



# ANNUAL REPORT

**2018 to 2019**

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

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

At a practical level, our core business activity is the management of our SRWRA Landfill, and a Recycling Operation employing innovative resource recovery approaches in managing all products and materials as valuable and finite resources. SRWRA is one of the State's major landfill operations currently receiving over 100,000 tonnes of waste annually.

SRWRA's joint venture operation with Integrated Waste Services (IWS) has developed through 2018 - 2019 with significant improvements in the recycling programme through the jointly operated Southern Recycling Centre (SRC) realising significant improvements in the reduction of waste to landfill.

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**SRWRA** CONSTITUENT  
COUNCILS



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**JOINT** VENTURE  
PARTNER





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## CHAIRPERSON'S MESSAGE

Less waste, more resources, is the title of Australia's National Waste Policy which was released in 2018.

The Policy reports that as a nation we produce 2.7 tonnes of waste per person; encouragingly this has declined by 10% since 2006. Increasingly, we are recognising that we can reduce our environmental impacts if we harness the value of the materials we have previously disposed of by returning them to productive use.

Our National Waste Policy embodies the circular economy where we seek to maintain the economic value of resources for as long as possible. Our State waste strategy, not surprisingly has a similar focus, setting the objective for South Australia to become a resource efficient economy securing best or full value from products and materials. In 2018-19 SRWRA's planning focused on supplementing our landfill activities with the potential for a substantial investment in a modern materials recovery facility that will receive, separate and prepare recyclable materials for marketing to end-use manufacturers ensuring Southern Adelaide is well-placed to contribute to a resource efficient economy.

We are planning to integrate our activities with those of researchers and with industry to provide recovered materials for manufactured reuse, creating employment and generating economic activity in the south of Adelaide. The next 18 months will be exciting times for SRWRA as the traditional landfill site moves towards becoming a truly integrated waste management precinct.

Consistent with national Policy and the State Strategy our landfill activities have continued to focus on the diversion, recovery, and productive use of materials before resorting to landfilling. It is pleasing that over the past year the Southern Recycling Centre has successfully diverted 17,463 tonnes of material from landfill and that material has been put to a productive use. This is a significant improvement over the previous year and with further enhancements to our processes we expect that this will continue to increase again in coming years.

I am pleased to advise that, while maintaining very competitive waste disposal costs, for the year ended 30 June 2019 SRWRA reported an Operating Surplus of \$0.503 million which will be reinvested in our future waste management activities.



From a governance perspective the past year was one of much change. Since 2013 the Authority has been capably led by CEO Mark Hindmarsh, who returned to his native Scotland in early 2019. On behalf of the board I wish to acknowledge the significant contribution he made to the growth and development of SRWRA during his tenure. The board also extends its thanks to Paul Thorne who acted as CEO prior to appointment of Chris Adams and to all our staff whose efforts underpin our success. I wish to thank my fellow board members for their commitment, insight and acumen, these are invaluable in ensuring we are well placed to meet the challenges that lie ahead. In doing so I wish to recognise, in particular the contributions of Vincent Mifsud, Alison Hancock and Lynda Yates who left the Board in the past year.

I commend the annual report to you.

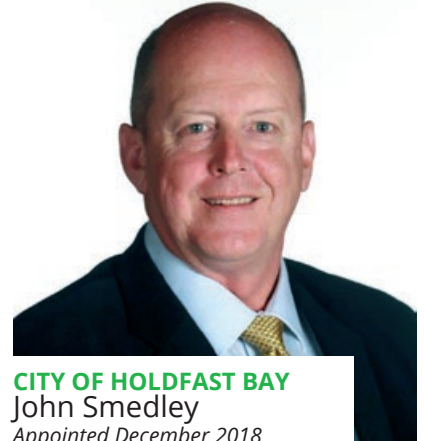
Mark Booth  
**CHAIRPERSON**

# BOARD OF MANAGEMENT

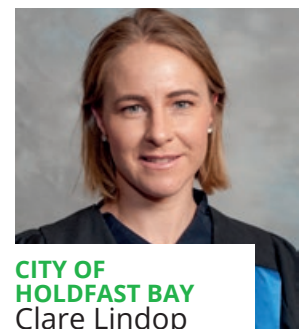
AS AT JUNE 30<sup>TH</sup> 2019



## MEMBERS



## DEPUTY MEMBERS





## CHIEF EXECUTIVE OFFICER'S MESSAGE

The last 12 months has continued to see significant disruption to the waste management industry. SRWRA is responding to this disruption by positioning itself to support the evolving needs of its Constituent Councils and their communities. This is evidenced by the following activities undertaken throughout the year:

- With our Joint Venture Partners we have continued to maximise waste avoidance, re-use, recycling and recovery opportunities prior to landfill disposal.
- Approved the installation of a Gas Utilisation Facility to be completed in December 2019 that will generate, at full design capacity, 25,500MWh of electricity from the methane gas generated by the landfill operations.
- Commenced planning for a Materials Recovery Facility (MRF) to process the kerbside recyclables from our Constituent Councils including researching new and evolving circular economy markets for the re-use and re-purposing of the recycled materials.

The Authority has continued to provide a cost effective and environmentally responsible waste management solution for its Constituent Councils and their communities. Our focus on our operations resulted in a full-year Operating Surplus of \$0.503 million. The Authority is in a strong financial position with

net assets of \$19.633 million ensuring that we can meet all current and future landfill liabilities without the need for additional funding from our Constituent Councils.

Over the last 12 months the Authority invested in the education of schoolchildren within our communities through the Les Perry Memorial Grants Program. This year, 12 schools from our three Constituent Council areas received a total of \$5,537 in grant funding to support them learning about environmental responsible waste management. Given the outcomes being achieved the Board has approved an increase in the maximum grant amount of \$750 per school, up from \$500.

Although I have only been with the Authority for a short period of time, it has been gratifying to experience the energy, passion and commitment of the Board, Audit Committee, Staff, Joint Venture Partners and contract partners in responding to and capitalising on the significant changes occurring in our industry. I look forward to the next 12 months as we continue to transition our services for the delivery of innovative and sustainable waste management solutions for the benefit of our southern Adelaide communities and the environment.

Chris Adams  
CHIEF EXECUTIVE OFFICER







# **FINANCIAL** REPORT

FOR THE FINANCIAL YEAR ENDED **30 JUNE 2019**

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2019

#### CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 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 cashflows for the financial year.

- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable throughout the financial year.

- the financial statements accurately reflect the Authority's accounting and other records.



.....  
Mark Booth  
Chairman



.....  
Chris Adams  
Chief Executive Officer

Dated the 14<sup>th</sup> day of Sept 2019

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### STATEMENT OF COMPREHENSIVE INCOME for the financial year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
<b>INCOME</b>			
User charges	2	10,578	11,713
Investment income	2	647	620
Other Income	2	464	1,201
Net gain - equity accounted Joint Venture	15	437	176
<b>Total Income</b>		<b>12,126</b>	<b>13,710</b>
<b>EXPENSES</b>			
Employee costs	3	1,301	1,189
Materials, contracts & other expenses	3	9,445	9,777
Depreciation, amortisation & impairment	3	868	908
Other Expenses	3	-	80
Net loss - equity accounted Joint Venture	15	-	-
<b>Total Expenses</b>		<b>11,614</b>	<b>11,954</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>512</b>	<b>1,756</b>
Net gain (loss) on disposal or revaluation of assets	4	(9)	21
Amounts received specifically for new or upgraded assets		-	-
<b>NET SURPLUS / (DEFICIT)</b>		<b>503</b>	<b>1,777</b>
transfer to Equity Statement			
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - property, plant & equipment		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>503</b>	<b>1,777</b>

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

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

	Notes	2019 \$'000	2018 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	17,497	16,343
Trade & other receivables	5	1,666	1,839
Inventories	5	-	-
		<u>19,163</u>	<u>18,182</u>
<b>Total Current Assets</b>		<b>19,163</b>	<b>18,182</b>
<b>Non-current Assets</b>			
Equity Accounted Joint Venture	15	832	885
Property, Plant & Equipment	6	15,440	15,580
		<u>16,272</u>	<u>16,465</u>
<b>Total Non-current Assets</b>		<b>16,272</b>	<b>16,465</b>
<b>Total Assets</b>		<b>35,435</b>	<b>34,647</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7	2,201	2,436
Provisions	7	126	101
		<u>2,327</u>	<u>2,537</u>
<b>Total Current Liabilities</b>		<b>2,327</b>	<b>2,537</b>
<b>Non-current Liabilities</b>			
Provisions	7	13,475	12,980
		<u>13,475</u>	<u>12,980</u>
<b>Total Non-current Liabilities</b>		<b>13,475</b>	<b>12,980</b>
<b>Total Liabilities</b>		<b>15,802</b>	<b>15,517</b>
<b>NET ASSETS</b>		<b>19,633</b>	<b>19,130</b>
<b>EQUITY</b>			
Accumulated Surplus		<u>19,633</u>	<u>19,130</u>
<b>TOTAL EQUITY</b>		<b>19,633</b>	<b>19,130</b>

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

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

2019	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Balance at end of previous reporting period		19,130	-	-	19,130
Adjustments due to compliance with revised Accounting Standards		-	-	-	-
Adjustments to give effect to changed accounting policies		-	-	-	-
Restated Opening Balance		19,130	-	-	19,130
Net Surplus/ (Deficit) for Year		503	-	-	503
<b>Other Comprehensive Income</b>					
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-	-
Transfers between reserves		-	-	-	-
Distributions to Member Councils		-	-	-	-
<b>Balance at end of period</b>		<b>19,633</b>	<b>-</b>	<b>-</b>	<b>19,633</b>

2018	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Balance at end of previous reporting period		19,903	-	-	19,903
Adjustments due to compliance with revised Accounting Standards		-	-	-	-
Adjustments to give effect to changed accounting policies		-	-	-	-
Restated Opening Balance		19,903	-	-	19,903
Net Surplus/ (Deficit) for Year		1,777	-	-	1,777
<b>Other Comprehensive Income</b>					
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-	-
Transfers between reserves		-	-	-	-
Distributions to Member Councils		(2,550)	-	-	(2,550)
<b>Balance at end of period</b>		<b>19,130</b>	<b>-</b>	<b>-</b>	<b>19,130</b>

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

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## STATEMENT OF CASH FLOWS

for the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Operating receipts		12,337	13,439
Investment receipts		647	623
<u>Payments</u>			
Operating payments to suppliers & employees		(11,965)	(12,322)
<b>Net Cash provided by (or used in) Operating Activities</b>	8 (b)	<u><b>1,019</b></u>	<u><b>1,740</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Amounts specifically for new or upgraded assets		-	-
Sale of surplus assets		21	33
Distributions received from equity accounted Joint Venture	15	490	-
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(256)	(341)
Expenditure on new/upgraded assets		(120)	(2,479)
Capital contributed to equity accounted Joint Venture	15	-	-
<b>Net Cash provided by (or used in) Investing Activities</b>		<u><b>135</b></u>	<u><b>(2,787)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Payments</u>			
Distribution to Member Councils		-	(2,550)
<b>Net Cash provided by (or used in) Financing Activities</b>		<u><b>-</b></u>	<u><b>(2,550)</b></u>
<b>Net Increase (Decrease) in cash held</b>		<b>1,154</b>	<b>(3,597)</b>
Cash & cash equivalents at beginning of period		<u>16,343</u>	<u>19,940</u>
<b>Cash &amp; cash equivalents at end of period</b>	8 (a)	<u><b>17,497</b></u>	<u><b>16,343</b></u>

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

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 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 equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Urgent Issues Group Interpretations (UGIs) and relevant South Australian legislation.

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

##### 1.2 Historical Cost Convention

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

##### 1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

##### 1.4 Rounding

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

#### 2 The Local Government Reporting Entity

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

#### 3 Income recognition

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

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

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

Receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 10.



**SOUTHERN REGION WASTE RESOURCE AUTHORITY**

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

**Note 1 - Significant Accounting Policies (cont)**

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

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

**5.1 Initial Recognition**

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

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

**5.2 Materiality**

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

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

**5.3 Depreciation of Non-Current Assets**

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

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

Plant, Furniture & Equipment	3 -10 years
Buildings	30 - 50 years
Waste Facility	10 - 15 years
Landfill Construction	Amortised proportionately to rate of filling

**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.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

#### Note 1 - Significant Accounting Policies (cont)

#### 7 Employee Benefits

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

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

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

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

##### 7.2 Superannuation

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

###### Accumulation Fund Members

*Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation 9.5% in 2018/19 (9.5% in 2017/18). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.*

###### Defined Benefit Members

*Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial. The most recent full actuarial investigation conducted by the Scheme'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 the Authority's contribution rates at some future time.*

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

#### 8 Rehabilitation

Expenditures relating to ongoing rehabilitation and restoration reduce any provision previously established.

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and makes adjustments to the liability as required to ensure an accurate projected cost of the liability is showing in the balance sheet. The Authority will be undertaking further detailed reviews of all rehabilitation and restoration liability costs in future years with the assistance of external consultants to ensure all projected costs have been independently verified.

#### 9 Inventory

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

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

#### Note 1 - Significant Accounting Policies (cont)

##### 10 GST Implications

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

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

##### 11 Comparative Information

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

##### 12 New Accounting Standards

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.

The Authority is of the view that none of the new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

##### 13 Valuation of Land and Building Assets

Land and Building assets held by the Authority were valued by Opteon (South Australia) Pty Ltd with an effective valuation date of 30 June 2014 applied for financial reporting purposes. Assets were valued to their market value based on the current zoning of the Onkaparinga Council Development Plan and Environmental Protection Agency (EPA) constraints and assessed market values based on highest and best use. All purchases made post 30 June 2014 have been recorded at Cost.

##### 14 Capping Liability Review

During the 2018/19 financial year, the Authority undertook a review of all the key assumptions and estimates in relation to the measurement of landfill cell capping liabilities recorded in Note 7 of the Financial Statements. The Authority engaged Golder Associates Pty Ltd to complete the independent assessment of the liability. As a result of work completed by Golder Associates, the estimated capping liability has been increased to \$7.823 million as at 30 June 2019. This represented an increase of \$0.382m to capping liability estimates to be recognised in 2018/19.

The Authority as at 30 June 2019 has consolidated all capping liability obligations as a single activity given that landfill operations have consolidated into a single cell operation. A new capping liability disclosed as 'Super Cell Capping' has been recognised in Note 7.

# SOUTHERN REGION WASTE RESOURCE 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
<b>USER CHARGES</b>			
Landfill Operations		<u>10,578</u>	<u>11,713</u>
		<u>10,578</u>	<u>11,713</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		421	444
Banks & other		18	24
Investment property rental income		<u>208</u>	<u>152</u>
		<u>647</u>	<u>620</u>
<b>OTHER INCOME</b>			
Movement in Landfill Liabilities		-	886
Other Income		63	48
Southern Recycling Centre		<u>401</u>	<u>267</u>
		<u>464</u>	<u>1,201</u>

### Note 3 - EXPENSES

<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,146	1,092
Employee leave expense		12	(42)
Superannuation		95	87
Workers' Compensation Insurance		48	52
Less: Capitalised and distributed costs		-	-
<b>Total Operating Employee Costs</b>		<u>1,301</u>	<u>1,189</u>
<b>Total Number of Employees</b>		<b>13</b>	<b>11</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		19	18
Board Expenses		41	38
Subtotal - Prescribed Expenses		<u>60</u>	<u>56</u>
<u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		418	143
Fuel		132	113
Equipment Hire		-	68
Maintenance		270	299
Legal Expenses		16	21
Levies paid- EPA Levy		8,010	8,547
Professional services		36	28
Southern Recycling Centre		255	187
Sundry		248	315
Subtotal - Other Materials, Contracts & Expenses		<u>9,385</u>	<u>9,721</u>
		<u>9,445</u>	<u>9,777</u>

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 3 - EXPENSES (cont)

	Notes	2019 \$'000	2018 \$'000
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Landfill Construction		374	394
Buildings & Waste Facility		143	140
Plant & Equipment		351	374
Impairment	6	-	-
		<u>868</u>	<u>908</u>
<b>OTHER EXPENSES</b>			
Transfer to Provision of Cell 3-1 & 3-2 Capping		-	80
		<u>-</u>	<u>80</u>

### Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

<b>PROPERTY, PLANT &amp; EQUIPMENT</b>			
Proceeds from disposal		21	33
Less: Carrying amount of assets sold		<u>(30)</u>	<u>(12)</u>
<b>Gain (Loss) on disposal</b>		<u>(9)</u>	<u>21</u>
<b>NET GAIN (LOSS) ON DISPOSAL OF ASSETS</b>		<u>(9)</u>	<u>21</u>

### Note 5 - CURRENT ASSETS

<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		1,755	2,013
Short Term Deposits & Bills, etc		<u>15,742</u>	<u>14,330</u>
		<u>17,497</u>	<u>16,343</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Accrued Revenues		37	22
Debtors - general		1,626	1,813
Prepayments		<u>3</u>	<u>4</u>
		<u>1,666</u>	<u>1,839</u>
<b>INVENTORIES</b>			
Stores & Materials		-	-
		<u>-</u>	<u>-</u>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

#### Note 6 - PROPERTY, PLANT & EQUIPMENT

	2018				2019			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
	\$'000				\$'000			
Land	1,427	2,556	-	3,983	1,427	2,556	-	3,983
Buildings	560	4,042	(491)	4,111	560	4,044	(634)	3,970
Plant & Equipment	-	4,393	(2,651)	1,742	-	4,600	(2,980)	1,620
Office Equipment	-	148	(113)	35	-	153	(123)	30
<b>Landfill Construction:</b>								
Super Cell		7,511	(5,042)	2,469		7,565	(5,195)	2,370
Super Cell Capping		4,887	(1,982)	2,905		5,269	(2,183)	3,086
Post Closure Rehabilitation		5,974	(5,756)	218		6,064	(5,774)	290
Future Restoration Costs		4,159	(4,159)	-		4,196	(4,161)	35
Work in Progress		117	-	117		56	-	56
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>1,987</b>	<b>33,787</b>	<b>(20,194)</b>	<b>15,580</b>	<b>1,987</b>	<b>34,503</b>	<b>(21,050)</b>	<b>15,440</b>
<i>Comparatives</i>	<b>1,987</b>	<b>30,784</b>	<b>(17,690)</b>	<b>15,081</b>	<b>1,987</b>	<b>33,787</b>	<b>(20,194)</b>	<b>15,580</b>

This Note continues on the following pages.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 6 - PROPERTY, PLANT & EQUIPMENT

	2018 \$'000 CARRYING AMOUNT	CARRYING AMOUNT MOVEMENTS DURING YEAR \$'000										2019 \$'000 CARRYING AMOUNT
		Additions		Disposals	Depreciation	Impairment	Adjustments	Transfer	2019			
		Capital	Renewals						Disposals	Adjustments		
Land	3,983	-	-	-	-	-	-	-	-	-	-	3,983
Buildings	4,111	-	2	-	(143)	-	-	-	-	-	-	3,970
Plant, Equipment & Motor Vehicles	1,742	-	249	(30)	(341)	-	-	-	-	-	-	1,620
Office Equipment	35	-	5	-	(10)	-	-	-	-	-	-	30
<b>Landfill Construction:</b>												
Super Cell	2,469	54	-	-	(153)	-	-	-	-	-	-	2,370
Super Cell Capping	2,905	382	-	-	(201)	-	-	-	-	-	-	3,086
Post Closure Rehabilitation	218	90	-	-	(18)	-	-	-	-	-	-	290
Future Restoration Costs	-	37	-	-	(2)	-	-	-	-	-	-	35
Work in Progress	117	66	-	-	-	-	-	(127)	-	-	-	56
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>15,580</b>	<b>629</b>	<b>256</b>	<b>(30)</b>	<b>(868)</b>	<b>-</b>	<b>(127)</b>	<b>-</b>	<b>(1,664)</b>	<b>-</b>	<b>-</b>	<b>15,440</b>
<i>Comparatives</i>	<i>15,081</i>	<i>2,742</i>	<i>341</i>	<i>(12)</i>	<i>(908)</i>	<i>-</i>	<i>(1,664)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>15,580</i>

This Note continues on the following pages.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 7 - LIABILITIES

	Notes	2019 \$'000		2018 \$'000	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		2,139	-	2,371	-
Payments received in advance		16	-	-	-
Accrued expenses - other		46	-	65	-
		<b>2,201</b>	<b>-</b>	<b>2,436</b>	<b>-</b>
<b>PROVISIONS</b>					
Annual Leave		66	-	63	-
Long Service Leave		60	25	38	39
Super Cell Capping		-	7,823	-	-
Post Closure Rehabilitation		-	3,985	-	3,895
Cell Capping - 3-1 & 3-2		-	-	-	2,554
Cell Capping - 3-3 & 3-4 (Lower)		-	-	-	2,937
Cell 4 Capping		-	-	-	1,950
Future Restoration Costs		-	1,642	-	1,605
		<b>126</b>	<b>13,475</b>	<b>101</b>	<b>12,980</b>

#### *Movements in Provisions - 2019 year only (current & non-current)*

	Opening Balance	Additional Amounts Recognised/ (Derecognised)	Transfers	Closing Balance
<i>Super Cell Capping</i>	-	382	7,441	<b>7,823</b>
<i>Post Closure Rehabilitation</i>	3,895	90	0	<b>3,985</b>
<i>Cell Capping -3-1 &amp; 3-2</i>	2,554	0	(2,554)	-
<i>Cell Capping - 3-3 &amp; 3-4 (Lower)</i>	2,937	0	(2,937)	-
<i>Cell 4 Capping</i>	1,950	0	(1,950)	-
<i>Future Restoration Costs</i>	1,605	37	0	<b>1,642</b>
<i>Total</i>	<b>12,941</b>	<b>509</b>	<b>-</b>	<b>13,450</b>



# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 8 - RECONCILIATION OF CASH FLOW STATEMENT

#### (a) Reconciliation of Cash

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

	Notes	2019 \$'000	2018 \$'000
Total cash & equivalent assets	5	17,497	16,343
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>17,497</u>	<u>16,343</u>

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

Net Surplus (Deficit)		503	1,777
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		868	908
Net (Gain) loss in Equity Movement Joint Venture		(437)	(176)
Movement in Landfill Provisions		-	(886)
Work in Progress Write-Off		127	-
Net (Gain) Loss on Disposals		9	(21)
		<u>1,070</u>	<u>1,602</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		173	186
Net (increase) decrease in inventories		-	-
Net (increase) decrease in other current assets		-	-
Net increase (decrease) in trade & other payables		(235)	(93)
Net increase (decrease) in other provisions		11	45
<b>Net Cash provided by (or used in) operations</b>		<u><b>1,019</b></u>	<u><b>1,740</b></u>

#### (c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge		-	-
- Non-cash grants & contributions		-	-
<i>Amounts recognised in Income Statement</i>		-	-
- Finance Leases		-	-
		<u>-</u>	<u>-</u>

#### (d) Financing Arrangements

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

Corporate Credit Cards	18	18
------------------------	----	----

The Authority has no bank overdraft facility.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 9 - FINANCIAL INSTRUMENTS

#### Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term</b>	<b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.
<b>Deposits</b>	<p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates of 1 - 2.25% (2018: 1.25 - 2.5%). Short term deposits have an average maturity of 90 days (2018: 90 days).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Gate Fees &amp; Associated Charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> 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><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>

#### Net Fair Value

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

#### Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to 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 the ANZ Bank. There is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence 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.

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

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 9 (cont) - FINANCIAL INSTRUMENTS

#### Liquidity Analysis

2019	Floating Interest Rate \$'000	Fixed interest maturing in			Non- interest bearing \$'000	Total \$'000
		≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000		
<b>Financial Assets</b>						
<b>Fair Value through P&amp;L</b>						
Cash Assets	1,755	15,742	-	-	-	17,497
<b>Loans &amp; Receivables</b>						
Receivables	-	-	-	-	1,666	1,666
<b>Total</b>	<b>1,755</b>	<b>15,742</b>	<b>-</b>	<b>-</b>	<b>1,666</b>	<b>19,163</b>
<i>Weighted Average Interest Rate</i>	<b>1.00%</b>	<b>2.25%</b>				
<b>Financial Liabilities</b>						
Payables	-	-	-	-	2,201	2,201
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,201</b>	<b>2,201</b>
<b>EXCESS OF FINANCIAL ASSETS OVER LIABILITIES</b>	<b>1,755</b>	<b>15,742</b>	<b>-</b>	<b>-</b>	<b>(535)</b>	<b>16,962</b>
<b>2018</b>						
	Floating Interest Rate \$'000	Fixed interest maturing in ≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
<b>Financial Assets</b>						
<b>Fair Value through P&amp;L</b>						
Cash Assets	2,013	14,330	-	-	-	16,343
<b>Loans &amp; Receivables</b>						
Receivables	-	-	-	-	1,839	1,839
<b>Total</b>	<b>2,013</b>	<b>14,330</b>	<b>-</b>	<b>-</b>	<b>1,839</b>	<b>18,182</b>
<i>Weighted Average Interest Rate</i>	<b>1.25%</b>	<b>2.50%</b>				
<b>Financial Liabilities</b>						
Payables	-	-	-	-	2,436	2,436
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,436</b>	<b>2,436</b>
<b>EXCESS OF FINANCIAL ASSETS OVER LIABILITIES</b>	<b>2,013</b>	<b>14,330</b>	<b>-</b>	<b>-</b>	<b>(597)</b>	<b>15,746</b>

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 10 - COMMITMENTS FOR EXPENDITURE

	2019 \$'000	2018 \$'000
<b>Capital Commitments</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Committed Projects	-	-
	<u>-</u>	<u>-</u>

As at 30 June 2019, the Authority has entered into no capital commitments that are not already recorded on the Statement of Financial Position.

#### Other Expenditure Commitments

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

Audit Services	19	37
	<u>19</u>	<u>37</u>
These expenditures are payable:		
Not later than one year	19	18
Later than one year and not later than 5 years	-	19
Later than 5 years	-	-
	<u>19</u>	<u>37</u>

### Note 11 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

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

#### 1. Potential Insurance Losses

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

#### 2. Legal Expenses

All known costs have been recognised.

### Note 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2019 that need to be disclosed in the financial statements.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 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 uniform and consistent basis. The uniform presentation represents a simplified version of reporting under the Government Finance Statistics (GFS) framework of the Australian Bureau of Statistics.

	2019 \$'000	2018 \$'000
Income	12,126	13,710
<i>less</i> Expenses	<u>(11,614)</u>	<u>(11,954)</u>
Operating Surplus / (Deficit)	<u>512</u>	<u>1,756</u>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	(256)	(341)
Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	868	988
Proceeds from Sale of Replaced Assets	-	-
	<u>612</u>	<u>647</u>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets	(120)	(2,479)
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	21	33
	<u>(99)</u>	<u>(2,446)</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<u><u>1,025</u></u>	<u><u>(43)</u></u>

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 14 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under Section 112 of the *Local Government Act 1999*. The following payments were made to Key Management Personnel during the year:

	2019 \$'000
Salaries, allowances & other short term benefits	373
Post-employment benefits	-
Long term benefits	-
Termination Benefits	-
<b>TOTAL</b>	<b>373</b>

#### Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Onkaparinga	4,944	509	Provision of waste disposal services
City of Holdfast Bay	930	67	Provision of waste disposal services
City of Marion	2,083	164	Provision of waste disposal services
Southern Recycling Centre	6,920	528	Provision of waste disposal services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 5.

The Authority has a total amount outstanding of \$0.613m to the Southern Recycling Centre as at 30 June 2019.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 15 - EQUITY ACCOUNTED JOINT VENTURE

#### Southern Recycling Centre (SRC)

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

	2019 \$'000	2018 \$'000
<b>The Authority's respective interests are:</b>		
- interest in operating result:	50.00%	50.00%
- ownership of equity	49.99%	49.99%
- the proportion of voting power	50.00%	50.00%
 <u>Movement in Investment in Joint Operation:</u>		
Opening Balance	885	709
New Capital Contributions	-	-
Share in Operating Result	437	176
Equity Adjustment	-	-
Distributions Received	<u>(490)</u>	<u>-</u>
<b>Share in Equity of Joint Operation</b>	<b><u>832</u></b>	<b><u>885</u></b>

#### Expenditure Commitments

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

#### Contingent Liabilities

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

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 16 - FAIR VALUE MEASUREMENTS

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

- Land assets.

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

(a) **Fair value hierarchy**

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

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

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

*Valuation techniques*

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

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

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



# SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

### Note 16 - FAIR VALUE MEASUREMENTS (Cont.)

The following tables provide the fair values of the Authority's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2019</b>					
Recurring fair value measurements					
<b>Infrastructure, Property, Plant &amp; Equipment</b>					
- Land	6	-	1,427	-	1,427
- Buildings	6	-	560	-	560
<b>Total financial assets recognised at fair value</b>		-	<b>1,987</b>	-	<b>1,987</b>

<b>2018</b>					
Recurring fair value measurements					
<b>Infrastructure, Property, Plant &amp; Equipment</b>					
- Land	6	-	1,427	-	1,427
- Buildings	6	-	560	-	560
<b>Total financial assets recognised at fair value</b>		-	<b>1,987</b>	-	<b>1,987</b>

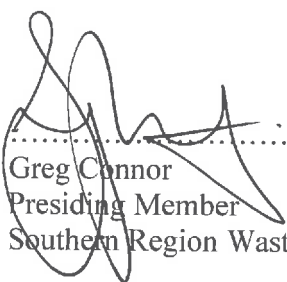
(b) **Disclosed fair value measurements**

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

	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	2	Market Value	Observable sales of similar properties – both vacant land and land with improvements

**Presiding Member Southern Region Waste Resource Authority  
Audit Committee – Auditor Independence**

I, Greg Connor the person occupying the position of Presiding Member of the Southern Region Waste Resource Authority's Audit Committee, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the Southern Region Waste Resource Authority, Galpins, has not been engaged by the Southern Region Waste Resource Authority to provide services to the Southern Region Waste Resource Authority outside of the scope of the audit functions under the Local Government Act 1999.

  
.....  
Greg Connor  
Presiding Member  
Southern Region Waste Resource Authority Audit Committee

27/8/19  
.....  
Dated

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renae Nicholson CA  
Tim Muhlhausler CA  
Aaron Coonan CA  
Luke Williams CA, CPA  
Daniel Moon CA



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## Mount Gambier

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ABN: 30 630 511 757

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## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### 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 the Southern Region Waste Resource 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) Regulation 2011*.

#### GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

A handwritten signature in blue ink, appearing to read 'Simon Smith', written over a light blue circular stamp.

**Simon Smith** FCPA, Registered Company Auditor

Partner

05/09/2019

David Chant CA, FCPA  
Simon Smith CA, FCPA  
David Sullivan CA, CPA  
Jason Seidel CA  
Renaë Nicholson CA  
Tim Muhlhausler CA  
Aaron Coonan CA  
Luke Williams CA, CPA  
Daniel Moon CA



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTHERN REGION WASTE RESOURCE AUTHORITY

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

#### Opinion

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

In our opinion, the Authority has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to internal controls established by the Authority in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Authority have been conducted properly and in accordance with law for the period 1 July 2018 to 30 June 2019.

#### Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 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 Authority's Responsibility for 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, with acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

#### Our Independence and Quality Control

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

## Auditor's responsibility

Our responsibility is to express an opinion on the Authority's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Authority to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2018 to 30 June 2019. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

## Limitations of Controls

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

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

## Limitation of Use

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

## GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



**Simon Smith** FCPA, Registered Company Auditor

Partner

05/09/2019

David Chant CA, FCPA  
Simon Smith CA, FCPA  
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## INDEPENDENT AUDITOR'S REPORT

### To the members of the Southern Region Waste Resource Authority

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report of the Southern Region Waste Resource Authority ("the Authority"), which comprises the balance sheet as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Executive Officer and the Chairman.

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

#### Basis for Opinion

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

#### Responsibility for the Financial Report

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

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

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

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

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

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

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

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

## GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



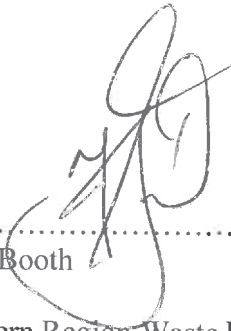
**Simon Smith** FCPA, Registered Company Auditor

Partner

05/09/2019

**Southern Region Waste Resource Authority  
Board Chair – Auditor Independence**

I, Mark Booth, the person occupying the position of Chair of the Southern Region Waste Resource Authority's Board, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the Southern Region Waste Resource Authority, Galpins, has not been engaged by the Southern Region Waste Resource Authority to provide services to the Southern Region Waste Resource Authority outside of the scope of the audit functions under the Local Government Act 1999.



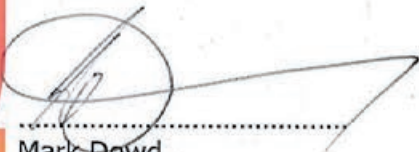
.....  
Mark Booth  
Chair  
Southern Region Waste Resource Authority Board

4,9,19  
.....  
Dated



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

I, Mark Dowd the person for the time being occupying the position of Chief Executive Officer of the City of Onkaparinga, being a Constituent Council of the Southern Region Waste Resource Authority, do hereby certify (for the purposes of Regulation 22 (3) of the *Local Government (Financial Management) Regulations 2011*), that the auditor of the subsidiary, Galpins, has not been engaged by the subsidiary to provide services to the subsidiary outside of the scope of the audit functions under the *Local Government Act 1999*.



Mark Dowd  
Chief Executive Officer  
City of Onkaparinga

12.8.19



City of Onkaparinga  
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www.onkaparingacity.com

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9 August 2019



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

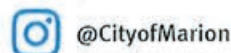
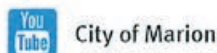
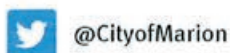
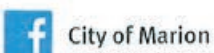
I, Adrian Skull, the person for the time being occupying the position of Chief Executive Officer of the City of Marion, being a Constituent Council of the Southern Region Waste Resource Authority, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the subsidiary, Galpins, has not been engaged by the subsidiary to provide services to the subsidiary outside of the scope of the audit functions under the Local Government Act 1999.

.....  
Adrian Skull  
Chief Executive Officer  
City of Marion

9.8.19

.....  
Dated

The City of Marion acknowledges it is part of Kaurna land and recognises the Kaurna people as the traditional and continuing custodians of the land.



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



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

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2 Colley Terrace, Glenelg SA 5045

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

I, Roberto Bria, the person for the time being occupying the position of Chief Executive Officer of the City of Holdfast Bay, being a Constituent Council of the Southern Region Waste Resource Authority, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the subsidiary, Galpins, has not been engaged by the subsidiary to provide services to the subsidiary outside of the scope of the audit functions under the Local Government Act 1999.

.....  
Roberto Bria  
Chief Executive Officer  
City of Holdfast Bay

..... 9 / 8 / 19 .....

Dated

# ATTENDANCE AT BOARD MEETINGS

BOARD MEMBERS	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
<b>CHAIRMAN</b> Mark Booth	6	6
<b>CITY OF ONKAPARINGA</b> Kirk Richardson	6	5
<b>CITY OF ONKAPARINGA</b> Alison Hancock <i>Term Completed June 2019</i>	6	5
<b>CITY OF MARION</b> Vincent Mifsud <i>Resigned May 2019</i>	5	4
<b>CITY OF MARION</b> Adrian Skull <i>Appointed May 2019</i>	1	0
<b>CITY OF MARION</b> Ian Crossland	6	4
<b>CITY OF HOLDFAST BAY</b> Roberto Bria	6	6
<b>CITY OF HOLDFAST BAY</b> Lynda Yates <i>Resigned November 2018</i>	3	2
<b>CITY OF HOLDFAST BAY</b> John Smedley <i>Appointed December 2018</i>	3	3

## DEPUTY BOARD MEMBERS

Please Note: Deputy Members are only required to attend a Meeting when the Member is an apology

<b>CITY OF ONKAPARINGA</b> Heidi Greaves		0
<b>CITY OF MARION</b> Nick Kerry <i>Term Completed October 2018</i>		0
<b>CITY OF MARION</b> Bruce Hull <i>Appointed October 2018</i>		0
<b>CITY OF MARION</b> Ray Barnwell <i>Appointed May 2019</i>		1
<b>CITY OF HOLDFAST BAY</b> John Smedley <i>Resigned December 2018</i>		2
<b>CITY OF HOLDFAST BAY</b> Clare Lindop <i>Appointed December 2018</i>		1

# ATTENDANCE AT AUDIT COMMITTEE MEETINGS

	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
Please Note: Deputy Members are only required to attend a Meeting when the Member is an apology		
<b>CHAIRMAN</b> Greg Connor	4	4
David Powell	4	4
Vicki Brown <i>Resigned March 2019</i>	3	3
Sam Spadavecchia <i>Appointed March 2019</i>	1	1
Mark Booth	4	4
Lynda Yates <i>Deputy SRWRA Representative Resigned November 2018</i>	0	0
John Smedley <i>Deputy SRWRA Representative Appointed February 2019</i>	0	0

# PERFORMANCE AGAINST BUSINESS PLAN

Each year SRWRA prepares an Annual Business Plan that is submitted to the Constituent Councils detailing its aims and objectives.

AIMS AND OBJECTIVES	STATUS
Assessments of Long Term Financial Plan Assumptions	Achieved
Further Development of the Southern Recycling Centre recycling operations	Achieved
Cell Construction feasibility & development project	In Progress
Redesign of capping system for super cell area	In Progress
Solar/alternative energy projects	In Progress
Work with Constituent Councils to explore options and feasibility surrounding the operations of a "Waste to Energy" and "Materials Recycling Facility" in the region.	In Progress





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**SRWRA** CONSTITUENT  
COUNCILS



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**SRWRA**

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Seaford Heights SA 5169

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