MacKirdy (Victor Harbor) and Greg Georgopolous (KI).

Thank you to our Executive Officer, Graeme Martin for his continued energy and drive in supporting the body.

In closing, I acknowledge and thank all the member councils for their support during the year, and say how much I value ongoing contribution of member Mayors and CEOs.

Mayor Keith Parkes
President



The Board

The Board held 6 ordinary bi-monthly meetings during the year. Board Members are generally the Mayor and Chief Executive Officer of each Council. To provide the opportunity for Board Members to gain first hand knowledge of regional issues, meetings are hosted by Member Councils on a rotational basis and were held at:

17 August 2018	–	City of Victor harbor
19 October 2018	-	Yankalilla
14 December 2018	-	Mt. Barker
8 February 2019	-	Kangaroo Island
26 April 2019	-	Yankalilla
28 June 2019	-	City of Victor Harbor

Key Issues acted on by the Board included:

- o Continued to work closely with the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and with RDA officers to complete the 2019 Regional Public Transport study, develop the regional Infrastructure Priority Plan, the regional middle - east trade engagement strategy, Board governance and membership and a regional workplan in partnership with PIRSA.
- o Continued working with the Local Government Association and SAROC on lobbying on the review of the business plans, administrative fee and levy proposals of the Natural Resource Management Boards and conversion to Landscapes Boards, continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits, equitable road funding for SA, continuing the development of a balanced and consistent policy approach to Council sustainability, finances and rate revenue in the face of the call for a State Rate Capping policy, input into the LGA governance and organisational review and SAROC 2019 -2023 Strategic Plan and 2019-2020 Annual Business Plan, working with the State government on the management and control of abundant pest species particularly Little Corellas, telecommunications Black Spot funding, working on the LG Coastal Alliance project and cost shifting policies such as e-planning portal contributions, hard waste levy and the transfer of rate exempt community housing and developing and promoting the regional decentralisation and population growth strategies.
- o Monitoring and implementing the S&HLGA Regional Public Health Plan.
- o Monitoring and implementing the S&HLGA Regional Climate Change Adaptation Plan
- o Input into the SA Visitor strategy
- o Continued the updating of the Roads Database component of the regional 2020 Transport Plan, special local roads funding applications and continued the comprehensive review of the Regional Transport Plan including the development of the South Coast Freight Corridor marketing material and advocating on Public Transport issues
- o Working with the State Government and lobbying on Local Government reform around the key elements such as Council member capacity and conduct, representation, benchmarking and simpler regulation
- o Updating and maintaining of the S&HLGA Website and developing new promotional material.

Regional Consultations and briefings were coordinated to occur on the day of Board meetings.

10 various speakers addressed meetings of the Board.

In addition the CEO's group conducted several of their meetings in the morning preceding the Board meeting.

The Board reviewed its achievements to date and developed a new Action Plan for 2018-2019

At the commencement of 2018-2019 the Board completed a review of its Annual Key Actions, the EO performance and its Annual Budget performance covering the previous period. The Board also conducted a comprehensive Strategic Futures workshop in May 2019.

S&HLGA Value proposition

The S&HLGA provided a report back to its Council members on the estimated value of their membership. This is based on the same methodology utilised by the LGA in determining its membership value.

The value from membership in a regional organisation can be summarised in the following key categories; advocacy and representing the region, establishing and implementing high level regional partnerships and links, developing and strengthening regional capacity.

The table below summarises the 2018-2019 value per council and for the region as a total.

2019 Summary	Value per Council	Value for the S&HLGA region
General advocacy	\$20,000	\$120,000
Programs and Projects	\$375,005	\$2,003,500
Capacity building	\$35,948	\$165,692
Total	\$430,953	\$2,289,192

Task Force and Working Groups

The S&HLGA EO was a member of the following Task Force and Working Groups during the course of the year:

Committee	S&HLGA Executive Officer Role	Meeting Frequency	Comment
Regional Public Health	Secretarial/Administration	Every 2 months	ongoing
Resilient Hills & Coast - Climate change Adaptation	Committee member	Every 2 months	ongoing
Regional Economic Development Officers	Committee member	Every 2 months	ongoing
SA Coastal Alliance	Committee member	Every 2 months	Estimated phase 2 project to be complete by Dec 2020
Regional EO Management Group	Committee member	Every 2 months	Precedes SAROC
S&HLGA CEO group	Secretarial/Administration	Every 3 months	Precedes S&HLGA Board
S&HLGA Roads Works Group	Secretarial/Administration	Ad hoc but at least 3 times per annum	ongoing
S&HLGA CWMS User Group	Secretarial/Administration	Every 2-3 months	ongoing
SAROC	Advisor/Observer	Every 2 months	ongoing

S&HLGA Roads Working Party

The Roads Working Party (RWP), with membership drawn from directors /managers of technical services of Councils and regional managers and infrastructure planners of the Department of Planning, Transport and Infrastructure held meetings in November 2018 and March 2019 to review the S&HLGA 2020 Transport Plan (Plan) Roads database priority summary list and to make recommendations on regional priorities for the Special Local Roads Program (SLRP). The work of the committee included:

- Co-ordinate the annual review of HDS Australia Pty Ltd's summary assessment and update of the 2020 Transport Plan Roads Database.
- Co-ordinated and supported the application process of Councils to the SLRP.
- Review and plan the update of the S&HLGA Roads Database that comprises the roads nominated by Councils under the policies of the 2020 Transport Plan
- Reviewed the next 3 year work plan for the region

- The following projects were recommended, based on the methodology of the Plan and proposed funding under the Special Local Roads Program for 2019 – 2020

Project	Council	Total Project Cost for this stage	SLRP request	Council contribution	comment
Waitpinga Rd	City of Victor Harbor	\$600,000	\$400,000	\$200,000	Stage 4 of 4
Springs Rd	Mt Barker	\$1,160,000	\$773,000	\$387,000	Stage 3 of 4
Wedgewood/Hickmans Rd	Kangaroo Island	\$840,649	\$560,432	\$280,217	Stage 2 of 3
Springs Rd	Mt Barker	\$1,146,000	\$774,000	\$372,000	Stage 4 of 4
Total		\$3,746,649	\$2,507,432	\$1,239,217	

CWMS Group

The S&HLGA Community Waste Water Management Systems (CWMS) User group has been formally constituted with member establishment levies set comprising a base rate plus a percentage based on the number of connections.

Following on the Essential Services Commission of SA (ESCOSA) to review Water Industry reform and the implications of the Water Industry Act 2012, The S&HLGA Council CEO group has been reviewing options for CWMS assets in light of:

- The risk factors and increasingly time and resource consuming compliance regime associated with this critical asset management.
- The opportunity for regional scale
- Continued investment interest from the private sector
- Adopting best practice and efficient operations

The CWMS User group meeting on 28 May and 20 June 2018 as well as attending the CWMS state conference in the Barossa

S&HLGA Regional Public Health Plan

Role: Secretary and Task group member - Implementation and Monitoring of a Regional Public Health Plan for S&HLGA:

- Working group meetings (preparation Agendas & Minutes) 20/07/2018, 29/01/2019, 21/02/2019, 3/07/2019
- Liaise with LGA Public Health Program Manager

- Liaise with SA Public Health Office
- Represent the region at Forums and workshops
- Liaise with Public Health Researchers
- Prepare funding submissions for regional Public Health projects

Of significant importance was the successful application to run the Community Wellbeing alliance Pilot study for the S&HLGA region

S&HLGA Regional Climate Change Adaptation Committee

Role: Committee member (Resilient Hills and Coast) - Implementation and Monitoring of the Regional Climate Change Adaptation Plan for S&HLGA:

- Working group meetings 22/08/2018, 19/12/2018, 10/04/2019, 20/06/2019
- S&HLGA presentations
- Liaise and co-ordinate with Project Manager
- Prepare funding submissions for regional Climate adaptation projects

Of significant importance was the successful application to run the Resilient Regions Central Co-ordinator Pilot study for the S&HLGA region to be rolled out in 2019-2020

Regional Economic Development Officers Committee

The S&HLGA has strongly supported the activities and research of the Adelaide Hills Fleurieu and Kangaroo Island Regional Development Australia Board and worked closely with RDA officers to partner with the organisation in the general Economic Development of the region.

Role: Task Group member - A Working Group has been formed with the Economic Development Officers from the S&HLGA Member Councils. - The principal activity is to share information, achieve procurement and resource sharing efficiencies and develop a regional infrastructure Plan by:

- Identify and collating infrastructure projects from Council plans
- Grade them according to Local, District or Regional category, dollar value and impact and probability
- The Working group has held meetings 18/09/2018, 12/11/2018, 4/02/2019 and 6/05/2019
- In conjunction with the CEO and Chair of the RDA, the EO S&HLGA met regularly with the regions State government MPs (Finniss, Kavel and Heysen) to discuss key priorities and policy impact for the region.
- Liaise and regularly meet with GTA Consultants who were commissioned to review the region's public transport and provide strategic directions and an action plan.

Regional LGA Organisations EO Management Group

Role: Committee member – To provide input into the sector, develop capacity, share knowledge and develop co-operation between the regions:

- Meetings were held 22/08/2018, 4/12/2018, 20/03/2019,15/05/2019
- Have input into SAROC Business Plan and the Agenda
- Develop a working relationship with the LGA Management team
- Have input into sector issues
- Advocate on behalf of the regions
- Share information and provide collegiate support
- Develop a priority issues and action list

SAROC

The South Australian Regional Organisation of Councils (SAROC) is a Committee of the LGA that focuses on key issues affecting country Councils.

The S&HLGA supports the Governance process by contributing to agenda items for SAROC meetings, the distribution of Key Outcomes Statements of meetings to S&HLGA Board meetings and collegiate support to prepare submissions on behalf of country Councils that included:

- Continuing lobbying and input into the ongoing review of the business plans, administrative fee and levy proposals of the Natural Resource Management Boards
- Continuing lobbying for a more balanced & nationally consistent approach to planning, regulation for rural and regional road safety & speed limits as well as advocating the return of appropriate Road funding for SA
- Lobbying and continuing the development of a balanced and consistent policy approach to Council sustainability, finances and rate revenue in the face of the call for a State Rate Capping policy and cost shifting policies such as e-planning portal contributions, hard waste levy, transfer of rate exempt community housing.
- Working with the State Government on the management and control of abundant pest species particularly Little Corellas
- Developing and promoting the Regional Decentralisation and population growth strategies
- Working on Coastal Council Alliance project and working with State Government on a Jetties and Wharves replacement and maintenance plan
- Member of the Regional Task Group to oversee the Ratings Equity Project
- Input into LGA Governance review and the SAROC 2019-2023 Strategic Plan and 2019-2020 Annual Business Plan
- Reviewing and having input into the SA Visitor strategy
- Taking a leadership position on Climate risk
- Developing a measurement project with the RDAs on the socio economic impact on regions of the NDIS delay and rollout

- Working with the State Government and lobbying on Local government reform around key elements such as Council member capacity and conduct, representation, benchmarking and simpler regulation.

Regional Research Papers and Submissions

The following Papers and Submissions have been prepared on behalf of Member Councils during the course of the year:

- To the LGA on behalf of the S&HLGA region – Expression of interest for pilot study “Community Well Being Alliance regional trial”
- To Minister for the Environment on behalf of the S&HLGA region – Abundant Bird Species Management
- To SA Grants Commission on behalf of the S&HLGA region – Review of methodology
- To Department of Environment & Water – Funding application for Resilient Regions Central co-ordinator
- LGA R&D application for “Peri-Urban” research grant
- S&HLGA Value proposition paper
- To SA Health on behalf of S&HLGA Regional Public Health progress report for the period 2016 – 2018
- To EO Management Group – project briefs on Peri Urban organisation, overabundant pest species and Financial Assistance Grants reform

Workshops and seminars

The Executive officer represented the member Councils at various workshops and seminars during the course of the year:

- LGA Showcase / OGM
- LGA Conference / AGM
- LGA Smart Cities Forum
- CWMS state conference
- Yorke & Mid North Bio Energy Forum
- Commissioner for Kangaroo Island meeting
- Various Council presentations on S&HLGA Key Activities and Projects
- Australian Institute of Company Directors Economic Outlook Forum
- SA Grants Commission Forum
- LGA Rate Capping Forum x 2
- Climate Change and risk officers Forum
- Adelaide Hills and Fleurieu Peninsula Public Transport workshop

- S&HLGA Regional Community Energy Project Forum
- SAROC Planning and Business plan workshop x 2
- Goyder Economic development and resilience roundtable
- “Where we build, What we build” stakeholder inception forum
- RDA SA state conference

Rubble Royalties

The S&HLGA received top up funds from Rubble Royalties in 2018-2019. The S&HLGA has member Council Kangaroo Island as the sole contributor to this scheme. During the year funds were allocated to:

- Contribution to the Resilient Hills & Coast Climate Change Adaptation Project Officers 12 month contract extension
- S&HLGA Strategic directions forum 10 May 2019
- Working with the State Government and the Regional EO group to review the impact of Rubble Royalties and seek their removal.

LGA Board

Mayor Jan – Claire Wisdom (Adelaide Hills Council) along with Mayor Keith Parkes (Alexandrina Council) have represented the Southern and Hills Region at the Local Government Association State Board meetings.

Resources

The continuation of the capacity building grant from the Local Government Research and Development Scheme and the final Outreach Grant has improved the capacity of the Executive Officer that has been applied across a range of Association activities during the year.

Part of the additional capacity has supported the administrative processes around the S&HLGA Roads Working Party and the applications to the Local Government Transport Advisory Panel, involvement with SAROC, the regional EO group, the regional working groups and various reports, submissions and forums throughout the year.

Mr Graeme Martin, Director of Grange Advisors Pty Ltd has provided Executive Officer services to the Association under a contract services agreement for the period July 2018 – February 2019.

He has continued in the role as an employee of S&HLGA from February 2019.



KEY CATEGORIES & THEMES

THE 2017-2021 S&HLGA BUSINESS PLAN

OBJECTIVE
1. To provide leadership and advocacy for Member Councils on regional issues.
2. To market & promote the Southern & Hills Local Government Association
3. To support sustainable economic, environmental and social development in the region
4. To improve infrastructure to meet the community's needs.
5. To strengthen the capacity of the Association to meet its service obligations.

THE 2018-2019 S&HLGA ANNUAL KEY ACTION PLAN

Theme	Items & Actions
General Administration (sound financial and compliance management)	Budget, Charter Review, Board meetings, Subscriptions and Levies, Key Actions, Audit, Annual Report, Grant reporting & acquitals
Projects and support (sustainability and development)	Regional Public Health Plan, Resilient Hills & Coast Climate adaptation Plan, Northern Freight Bypass Project, Fleurieu Futures Pilot, Regional Transport Plan, Grants Commission review.
Leadership, advocacy and marketing	LGA Governance review, New Government Policies (e.g Rate Capping), Relationship building with new Government MPs, Website maintenance
Opportunities (capacity and infrastructure)	CWMS, Waste, Regional Infrastructure Plan, Regional Procurement, External Funding, Regional Development Assessment Panel

Theme	Items & Actions	Item	Status	Comment
General Administration (sound financial and compliance management)	Budget, Charter Review, Board meetings, Subscriptions and Levies, Key Actions, Audit, Annual Report, Grant reporting & acquitals	Budget		
		Charter review		
		Subscriptions & levies		
		Audit		
		Annual Report		
		LGA Grants		Successful LGA R&D \$45,000 CEP
Projects and support	Regional Public Health Plan,	Regional Public Health Plan		Successful LGA pilot region submission/2 year report

(sustainability and development)	Resilient Hills & Coast Climate adaptation Plan, Northern Freight Bypass Project, Fleurieu Futures Pilot, Regional Transport Plan			submitted/Committee regularly meeting
		Resilient Hills & Coast Climate adaptation Plan		Committee meeting regularly. \$45,000 CEP grant, \$95,000 What we build where we build grant
		Grants Commission Review Project		
		Fleurieu Futures Pilot,		Councils Seeking funding for next stage investigation
		Regional Transport Plan		
Leadership, advocacy and marketing	LGA Governance review, New Government Policies (e.g Rate Capping), Relationship building with new Government MPs, Website maintenance	LGA Governance review		Peri-urban regional organisation to be investigated
		Rate Capping		
		Relationship with MPs		Regularly meeting
		Website		Updated after Council elections
Opportunities (capacity and infrastructure)	CWMS, Waste, Regional Infrastructure Plan, Regional Procurement, External Funding, Regional Development Assessment Panel	CWMS		Committee meeting regularly
		Waste		
		Infrastructure Plan		Recent RDA priority project forum/ Committee meeting regularly
		Procurement		
		External funding		Seeking Native Veg Plan contributions
		DAP		

= Not on track / yet to commence further action required

= on track

= completed / no

Category	S&HLGA Role	Item	Comment/Description
Administration	Active/Lead	Charter Review	Original target date Dec 2018, revised August 2019.
	Active/Lead	Draft Budget 2019-2020	Endorsed by Board 26/04/2019 out for individual Council approval. Majority approval received
	Active/Lead	Draft Key Action 2019-2020	Draft June 2019
	Active/Lead	Regional Capacity grant acquittal 2018-2019	Due July 2019
	Active/Lead	Audit 2018-2019	Due July-Aug 2019
	Active/Lead	Annual Report 2018-2019	Due Sept 2019
Projects – Lead/S&HLGA Committee	Active/Lead	Regional Public Health Plan	Community Wellbeing Alliance Pilot funding of \$75,000 received. Expect at least 18 month delivery

Category	S&HLGA Role	Item	Comment/Description
			timeframe. Consultant contractor appointed and work plan being developed
	Active/Lead	Resilient Hills & Coast	Community Energy Scheme funding \$45,000. Working through the second phase of this at present and seeking external funding for phase three (State Bank grant application unsuccessful)
	Active/Lead		Where we build, what we build project has received \$95,000 Natural disaster Program grant and \$60,000 Insurance Council of Australia grant commitment. Milestones 1&2 completed.
	Active/Lead	Road Works Party	Completed HV assessment of South Coast Freight Corridor. Issues with Middleton main street traffic to be resolved. Developing a new Roads database and new 2030 Transport Plan for 2020-2021
	Active/Lead	CWMS	Committee now active with regular meetings scheduled. Just waiting for LGA availability. Key focus is on audit/description of each Council scheme and then seek common ground for efficiencies around operations and procurement. Meeting scheduled 24 June 2019
Projects – Lead	Active/Lead	Grants Commission methodology review	March 2019 - Completed submission to SA Grants Commission
	Active/Lead	Regional Native Vegetation Plan	Reviewing cost and opportunity for some external contributory funding
	Lead/Partner/Influence	Regional LGA Management Group	Regular meeting of the LGA EOs and development of priority projects in conjunction with SAROC
Projects - Partner	Partner/Influence	Coastal Alliance project	We have a significant interest in this but S&HLGA role is largely information provision via steering committee and input into the report.
	Partner/Advocate	Digital Maturity	S&HLGA role is largely information provision and input into the report although EO is on monitoring task group

Category	S&HLGA Role	Item	Comment/Description
	Partner/Influence	Economic Development Officers Forum	RDA lead but focus on Regional Infrastructure plan and Public Transport
Relationships	Active/Lead/Influence	New Elected members	Updated S&HLGA Value Proposition presented to all 6 member Councils 1 st May 2019
	Active/Lead	Peri –Urban Group	Advocate and seek input from potential expanded Council members into a larger peri – urban Regional Organisation

Acronyms

AICD.....	Australian Institute of Company Directors
AMLRNRM.....	Adelaide and Mt Lofty Ranges Natural Resources Management Board
CEO.....	Chief Executive Officer
CWMS.....	Community Wastewater Management Systems
DEW.....	Department of Environment and Water
EO.....	Executive Officer
ESCOSA.....	Essential Services Commission of South Australia
GAROC.....	Greater Adelaide Region of Councils
LGA.....	Local Government Association
MDBA.....	Murray Darling Basin Authority
MOU.....	Memorandum of Understanding
NBN.....	National Broadband Network
NRM.....	Natural Resources Management
OLG.....	Office of Local Government
PIRSA.....	Primary Industries & Regions SA
RDA.....	Regional Development Australia
SAROC.....	South Australian Regional Organisation of Councils
SEB.....	Significant Environmental Benefits
S&HLGA.....	Southern and Hills Local Government Association
SLRP.....	Special Local Roads Program

**Southern & Hills Local Government Association
Past Presidents and Secretaries / Executive Officers**

Years	President	Council	Secretary / EO
2018 - 2019	Mayor Keith Parkes	Alexandrina Council	Graeme Martin
2017 – 2018	Mayor Keith Parkes	Alexandrina Council	Graeme Martin
2016 - 2017	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2015 - 2016	Mayor Bill Spragg	Adelaide Hills Council	Graeme Martin
2014 - 2015	Mayor Bill Spragg ^f Mayor Ann Ferguson	Adelaide Hills Council DC Mount Barker	Graeme Martin
2013 - 2014	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2012 - 2013	Mayor Ann Ferguson	DC Mount Barker	Graeme Martin
2011 - 2012	Mayor Ann Ferguson	DC Mount Barker	Fred Pedler ^d Graeme Martin ^e
2010 - 2011	Mayor Ann Ferguson ^c Mayor Brian Hurn OAM	DC Mount Barker The Barossa Council	Fred Pedler ^b
2009 - 2010	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2008 - 2009	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2007 - 2008	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2006 - 2007	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2005 - 2006	Mayor Brian Hurn OAM	The Barossa Council	Fred Pedler ^b
2004 - 2005	Mayor Kym McHugh	Alexandrina Council	Fred Pedler ^b
2003 - 2004	Mayor Kym McHugh	Alexandrina Council	Fred Pedler ^b
2002 - 2003	Mayor John Crompton ^a	City of Victor Harbor	Fred Pedler ^b
2001 - 2002	Mayor John Crompton	City of Victor Harbor	Fred Pedler ^b
1999 - 2000	Mayor Bernie Eglinton APM	DC Mt Barker	Fred Pedler ^b
1998 - 1999	Mayor Bernie Eglinton APM	DC Mt Barker	Dean Gollan
1997 - 1998	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1996 - 1997	Mayor Janice Kelly	Kangaroo Island Council	Barry Hurst
1995 - 1996	Mayor Anita Aspinall	DC Stirling	Peter Vlatko
1993 - 1994	Cr GR Mayfield	DC Yankalilla	Malcolm Davis
1991 - 1992	Mayor Val Ball	DC Strathalbyn	John Coombe
1989 - 1990	Cr Val Bonython	DC East Torrens	Eric March
1987 - 1988	Cr PD Secker	DC Mt Barker	Dean Gollan
1985 - 1986	Mayor Leon O'Driscoll	DC Strathalbyn	Vernon Cotton
1984 - 1985	Cr CA Phieffer	DC Onkaparinga	David Seaman
1982 - 1983	Cr Brian Pym	DC Mt Pleasant	Adrian Hamiester
1980 - 1981	Cr Roy Galpin	DC Port Elliot and Goolwa	Ron Wellington
1979	Mayor M Checker	DC Gumeracha	Malcolm Anderson
1978	Mayor M Checker	DC Gumeracha	John Grosvenor
1976 - 1977	Mayor A Davidson	DC Strathalbyn	Vernon Cotton
1975	Cr Ray Orr	DC Mt Barker	Reginald Walters
1974	Cr L Hughes	DC Meadows	Wally Richards
1969-1973	No minutes available		
30 th July 1969	First Constitution for S&HLGA Adopted		

Attendance register maintained for annual and half yearly conferences from 1968 to 1990

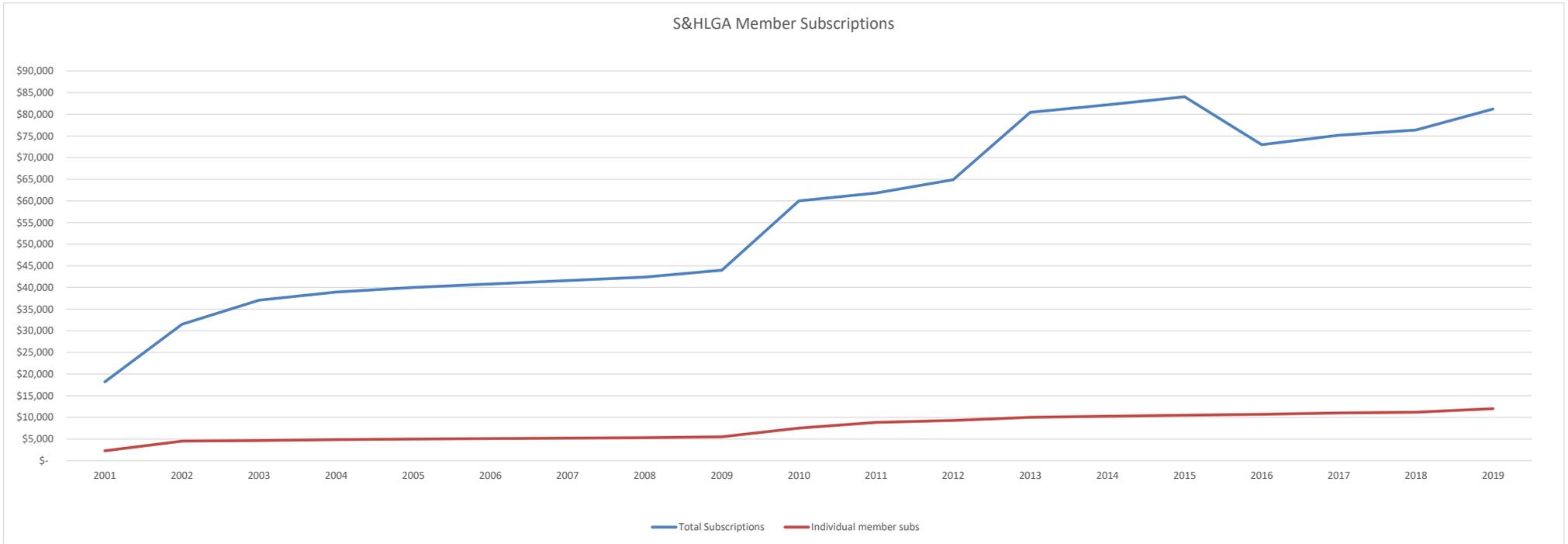
^a Until 12th May 2003 ^b Executive Officer ^c From February 2011 ^d To December 2011 ^e From January 2012

^f From February 2015

Southern and Hills LGA Membership subscription history

Financial Year ended	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Individual member subs	\$ 2,275	\$ 4,500	\$ 4,635	\$ 4,867	\$ 5,000	\$ 5,100	\$ 5,200	\$ 5,300	\$ 5,500	\$ 7,500	\$ 8,829	\$ 9,270	\$ 10,000	\$ 10,250	\$ 10,500	\$ 10,685	\$ 11,000	\$ 11,200	\$ 12,000
Total Subscriptions	\$ 18,200	\$ 31,500	\$ 37,080	\$ 38,936	\$ 40,000	\$ 40,800	\$ 41,600	\$ 42,400	\$ 44,000	\$ 60,000	\$ 61,803	\$ 64,890	\$ 80,443	\$ 82,172	\$ 84,037	\$ 72,995	\$ 75,173	\$ 76,373	\$ 81,214
\$ Change from previous year		\$13,300	\$5,580	\$1,856	\$1,064	\$800	\$800	\$800	\$1,600	\$16,000	\$1,803	\$3,087	\$15,553	\$1,729	\$1,865	-\$11,042	\$2,178	\$1,200	\$4,841
% Change from previous year		73.1%	17.7%	5.0%	2.7%	2.0%	2.0%	1.9%	3.8%	36.4%	3.0%	5.0%	24.0%	2.1%	2.3%	-13.1%	3.0%	1.6%	6.3%

NB 8 members 2001-2010
 7 members 2011-2015
 6 members 2016



SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

FINANCIAL STATEMENTS

Statement of Comprehensive Income for the Year Ended 30th June 2019

	Notes	2019 \$	2018 \$
Income			
Subscriptions	1.8	76,373	75,173
Operating Grants	2.2	261,239	89,777
Investment Income	1.7	4,456	3,164
Other		28,655	90,280
Total Income	1.4	<u>370,723</u>	<u>258,394</u>
Expenditure			
Contractual Services	3	167,523	163,911
Finance Charges		3,763	3,482
Other		104,707	51,410
Total Expenditure		<u>275,993</u>	<u>218,803</u>
Surplus (Deficit) from Operations		<u>94,731</u>	<u>39,591</u>

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Balance Sheet as at 30th June 2019

	2019	2018
Notes	\$	\$
Current Assets		
Investments	181,281	126,959
Debtors	147,675	6,000
Total Current Assets	328,956	132,959
Current Liabilities		
Accounts Payable	21,326	60
Grants in Advance	80,000	
Total Current Liabilities	101,326	60
Net Current Assets	227,630	132,899
Net Assets	227,630	132,899
Equity		
Accumulated Surplus	227,630	132,899
Total Equity	227,630	132,899

The above Balance Sheet should be read in conjunction with the accompanying notes

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Changes in Equity for the Year Ended 30th June 2019

	2019	2018
Notes	\$	\$
Accumulated Surplus		
Balance at beginning of period	132,899	93,308
Net Surplus / (Deficit)	94,731	39,591
	<hr/>	<hr/>
Balance at end of period	227,630	132,899
	<hr/>	<hr/>
Total Equity	227,630	132,899
	<hr/>	<hr/>

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Statement of Cash Flows for the Year Ended 30th June 2019

	Notes	2019	2018
		\$	\$
Cash Flows from Operating Activities			
Receipts		328,452	280,753
Payments		(273,599)	(252,299)
GST Paid (received)		(4,987)	(2,587)
Interest Receipts		4,456	3,164
		54,322	29,031
Net Cash Provided by (Used in) Operating Activities		54,322	29,031
Net increase/(decrease) in Cash Held		54,322	29,031
Cash at the beginning of the reporting period		126,959	97,928
Cash at the end of the reporting period		181,281	126,959

Reconciliation of Change in Net Assets to Cash from operating activities

		2019	2018
			\$
Net Surplus		94,731	39,591
Decrease / (Increase) in Debtors		(147,675)	0
(Decrease) / Increase in Accounts Payable		27,266	(10,560)
(Decrease) / Increase in Grants in Advance		80,000	0
		54,322	29,031
Net Cash provided by Operating Activities		54,322	29,031

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

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

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 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 Southern & Hills Local Government Association is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, Alexandrina Council, Kangaroo Island Council, Mt Barker District Council, City of Victor Harbor and District Council of Yankalilla.

All funds received and expended by the Association have been included in the financial statements forming part of this financial report.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with 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 this note.

1.4 Rounding

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

1.5 Non Current Assets and Non Current Liabilities

The Association has no non current assets or non current liabilities.

1.6 Employees

The Association has one employee having converted the EO from contractor to employee in February 2019.

1.7 Investments

Investments are valued at cost. Interest revenues are recognised as they accrue.

1.8 Subscriptions

Clause 6 of the Charter of the Association prescribes that subscriptions (not levies) by Constituent Councils are equal.

Constituent Council Subscription 2019	\$11,200
Constituent Council Subscription 2018	\$11,000

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.9 Income recognition

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

1.10 Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis.

1.11 New accounting standards for application in future periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and interpretations that have mandatory application dates for future periods. The organisation has assessed that it is not expected to be materially impacted by those changes.

2 Functions / Activities of the Association

2.1 Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note 2.2.

2.2 The activities of the Association are categorised into the following broad functions:

Administration: The operation of the Office of the Association and its decision making forums.

Special projects: The research into and implementation of projects prescribed by Acts or regulations or approved by Board decision.

Transport and Communication: The review and implementation of the S&H 2020 Transport Plan.

Note 2.2 Functions / Activities of the Southern & Hills Local Government Association

Administration

Year	Revenue			%	Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue		Expenses Total	%	
2019	106,989	80,829	187,818	50.7%	184,528	66.9%	3,290
2018	39,777	78,338	118,115	45.7%	160,692	73.4%	(42,577)

Projects

2019	154,250	12,255	166,505	44.9%	68,020	24.7%	98,485
2018	50,000	70,789	120,789	46.8%	49,442	22.6%	71,347

Transport and Communication

2019	0	16,400	16,400	4.4%	23,444	8.4%	(7,044)
2018	0	19,490	19,490	7.5%	8,669	4.0%	10,821

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Year	Revenue			%	Expenses		Surplus (Deficit)
	Grants	Other	Total Revenue		Expenses Total	%	
Total							
2019	261,239	109,484	370,723	100%	275,993	100%	94,731
2018	89,777	168,617	258,394	100.0%	218,803	100.0%	39,591

3. Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

		2019	2018
Consultants:	LKS Quaero	\$0	\$12,682
	Grange Advisors Pty Ltd	\$85,239	\$142,560
	HDS Australia Pty Ltd	\$23,444	\$8,669
	RH&C (CVH)	\$45,000	\$0
	Seed Consulting	\$13,840	\$0
Totals		\$167,523	\$163,911

4. Comparison of Budget and Actual Results

	2019		2018	
	Budget \$	Actual \$	Budget \$	Actual \$
Revenue				
Administration	174,273	187,818	202,369	118,115
Projects (incl Transport Plan)	20,050	182,905	18,350	140,279
Total Revenue	194,323	370,723	220,719	258,394
Expenditure				
Administration	170,000	184,529	170,190	160,692
Projects	68,050	91,464	38,250	58,111
Total Expenditure	238,050	275,993	208,440	218,803
Surplus (Deficit)	(43,727)	94,731	12,279	39,591

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Southern & Hills Local Government Association to certify the financial statements in their final form. In our opinion:

- o the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- o the financial statements present a true and fair view of the Association's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year.
- o internal controls implemented by the Authority provide a reasonable assurance that the Association's financial records are complete, accurate and reliable and were effective throughout the financial year.
- o the financial statements accurately reflect the Association's accounting and other records.

Dated 23rd August 2019



Graeme Martin
EXECUTIVE OFFICER



Mayor Keith Parkes
PRESIDENT

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Southern & Hills Local Government Association for the year ended 30 June 2019, the Association's Auditor, HLB Mann Judd, 169 Fullarton Rd, Adelaide, 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*.

Dated 23rd August 2019



Graeme Martin
EXECUTIVE OFFICER



Mayor Keith Parkes
PRESIDENT

The Board
C/- Graeme Martin
Executive Officer
Southern & Hills Local Government Association
13 Ringmer Drive
Burnside SA 5066

TO THE BOARD MEMBERS OF SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

**STATEMENT OF AUDITORS INDEPENDENCE
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2019**

I confirm that, for the audit of the financial statements of Southern & Hills Local Government Association for the year ended 30 June 2019, 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.

HLB Mann Judd

**HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants**



**Jon Colquhoun
Director**

Adelaide, South Australia

23 August 2019

hlb.com.au

HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.

Independent Auditor's Report to the Members of Southern & Hills Local Government Association

Opinion

We have audited the financial report of Southern & Hills Local Government Association ("the Entity") which comprises the Balance Sheet as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2019, and its financial performance and its cash flow for the year then ended in accordance with Australian Accounting Standards.

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 auditor independence 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 Board Members for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Board Members 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 Australian Auditing Standards will always detect a material misstatement when it exists.

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Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

HLB Mann Judd

HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Adelaide, South Australia
23 August 2019



Jon Colquhoun
Director

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Fleurieu Regional
Aquatic Centre
Authority

Annual Report 2018-19

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Chairperson's Message



The Fleurieu Aquatic Centre celebrated a successful second full year of operations in March 2019.

The Centre has a current membership base of 1,172 people (representing growth of 7% on the Centre's year) and achieved 7% growth in swimming lessons over the year with an average 477 students per week. These students are learning crucial water skills that will allow them to safely enjoy the Australian coastal lifestyle many of us take for granted.

Overall Centre visitations grew by 7% in 2018-19 with 212,406 people attending the centre and accessing the quality facilities and programs on offer. YMCA SA are contracted to manage centre operations and this year delivered a broad range of programs, reinforcing the centre as important community infrastructure and a valuable investment.

Although growth was good, some key performance targets were not met due to target setting and no historical data or comparable data available to base initial KPIs. The growth in memberships has also impacted forecast casual visitations. As a result, future targets have been adjusted accordingly as patterns become more evident.

The Fleurieu (a joint subsidiary of the City of Victor Harbor Council) has responsibility for the strategic management and overall performance of the centre on behalf of the Councils. The Authority is governed by a Board of Management that takes its role seriously, understanding the importance of the centre to the community and valuing the financial contributions provided by the Councils.

The Fleurieu Regional Aquatic Centre Authority Board established the Charter and a range of high quality ten-year plans including the Centre's Strategic Plan, Asset Management Plan and Long Term Financial Plan.

2018-19 was a year of building on this base and refinements. This included Authority Board Member renewal in April 2019, as per the Charter. This saw new Members Mark Easton and myself, the continuation of member, Deputy Chairperson John Coombe OAM, and new Council representatives Councillor Margaret Gardner for Alexandrina Council, Councillor David Kemp for City of Victor Harbor and Councillor Peter Charles as deputy elected member representative for City of Victor Harbor.

As incoming Chairperson in the final quarter of 2018-19 year, I take this opportunity to acknowledge the commitment, hard work and significant achievements of the previous Board and outgoing Board members: Independent Chairperson David Cooke; Independent Member Alison Kimber; Councillor Grant Gartrell and proxy Councillor Woolford from Alexandrina Council; Councillor Pat Chigwidden and deputy Mayor Philp from City of Victor Harbor; and more recently Councillor Melissa Rebbeck and deputy Councillor Bronwyn Lewis from Alexandrina Council. The Authority Executive Officer Leonie Boothby worked closely with the YMCA to identify initiatives to drive both cost efficiencies and revenue growth to improve financial performance. I also take this opportunity to thank Leonie, who recently moved on, for her 'above and beyond' approach and professionalism to support the Board and Authority to deliver this year's outcomes. At the time of writing a recruitment process is underway to find a suitably qualified replacement. I also thank Constituent Councils and contractor partners YMCA SA for their dedication, support, hard work and contribution to the performance of the centre.

The core focus over the last twelve months has been building on the success of the centre's first year. We now have real data from patron use patterns that will guide business development, improvement and inform future decision making. The centre continues to contribute significantly to the region in economic and social impact terms. From an economic perspective, the centre employs 74 people from the region, engages local suppliers and contractors; provides key infrastructure that assists attract people to live in the area and improves the experience for visitors (resulting in increased length of stay and spend in the region). From a social and community perspective, the centre is providing a much need facility and place for local people to meet and socialise while they train, get fit and improve their health. The centre is now a much loved, valued community asset and meeting place.

We are excited about what the next twelve months hold for the centre as we refine and explore new aquatic, fitness and social impact programs and we look forward to continuing to make a positive difference for the Fleurieu.

Dean Newbery & Partners has audited the 2018-19 Financial Statements which have been provided to both Constituent Councils. The



Audited Financial Statements for the year have confirmed the Authority's results and performance. A complete copy of the Audited Financial Statement 2019 forms part of this report.

On behalf of the Board of the Authority, it is my pleasure to present the Annual Report for the 2018-19 financial year.



Matt Grant
Chairperson, Fleurieu Regional Aquatic Centre Authority



About the Authority

Who we are

The Fleurieu Regional Aquatic Centre Authority (the Authority) is a regional subsidiary formed by Constituent Councils: City of Victor Harbor and Alexandrina Council, established to enable joint ownership and management of the Fleurieu Aquatic Centre.

The Fleurieu Aquatic Centre is an initiative of the Alexandrina Council and City of Victor Harbor (for an investment of \$6.5 million from each council), with funding support of \$7.5 million from the Australian Government, \$500,000 from the South Australian Government and a generous land donation from Beyond Today.

The governance for the Authority is set out in its Charter, as approved by the Minister for Local Government on 3 August 2015, gazetted on 6 August 2015 and available on our website at <http://www.fleurieuaquaticcentre.com.au/>.

In November 2016, YMCA SA was appointed under a three-year Management Agreement to operate and manage the centre; which opened on 25 March 2017. The facility is located at 4 Ocean Road, Chiton, South Australia, 5211 and consists of:

- an 8-lane, 25-metre lap swimming pool
- a multi-use hydrotherapy pool
- a children's/program pool
- a zero-depth outdoor splash park
- a crèche facility
- fitness facilities
- a commercial kiosk
- plant and equipment rooms
- dedicated change rooms and toilet facilities
- office, first aid and lifeguard accommodation
- dedicated car parking, bus parking, pedestrian linkages and traffic management
- other facilities and services as may be provided from time to time.

More information about the Fleurieu Aquatic Centre is available on our website at <http://www.fleurieuaquaticcentre.com.au/>



www.fleurieuaquaticcentre.com.au

The Authority's role

Our role is to:

- be responsible for the protection, operation, renewal, maintenance and improvement of the Aquatic Centre and its associated facilities and services
- promote the services and facilities of the Aquatic Centre
- pro-actively manage the business of the Aquatic Centre in a competitive and changing environment
- deliver effective and sustainable service provision for the Constituent Councils, customers of the Aquatic Centre and the communities in and surrounding the Constituent Councils
- contribute to the education and welfare of the Constituent Councils and the wider community through the facilitation of various aquatic programs
- foster social inclusion through the provision of a community place providing a variety of aquatic programs and associated services and facilities
- maximise participation in and use of the aquatic programs provided at the Aquatic Centre and the facilities and services of the Aquatic Centre by users of all ages and abilities
- undertake key strategic and policy decisions for the purpose of enhancing and developing the centre
- be financially self-sufficient, as far as is possible.

Strategic Direction

Mission

We are an independent governing body that directs the delivery of a regional indoor Aquatic Centre.

Purpose

To deliver the Councils' objectives for an efficient, premier aquatic facility in the region.

Vision

Fleurieu Aquatic Centre is an inclusive destination that contributes to a healthy regional community.

Goals

1. To maintain community participation and enthusiasm for FAC
2. To foster and maximise social inclusion
3. To preserve and maximise the brands (FAC & FRACA) as high value, recognised, trusted and valued in the community
4. To act as a conduit for commercial and community partnerships and collaboration
5. To care for, protect and improve FAC in line with changing community needs
6. To, as far as possible, be financially self-sufficient

Planning context

A suite of Authority strategic planning documents; including the Strategic Plan 2018-2027, Asset Management Plan 2018-2027 and Long-Term Financial Plan 2018-2027; has now been developed. These strategic documents inform and are supported by the Authority 3-Year Business Plan (incorporating the Authority 2018-19 Annual Business Plan) and annual FAC Business & Marketing Plan and annual budgets. The detailed 3-Year Business Plan has been developed to guide and monitor the operations of the Authority and deliver on strategic priorities for 2018 to 2021.

Organisational structure

The Authority is a body corporate and is governed by the Local Government Act 1999 (the Act) and its Charter.





The Board

Board members

The Authority is governed by a board of management that is responsible for ensuring the Authority acts in accordance with its Charter and all other relevant legislation. The Board consists of five members (one elected member from each Constituent Council and three independent members).

Members include (pictured left to right):

- Matt Grant (Chairperson / Independent member)
- John Coombe OAM (Deputy Chairperson / Independent member)
- Mark Easton (Independent Member)
- Cr Margaret Gardner (Alexandrina Council)
- Cr David Kemp (City of Victor Harbor)
- Cr Peter Charles (Deputy Elected Member Representative)

*Deputy Members are able to act in place of the Board Member appointed by the same Constituent Council if that Board Member is absent or unable for any reason to act as a Board Member.

The Board is supported by a part-time Executive Officer.

The Board meets six to eight times a year, with meetings held at the Fleurieu Aquatic Centre or at either of the Constituent Council offices. Special 'out of session' meetings are occasionally held for specific matters. All Board members complied with the statutory requirement to submit pecuniary interest returns.



Audit & Risk Management Committee

Committee

The Committee is established for the purpose of:

- reviewing annual financial statements to ensure that they provide a timely and fair view of the state of affairs of the Authority;
- reviewing the adequacy of Authority risk management systems;
- proposing, and providing information relevant to, a review of the Authority's strategic management plans or annual business plan;
- liaising with the Authority's external auditor; and
- reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Authority on a regular basis.

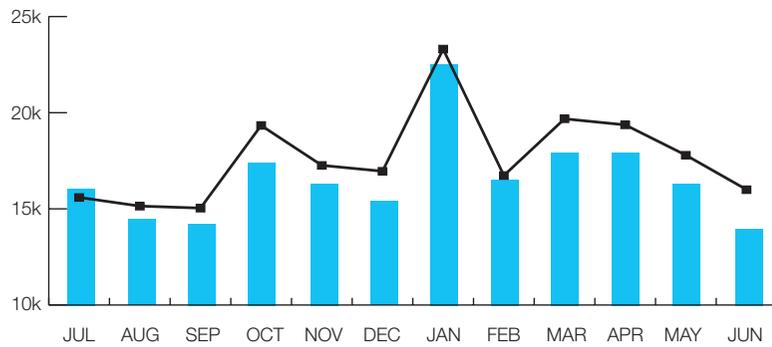
Members Include:

- Mr Ian Swan, Independent Chairperson
- Mr John Coombe, Independent Board Member
- Cr David Kemp (City of Victor Harbor)
- City of Victor Harbor Group Manager Governance and Finance, Ms Kellie Knight-Stacey (as the Council Officer representative on the Committee); and
- Alexandrina Council General Manager Resources, Ms Elizabeth Williams (as the Council Officer representative on the Committee)



Key Statistics

SITE ATTENDANCE



■ 2017 - 2018
— 2018 - 2019

212,406 ^{↑ 7%}



Peak Membership

1,172 ^{7%}



Peak Swimming Lessons Participants

523 ^{↑ 1%}



Employees as of 30 June 2019

74 [FTE 15.5]

3,857 🎉

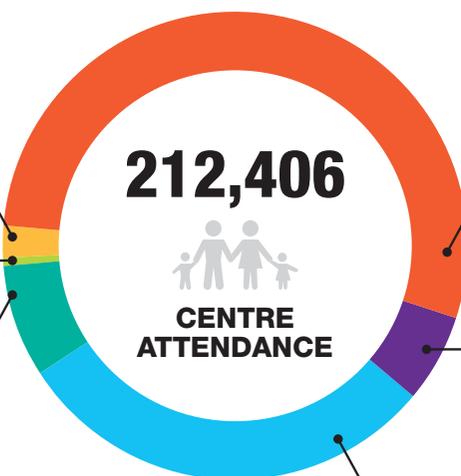
birthday parties / Playclub

1,219 🏃

health and fitness

15,221 🏊

swimming lessons



105,669 👤

members

11,801 👤

visit passes

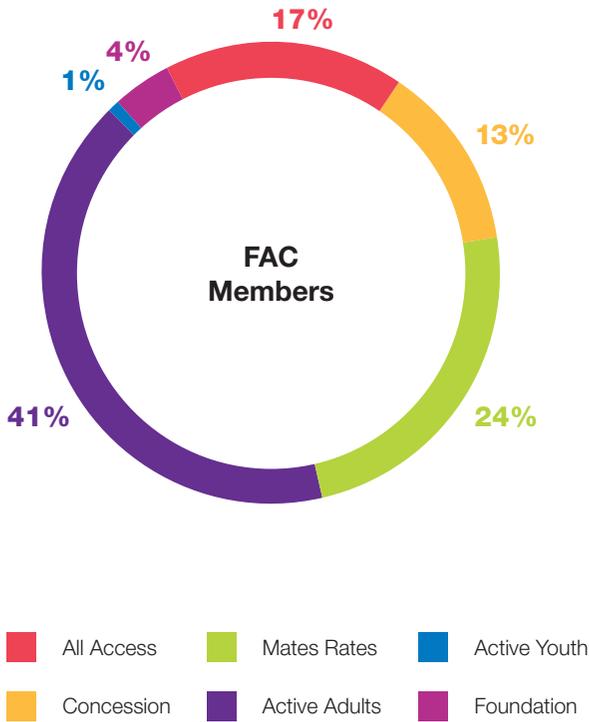
58,424 🏊

casual swim

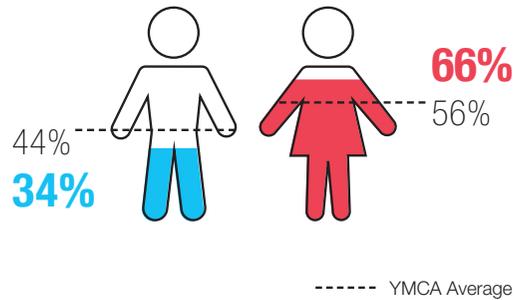


MEMBERS

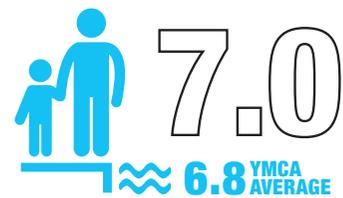
MEMBERSHIP TYPE BREAKDOWN



GENDER



SWIMMING LESSON AVERAGE AGE



COMMUNITY

NET PROMOTER SCORE



} YMCA Benchmark Score **50**
 } Good Industry Score **25-50**
 } Excellent Industry Score **50+**

2018-19 Achievements



Centre Performance

Key Achievements

Increased membership to 1,172 at peak with this averaged at 1,087 over the year

- 8% increase in direct paid visit participation
- All maintenance contracts negotiated for preventative maintenance for a 12 month period
- Implementation of cardio club, providing our gym users with a way to track cardio work outs and gain prizes and recognition for their efforts we have over 100 members actively engaging with this program
- Capital expenditure plan implemented including, the installation of the poolside blinds to help to reduce glare increasing another comfort and safety. The les Mills group fitness programs were implemented to facilitate the membership growth and diversify the member base
- 7% growth in swimming lessons program over the year with average enrolments of 477 compared to 17/18 of 449 the peak month was February where the program reached 523 enrolments.

	Original Budget 2018-19	Actual Result 2018-19	Variance
Membership	1,104	1,172	68
Swimming Lessons	530	523	(7)
Total Attendance	227,284	212,406	(14,878)

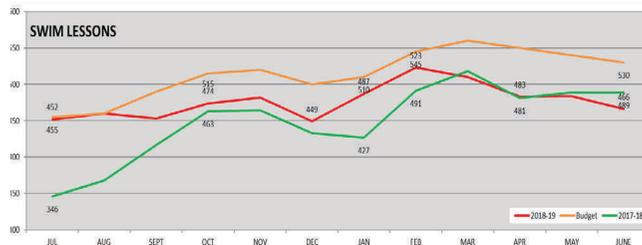
Membership

Memberships peaked at 1,172 in January and finished at 1,077 in June the peak budget number was 1,104 in June. This is a significant achievement for the Centre as the member base becomes more stable this allows revenue to be forecast with a higher degree of accuracy.



Swimming lessons

The Swimming lessons program reached a peak of 523 in against a budgeted peak of 560 in March. The program experienced a 7% annualized growth rate this is 3% over the national average of 4%. The success of the program has been consistent and high quality instruction. The YMCA has a nationally recognized program.



Social Impact Initiatives

Fleurieu Aquatic Centre has had an incredible social impact on the local community, this is something that is always challenging to measure. We have included a sample of our member testimonials below demonstrating the impact of the Centre on our individual members over the financial year.

The YMCA continue to partner with like-minded community organization's such as SAPOL, Rec Link and COTA and Great Southern Swimming Club to deliver opportunities for local residents.

The below testimonials are samples from our Member of month collection throughout the year.



Brad (pictured above) joined the Fleurieu Aquatic Centre September 2018. He uses both the pool and the gym. Since being a member Brad has increased fitness, muscle tone and general health. He is also making better food choices. Brad feels working with gym staff to create an appropriate program has helped him achieve these results.

“ The gym is my time. It helps me relax and to be motivated for the rest of the day. I’m pushing myself to do better than I did yesterday.

- Brad Hogan



Mandy (pictured below) joined the Centre in July 2018. She participates mostly in Pilates classes but does enjoy the odd aqua aerobics class. She also does 2 gym sessions a week and feels that has helped her become stronger. Her flexibility has improved too. Mandy suffers from regular pain and with exercise she has managed this better physically and mentally. With great improvements this keeps Mandy motivated to keep exercising.

“ If you are starting out, most importantly is to start off slowly. Exercise is a life style.

- Mandy Stacey



April-Lee (pictured above) joined the Fleurieu Aquatic Centre in April 2019. She uses all the gym equipment and is one of our cardio club members and has just reached her first incentive prize. April-Lee has lost 12kg since joining in April but has lost 26kg in total. She says, making better food choices has helped with this weight loss. Seeing these results helps keeps April motivated to keep up with her exercise.

“ Be kind to yourself and take it one day at a time.

- April- Lee Whittingham



Customer Feedback

YMCA implemented the Net Promoter Score (NPS) system in April 2018. This is an online customer feedback system that sends a short survey to members and swim lesson responsible guardians daily, only 5 customers are selected on a daily basis and feedback is monitored by the Centre Manager daily to address any concerns. The Net promoter score works by asking customers to rate the Centre out of 10 anyone scoring 0-6 is a detractor 7-8 are passives and 9-10 are promoters. NPS

scores vary across different industries, but a positive NPS (i.e., one that is higher than zero) is generally deemed good, a NPS of +50 is generally deemed excellent, and anything over +70 is exceptional.

This is a live dashboard so the score changes daily below are screen shots of the dashboard for a 12 month trend and comments published to the Centre's website.



“
The services offered are reliable, the staff is helpful and friendly and the amenities...
LS Lyn Swincer 19 minutes ago

“
The staff and classes are wonderful, and so are the coffees ☺
HG Helen Gaull 40 minutes ago

“
It's just a great space for relaxation, exercise, injury recovery, the staff, life...
DW Dianne Winnard 2 months ago

“
Clean, tidy warm water, pleasant staff, good facilities
HM Helen Meyer 2 months ago

“
Great facilities and wonderful staff
SS Sonya Sayer 2 months ago

“
Great facility and good value for money. Clean and well run.
JW Judy Williams 2 months ago



Marketing and Communications

Our marketing throughout the year focused heavily on increasing participation, driving membership sales and increasing enrolments in our core program of swimming Lessons.

- Program retention for the swimming lessons program during autumn and winter
- Internal member communication via email E-Blast
- Spring and summer promotion of membership sales and driving recreational casual entries over holiday periods

- YMCA has used a variety of media to promote the Centre from temporary local signage, online, print media releases database mail shots to increase our reach and target specific demographic groups

Some of the highlights from our marketing and promotions are featured below:



Financial Results

Total operating revenue for 2018-19 fell short of the original budget by \$129,446. The main revenue streams that did not meet the original budget are in the areas of swimming lessons and recreational swimming. The reduction in this unanticipated attendance also had a negative effect on merchandise sales.

The Authority for 2018-19 received contributions from Constituent Councils towards net operating deficits excluding depreciation expense for the facility. The Constituent Councils during 2018-2019 resolved not to cash fund depreciation expense for the Authority. As a result the Authority expects operating deficits equivalent to depreciation for future years.

The Authority holds sufficient funds to meet asset renewal requirements for the facility for the next 11 years, invested with the Local Government Financing Authority.

Fleurieu Aquatic Centre expenses for 2018-19 were generally lower than original budget. An area of note is YMCA salaries and wages which tracked over budget and considering the lower than expected FAC income, rostering may need reviewing. It is worth highlighting that electricity and water were both less than expected original budget – 10% and 52% respectively. Electricity costs are in line with 2017-18 and water down on 2017-18.

2018-19 saw the second full year of operations for the facility, providing a clearer understanding of the full cost of operating the centre. YMCA will continue to work with the Authority in 2019-20 to consider and develop initiatives to increase patronage and reduce costs.

Water savings were realised by accessing a YMCA contract resulting in significant savings for the Authority.

	Original Budget 2018-19	Actual Result 2018-19	Variance
Total operating revenue	\$1,910,037	\$1,780,591	(\$129,446)
Investment income	\$15,620	\$20,391	\$4,771
Total operating expenses	(\$2,399,307)	(\$2,303,820)	\$95,487
Depreciation	(\$706,927)	(\$677,597)	\$29,330
Authority expenses	(\$146,119)	(\$188,546)	(\$42,427)
Council (combined) contributions to operating expenses	\$1,326,696	\$619,768	(\$706,928)
Net operating surplus (deficit)	\$0	(\$749,213)	(\$749,213)

Performance Against Business Plan Objectives

OBJECTIVE	MEASURE
To maintain community participation and enthusiasm for FAC	<ul style="list-style-type: none"> Year on year growth in FAC performance in line with agreed Annual Key Performance Indicators (KPIs) (membership, swimming lessons, casual admittance and overall attendance) Member / customer satisfaction surveys; at least 85% of respondents rate their satisfaction as fairly satisfied or better
To foster and maximise social inclusion	<ul style="list-style-type: none"> Member/customer satisfaction surveys; at least 85% of respondents rate their satisfaction as fairly satisfied or better Operational safety and compliance audits, in line with agreed Annual Key Performance Indicators Disability Action Plan implementation
To preserve and maximise the brands (FAC & Authority) as high value, recognised, trusted and valued in the community	<ul style="list-style-type: none"> Member/customer satisfaction surveys; at least 85% of respondents rate their satisfaction as fairly satisfied or better Year on year growth in FAC performance in line with agreed Annual KPIs (membership, swimming lessons, casual admittance and overall attendance)
To act as a conduit for commercial and community partnerships and collaboration	<ul style="list-style-type: none"> Year on year growth in FAC performance in line with agreed Annual KPIs
To care for, protect and improve FAC in line with changing community needs	<ul style="list-style-type: none"> Services delivered in line with agreed Service Levels per Asset Management Plan Asset maintenance delivered in line with Preventative Maintenance Plan and Asset Management Plan Member / customer satisfaction surveys; at least 85% of respondents rate their satisfaction as fairly satisfied or better Reduction in energy and water use over time Risk Management Framework implemented
To, as far as possible, be financially self-sufficient	<ul style="list-style-type: none"> Year on year growth in FAC performance (in line with agreed annual KPIs) New (profitable) revenue streams established Net financial benefit of efficiency and effectiveness measures implemented Reduced quantum of financial contribution required from constituent Councils

Competitive Neutrality

The Authority is obliged by its Charter to undertake a competitive neutrality assessment of its significant business activities each year and to implement the principles of competitive neutrality where it is appropriate to do so. The principles of competitive neutrality do not limit the types of business activities which may be undertaken by the Constituent Councils (and hence the Authority). The principles of competitive neutrality require that where business activities undertaken by local government entities are significant, they are provided in a manner which is competitively neutral (provided that the public benefits of doing so outweigh the costs).

In compliance with the obligation under its Charter, the Authority undertook a competitive neutrality assessment for the 2018-19 period. By providing a corporatised entity (i.e. the Authority), the Constituent Councils have already applied the highest level of private sector equivalence under the competitive neutrality principles. An aspect of corporatisation is that outputs of significant business activities will be cost-reflectively priced where the public benefits of doing so outweigh the costs.

The 2018-19 review determined that swimming lessons, health and fitness activities and children's birthday parties undertaken at the Fleurieu Aquatic Centre are significant business activities of the Authority for the purposes of competitive neutrality.

The Authority utilised cost and patronage data for the period 2018-2019 to calculate cost-reflective prices for the outputs

of its significant business activities. The Authority engaged an independent consultant to review the Authority's financial calculations. The consultant also created a detailed costing model which can be used by the Authority to undertake future cost-reflective pricing calculations.

Following the calculation of the cost-reflective prices, the Authority assessed whether the public benefits of applying these prices to its significant business activities would outweigh the costs. In undertaking this assessment, the Authority considered the public policy outcomes which are sought to be achieved by the Constituent Councils in establishing and operating the Fleurieu Recreation Aquatic Centre, as well as the prices being charged in relevant markets. The outcome of this assessment was that the public benefits of applying cost-reflective pricing do not outweigh the costs at this time.

The South Australian Government Department of Premier and Cabinet (DPC) received two complaints of alleged breach of competitive neutrality requirements against the Authority in 2017. The complaints have been referred by DPC to the Essential Services Commission of South Australia for investigation. The Authority has provided information to ESCOSA to assist in its investigation.



Looking Ahead

Fleurieu Aquatic Centre

Looking ahead to 2019-20 the Centre will concentrate in a number of areas as outlined in the Business Marketing and Communications Plan and agreed 2019-20 Key Performance Indicators (KPI's). These will be reported through the monthly and quarterly reports the YMCA will work with the FRAC Authority to ensure corrective measures are taken where necessary to best deliver the services to the local community in line with the agreed and Key performance indicators.

The business is now reaching maturity and YMCA will aim to refine program offerings and manage efficient service delivery whilst controlling costs.

The development of a number of programs and services aimed at retention and growth will commence in

2019-20 including:

- Launch of Salti boards group fitness classes
- Implementation of new large pool inflatable
- Continued development of social water polo competition
- Implementation of free under 10's membership and reciprocal rights
- Launch of Strength for Life aqua classes in late October

The YMCA will continue to put the customer experience at the forefront of all that we do and invest heavily in staff development through internal and external training, we will review and implement practical solutions around the Disability Action Plan to ensure our customers gain maximum benefit from the Centre, we will keep developing our community presence by working with local community groups and services to maximise the usage of the Fleurieu Aquatic Centre.

The Centre has the potential to provide much needed services to the local community and achieving great social and health outcomes whilst minimizing the subsidy through continued responsible management of both the asset and the business.

The Authority

- Achieve or better the financial performance of the Authority as set out in the approved 2019-20 budget
- Work with YMCA to implement key actions for 2019-20 identified in the 3-Year Business Plan 2019-22 including:
 - Develop and implement a Stakeholder Engagement Plan with the aim of creating opportunities to promote the centre to new audiences and to collaborate with commercial organisations that can assist us to deliver on community needs and improve facilities, services and programs (in line with Charter objectives).
 - Establish relationships with owners of similar aquatic centres in South Australia to share intelligence and learnings
 - Review FAC facilities, programs, services and performance utilising year-on-year performance data, user demographics, customer survey feedback and industry intelligence
 - Explore opportunities for co-branding and promotion of FAC brand with aligned organisations
 - Undertake contractual and governance reviews including a formal Board performance review, a formal review of Operational Management performance and a review of Executive Officer performance
 - Reduce FAC energy consumption. Explore options to reduce electricity, water and chemical consumption and costs. Research and recommend initiatives for Authority consideration; demonstrating value in a business case.

Financial Statements 2018-19



Fleurieu Regional Aquatic Centre Authority

General Purpose Financial Reports for the year ended 30 June 2019

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Fleurieu Regional Aquatic Centre Authority
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
INCOME			
User charges	2	2,398,118	3,039,713
Investment income	2	<u>22,632</u>	<u>9,714</u>
Total Income		<u>2,420,750</u>	<u>3,049,427</u>
EXPENSES			
Materials, contracts & other expenses	3	2,492,366	2,367,987
Depreciation, amortisation & impairment	3	<u>677,597</u>	<u>673,452</u>
Total Expenses		<u>3,169,963</u>	<u>3,041,439</u>
OPERATING SURPLUS / (DEFICIT)		(749,213)	7,988
Amounts received specifically for new or upgraded assets	2	<u>41,840</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>(707,373)</u>	<u>7,988</u>

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

Fleurieu Regional Aquatic Centre Authority

STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	917,016	890,386
Trade & other receivables	4	<u>132,224</u>	<u>8,052</u>
Total Current Assets		<u>1,049,240</u>	<u>898,438</u>
Non-current Assets			
Infrastructure, Property, Plant & Equipment	5	<u>19,562,603</u>	<u>20,201,376</u>
Total Non-current Assets		<u>19,562,603</u>	<u>20,201,376</u>
Total Assets		<u>20,611,843</u>	<u>21,099,814</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6	<u>312,408</u>	<u>93,006</u>
Total Current Liabilities		<u>312,408</u>	<u>93,006</u>
Total Liabilities		<u>312,408</u>	<u>93,006</u>
NET ASSETS		<u>20,299,435</u>	<u>21,006,808</u>
EQUITY			
Accumulated Surplus		(769,126)	(61,753)
Capital Contributions		<u>21,068,561</u>	<u>21,068,561</u>
TOTAL EQUITY		<u>20,299,435</u>	<u>21,006,808</u>

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

Fleurieu Regional Aquatic Centre Authority

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2019

	Notes	Accumulated Surplus	Capital Contributions	TOTAL EQUITY
2019		\$	\$	\$
Balance at end of previous reporting period		(61,753)	21,068,561	21,006,808
Capital Contribution from Councils		-	-	-
Net Surplus / (Deficit) for Year		<u>(707,373)</u>	<u>-</u>	<u>(707,373)</u>
Balance at end of period		<u>(769,126)</u>	<u>21,068,561</u>	<u>20,299,435</u>
2018				
Balance at end of previous reporting period		(69,741)	21,068,561	20,998,820
Capital Contribution from Councils		-	-	-
Net Surplus / (Deficit) for Year		<u>7,988</u>	<u>-</u>	<u>7,988</u>
Balance at end of period		<u>(61,753)</u>	<u>21,068,561</u>	<u>21,006,808</u>

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

Fleurieu Regional Aquatic Centre Authority

STATEMENT OF CASH FLOWS
for the year ended 30 June 2019

		2019	2018
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts</u>			
Rates - general & other			
Fees & other charges			
Operating receipts		2,480,046	1,647,403
Investment receipts		22,599	6,000
<u>Payments</u>			
Employee Costs			
Contractual services & materials			
Operating payments to suppliers & employees		(2,479,031)	(957,154)
Finance payments		-	-
Net Cash provided by (or used in) Operating Activities	8	23,614	696,249
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		41,840	-
<u>Payments</u>			
Expenditure on new/upgraded assets		(38,824)	-
Net Cash provided by (or used in) Investing Activities		3,016	-
Net Increase (Decrease) in cash held		26,630	696,249
Cash & cash equivalents at beginning of period	8	890,386	194,137
Cash & cash equivalents at end of period	8	917,016	890,386

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

FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

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 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 Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Alexandrina Council and City of Victor Harbor.

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 this Note.

1.4 Rounding

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

2 The Local Government Reporting Entity

The Authority was established on 6 August 2015 in accordance with Section 43 of the Local Government Act 1999 & Section 25 of the Local Government Implementation Act 1999. These financial statements have been prepared for use by constituent councils of the Authority.

3 Income recognition

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

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

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful. All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policy applied to financial instruments forms part of Note 8.

Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - Significant Accounting Policies (cont)

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

An asset is recognised in the Statement of Financial Position when it is probable that future economic benefits will flow to the entity and the asset has a cost that can be measured reliably.

An asset that qualifies for recognition as an asset will be recognised at cost as at the date of acquisition, including costs directly attributable to bringing the asset to the location and in the required condition for operation by the Authority. Where an asset is acquired at no or nominal cost, it will be recognised at its fair value as at the date of acquisition.

6.2 Materiality

Assets should have a useful life of greater than one year to enable capitalisation of the expenditure and should also meet a materiality test. Materiality levels are set so as not to misstate financial statements and to provide a guide whether it is practical from an administrative perspective that expenditure is capitalised. No capitalisation threshold is applied to the acquisition of land or interests in land.

Materiality levels for capitalisation are set at:

Furniture, Fittings and Minor Equipment	\$1,000
Plant and Major Equipment	\$5,000
Buildings	\$5,000
Infrastructure	\$5,000

6.3 Subsequent Recognition

An item that qualifies for recognition as an asset shall be measured at its cost on the date of recognition. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition and all other costs incurred in getting the asset ready for use. Where an asset is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition. The following years after asset recognition the asset will be valued at fair value according to the revaluation program as determined.

6.4 Depreciation of Non-Current Assets

All non-current assets have a limited useful life except for land and land improvements. The depreciable amount of all non-current assets, excluding freehold land and land improvements, are systematically depreciated over their useful lives which reflects the consumption of the service potential embodied in those assets.

Depreciation of an asset begins when it is available for use i.e. when it is in the condition necessary for it to be capable of operating in the manner intended; and ends when it is classified as held for sale or when derecognised.

Depreciation of assets is calculated on a straight-line basis using the following standard estimates for useful lives. The useful lives for building, infrastructure; furniture and fittings; and plant and equipment assets have been estimated based on industry standards and consultancy advice. The actual useful life and therefore depreciation rates may be varied for specific assets where asset quality and environmental and/or operational conditions so warrant. Useful lives and residual values for each class of asset are reviewed annually and are included in the asset register which is updated following adoption of the annual financial statements each year.

Buildings & Other Structures	7 - 40 years
Furniture & Fittings	2 - 40 years
Plant & Equipment	6 - 40 years
Infrastructure	12 - 40 years

Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 1 - Significant Accounting Policies (cont)

6.5 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed periodically for impairment. 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 value exceeds its recoverable amount in accordance with AASB 136.

External indicators for impairment may include significant adverse changes in the technological, market, economic or legal environment. Internal indicators may include obsolescence or physical damage of an asset.

Impairment shall be determined subject to the provisions AASB 108 Materiality, whereby the total change in the written down value for the asset or the total impact on the depreciation shall be material. An impairment loss is recognised in the Income Statement, unless the asset is carried at a revalued amount, whereby it is to be treated in the same way as a revaluation decrement against the same asset. An impairment loss can be reversed in subsequent years.

7 Payables

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.

8 New Accounting Standards

In the current year, the Authority adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised standards and interpretations has not resulted in any material changes to the Authority's accounting policies.

Certain new accounting standards have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

The Authority is required to implement *AASB 15 Revenue from Contracts* and *AASB 1058 Income for Not-for-profit Entities* as from 1 July 2019. As at the time of preparing these financial statements, an assessment has not been completed to quantify whether the introduction of the new accounting standards will have a material impact on the Authority's accounting policies and future reported financial performance and position.

9 Member Council Contribution

The City of Victor Harbor and Alexandrina Council funded the construction of the Fleurieu Aquatic Centre facilities and purchased all plant and equipment for the Aquatic Centre. Each Council contributed 50% towards the cost of construction of the facility and purchase of the equipment. Both Councils transferred these assets to the Authority on 17 March 2017, as an equity contribution.

The Authority for 2018/19 received contributions from Constituent Councils towards net operating deficits excluding depreciation expense for the facility. The Constituent Councils during 2018/19 resolved not to cash fund depreciation expense for the Authority. As a result the Authority expects operating deficits equivalent to depreciation expense for future years.

10 YMCA Management

The Authority has engaged the YMCA to manage the day to day running of the Fleurieu Aquatic Centre. This management encompasses the receipting of income and outgoing of expenditure of the facility. The following income and expenditure lines relate to those managed by the YMCA:

	<u>2019</u>	<u>2018</u>
FAC Income	\$1,778,350	\$1,672,661
Fleurieu Aquatic Centre Expenses	<u>\$1,837,449</u>	<u>\$1,685,571</u>
Net Result	(\$59,099)	(\$12,910)

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 1 - Significant Accounting Policies (cont)

11 Leases

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contract – except leases with a maximum term of 12 months and leases for non-material amounts – be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2019, the Authority has no lease to which this treatment will need be applied.

Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 2 - INCOME

	Notes	2019 \$	2018 \$
USER CHARGES			
Council Contribution - Alexandrina Council		309,884	683,526
Council Contribution - City of Victor Harbor		309,884	683,526
FAC Income		<u>1,778,350</u>	<u>1,672,661</u>
		<u>2,398,118</u>	<u>3,039,713</u>
<p>Variance of Council Contribution between years due to Contituent Council resolution in 2018/19 to no longer fund depreciation as a cash component.</p>			
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		<u>22,632</u>	<u>9,714</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		<u>41,840</u>	<u>-</u>

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 3 - EXPENSES

	Notes	2019 \$	2018 \$
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration		<u>5,150</u>	<u>5,000</u>
Subtotal - Prescribed Expenses		<u>5,150</u>	<u>5,000</u>
 <u>Other Materials, Contracts & Expenses</u>			
Contracts		71,088	100,952
Board Expenses		13,842	15,002
Administration		97,583	56,547
IT & Telephone		883	731
Fleurieu Aquatic Centre Site Expenses		466,371	504,184
Fleurieu Aquatic Centre Expenses		<u>1,837,449</u>	<u>1,685,571</u>
Subtotal - Other Materials, Contracts & Expenses		<u>2,487,216</u>	<u>2,362,987</u>
		<u>2,492,366</u>	<u>2,367,987</u>
 DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures	5	365,016	365,016
Furniture & Fittings	5	154,378	150,232
Plant & Equipment	5	61,225	61,226
Infrastructure	5	<u>96,978</u>	<u>96,978</u>
		<u>677,597</u>	<u>673,452</u>

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 4 - CURRENT ASSETS

	2019	2018
CASH & EQUIVALENT ASSETS	\$	\$
Cash on Hand and at Bank	Notes 94,044	8,087
Deposits at Call	<u>822,972</u>	<u>882,299</u>
	<u>917,016</u>	<u>890,386</u>
 TRADE & OTHER RECEIVABLES		
Accrued Revenues	7,274	3,853
Debtors - General	121,166	-
Prepayments	<u>3,784</u>	<u>4,199</u>
	<u>132,224</u>	<u>8,052</u>

Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2018				2019			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Buildings & Other Structures	-	12,407,742	(470,021)	11,937,721	-	12,407,742	(835,037)	11,572,705
Furniture & Fittings	-	3,818,733	(193,450)	3,625,283	-	3,857,557	(347,828)	3,509,729
Plant & Equipment	-	1,147,485	(78,838)	1,068,647	-	1,147,485	(140,063)	1,007,422
Infrastructure	-	3,694,601	(124,876)	3,569,725	-	3,694,601	(221,854)	3,472,747
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	-	21,068,561	(867,185)	20,201,376	-	21,107,385	(1,544,782)	19,562,603
<i>Comparatives</i>	-	21,068,561	(193,733)	20,874,828	-	21,068,561	(867,185)	20,201,376

This Note continues on the following page.

Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (cont.)

	CARRYING AMOUNT MOVEMENTS DURING YEAR										2019 \$ CARRYING AMOUNT
	2018 \$ CARRYING AMOUNT	Additions		Disposals	Depreciation	Impairment	Contributed Assets	Net Revaluation			
		New/Upgrade	Renewals								
Buildings & Other Structures	11,937,721	-	-	-	(365,016)	-	-	-	-	-	11,572,705
Furniture & Fittings	3,625,283	38,824	-	-	(154,378)	-	-	-	-	-	3,509,729
Plant & Equipment	1,068,647	-	-	-	(61,225)	-	-	-	-	-	1,007,422
Infrastructure	3,569,725	-	-	-	(96,978)	-	-	-	-	-	3,472,747
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	20,201,376	38,824	-	-	(677,597)	-	-	-	-	-	19,562,603
Comparatives	20,874,828	-	-	-	(673,452)	-	-	-	-	-	20,201,376

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 6 - LIABILITIES

	Notes	2019		2018	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES		\$	\$	\$	\$
Goods & Services		87,187	-	48,647	-
Other		<u>225,221</u>	-	<u>44,359</u>	-
		<u>312,408</u>	-	<u>93,006</u>	-

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 7 - RECONCILIATION TO STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Notes	2019 \$	2018 \$
Total cash & equivalent assets	4	<u>917,016</u>	<u>890,386</u>
Balances per Cash Flow Statement		<u>917,016</u>	<u>890,386</u>

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

Net Surplus (Deficit)	(707,373)	7,988
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	<u>677,597</u>	<u>673,452</u>
	(29,776)	681,440
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(166,012)	92,049
Net increase (decrease) in trade & other payables	<u>219,402</u>	<u>(77,240)</u>
Net Cash provided by (or used in) operations	<u>23,614</u>	<u>696,249</u>

(d) Financing Arrangements

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

Corporate Credit Cards	5,000	5,000
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Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 8 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call	<p>Accounting Policy: Carried at lower of cost and net realisable value; interest is recognised when earned.</p> <p>Terms & conditions: Deposits at call have an average maturity of 90 days and an average interest rate of 2.05%. (2018: 90 days, 1.95%)</p> <p>Carrying amount: Approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts.</p> <p>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.</p> <p>Carrying amount: Approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: Secured over future revenues, borrowings are repayable by biannual instalments of principle and interest.</p> <p>Carrying amount: Approximates fair value.</p>

Fleurieu Regional Aquatic Centre Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 8 - FINANCIAL INSTRUMENTS (cont.)

Liquidity Analysis

2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	917,016	-	-	917,016	917,016
Receivables	132,224	-	-	132,224	132,224
Total	1,049,240	-	-	1,049,240	1,049,240
Financial Liabilities					
Payables	312,408	-	-	312,408	312,408
Total	312,408	-	-	312,408	312,408
2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
Financial Assets					
Cash & Equivalents	890,386	-	-	890,386	890,386
Receivables	8,052	-	-	8,052	8,052
Total	898,438	-	-	898,438	898,438
Financial Liabilities					
Payables	93,006	-	-	93,006	93,006
Total	93,006	-	-	93,006	93,006

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

	Weighted Average Interest Rate	Carrying Value 2019	Carrying Value 2018
	%	\$	
Overdraft	-	-	-
Non Interest Bearing	-	312,408	93,006
		<u>312,408</u>	<u>93,006</u>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the 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 allowance for doubtful debts. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Note 4 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.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 9 - COMMITMENTS FOR EXPENDITURE

Services	Contractor	Period of contract	Brief description
Operational Management – Fleurieu Aquatic Centre	YMCA SA	3 years (1 November 2016 - 30 June 2020)	Provision of aquatic centre facility management and operating services for the Fleurieu Aquatic Centre (management of all aspects of daily operations and maintenance of the facility)
External Audit Services - Fleurieu Regional Aquatic Centre Authority	Dean Newbery & Partners	3 years (1 June 2017 - 31 May 2020)	Provision of an independent audit opinion of the accounts and annual financial reports of the Authority for financial years 2016/17, 2017/18 and 2018/19

Note 10 - OPERATING LEASES

The Authority as at 30 June 2019 had not entered in to any operating leases.

Note 11 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

The Authority as at 30 June 2019 had not recognised any contingency.

Note 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2019 that need to be disclosed in the financial statements.

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 13 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair, the Board and Executive Officer prescribed as officers under section 112 of the Local Government Act 1999. In all, Key Management Personnel were paid the following total compensation:

	2018	2018
Salaries, allowances & other short term benefits	\$ 76,725	\$ 102,671
Post-employment benefits	\$ -	\$ -
Long term benefits	\$ -	\$ -
Termination Benefits	\$ -	\$ -
TOTAL	\$ 76,725	\$ 102,671

Transactions with Related Parties:

The following transactions occurred with Related Parties during the financial year ended 30 June 2018:

Related Party Entity	Sale of Goods & Services (\$,000)	Amounts Outstanding from Related Parties (\$,000)	Description of Services Provided to Related Parties
Alexandrina Council	310	-	Provision of regional aquatic facilities
City of Victor Harbor	310	-	Provision of regional aquatic facilities

Amounts recorded as outstanding from Related Parties are recorded in trade and other receivables in Note 4.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial operating decisions of the Authority. No one Member Council individually has control of those policies.

Fleurieu Regional Aquatic Centre Authority

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019**

Note 14 - 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.

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

	2019 \$	2018 \$
Income	2,420,750	3,049,427
Expenses	<u>(3,169,963)</u>	<u>(3,041,439)</u>
Operating Surplus / (Deficit)	(749,213)	7,988
less Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	-
Add back Depreciation, Amortisation and Impairment	677,597	673,452
Proceeds from Sale of Replaced Assets	<u>-</u>	<u>-</u>
	677,597	673,452
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(38,824)	-
Amounts received specifically for New and Upgraded Assets	41,840	-
	<u>3,016</u>	<u>-</u>
Net Lending / (Borrowing) for Financial Year	<u>(68,600)</u>	<u>681,440</u>

Note 15 - ECONOMIC DEPENDENCY

Per section 5.2 of the Authority's Charter there maybe a requirement for additional financial contributions to be made by Constituent Councils if there is insufficient working capital available to meet the Authority's financial obligations. The Authority may be reliant on this additional financial support being provided to enable it to continue to operate on a going concern basis.

Fleurieu Regional Aquatic Centre Authority

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by Fleurieu Regional Aquatic Centre 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 2019 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



Matt Grant
CHAIR PERSON

Date 27 September 2019

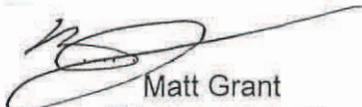
Fleurieu Regional Aquatic Centre Authority

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2019**

CERTIFICATION OF AUDITORS INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2019, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, 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



Matt Grant
CHAIR PERSON



Ian Swan
AUDIT & RISK CHAIR PERSON

Date 25 September 2019



FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2019, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 1999 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 16A(2) *Local Government (Financial Management) Regulations 1999*.



.....
Glenn Rappensberg
CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date: 21 August 2019

FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2019, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, 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 Section 22 (3) *Local Government (Financial Management) Regulations 2011*.



.....
Victoria MacKirdy
CHIEF EXECUTIVE OFFIER
City of Victor Harbor

Date: 22 August 2019

**Auditor's Independence Declaration under Section 22 of the Local Government
(Financial Management) Regulations 2011 to the Fleurieu Regional Aquatic
Centre Authority.**

I confirm that, for the audit of the financial statements of the Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2019, 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*.



JIM KEOGH
PARTNER

Signed on the 10th day of September 2019,
at 214 Melbourne Street, North Adelaide, South Australia 5006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FLEURIEU REGIONAL AQUATIC CENTRE AUTHORITY

Opinion

We have audited the financial report of the Fleurieu Regional Aquatic Centre Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of Financial Statements.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards (including Australian Accounting Interpretations).

Basis for Opinion

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

Other Information other than the Financial Report and Auditor's Report Thereon

The Authority is responsible for the other information. The other information comprises the information included in the Authority's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility for the Financial Report

The Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. The Authority's responsibility includes establishing and maintaining internal control relevant to preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS



JIM KEOGH
PARTNER

Signed on the 1st day of October 2019,
at 214 Melbourne Street, North Adelaide



Further information about the Fleurieu Aquatic Centre facilities, programs and memberships is available online at www.fleurieuaquaticcentre.com.au or by calling (08) 7078 4150.

Fleurieu Regional Aquatic Centre Authority

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