



SRWRA 
Southern Region Waste Resource Authority

ANNUAL REPORT

2021 to 2022



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

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

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

We are one of the State's major landfill operations currently receiving over 100,000 tonnes of waste annually with approximately 65,000 tonnes going to landfill.

Our joint venture operation with Integrated Waste Services (IWS) has continued to develop through the jointly owned Southern Recycling Centre (SRC) which is realising a significant reduction of waste to landfill. The processing of kerbside municipal waste tonnage has increased with the contracting of new customers. The SRC is also preparing for the receipt of Regional Waste.

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

SRWRA CONSTITUENT
COUNCILS



**JOINT VENTURE
PARTNERS**



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CHAIRPERSON'S MESSAGE

Australia has developed a National Waste Policy Action Plan that creates ambitious targets and actions to guide investment and national efforts to 2030 and beyond. Amongst these targets is that by 2030 we should achieve an 80% average recovery rate from all waste streams and we should halve the amount of organic waste that is sent to landfill. This Action Plan complements and supports the implementation of better waste management plans by state and territory governments, local government, business and industry.

Historically, SRWRA has operated a landfill, and while there will always be a place for well-run landfills to dispose of residual streams that cannot be recycled, we have continued to invest to ensure we play our small part in progressing towards these national targets through the development of an integrated waste management precinct.

Through our joint venture with IWS, who have been servicing South Australia's waste management needs for more than 50 years, the Southern Recycling Centre continues to invest in the diversion of organic waste from landfill. This is one of only two operations in the State that extracts the organic fraction from municipal waste and diverts this from landfill, over the past twelve months we have processed more than 59,200 tonnes and diverted around 35% of this away from landfill.

Our Materials Recovery Facility, operated under a joint venture arrangement with Re.Group who are the only Australian company that designs, builds, owns and operates recycling systems, was commissioned in July 2021 and officially opened in November 2021 as one of the most advanced recycling facilities in Australia. We are grateful to the Commonwealth and State governments for their financial contribution towards the cost of this important infrastructure.

This is a significant new business for SRWRA. Since our opening we have processed 23,300 tonnes of commingled recyclables from the household 'yellow bin', with more than 68% of this being diverted from landfill to contribute towards creating a more resilient recycling industry in Australia. This recovery effectively extends the life of materials turning them into products such as Cardboard, Mixed Paper, Ferrous metals, Non-ferrous metals, HDPE, PET Plastics and Glass.



I am pleased to advise that, despite the challenges of operating a significant new business we have been able to maintain highly competitive waste disposal costs for municipal waste and recyclables, reporting an overall Operating Surplus of \$0.534 million (after adjusting for the accounting impact of grant funding) for the year ended 30 June 2022. These surplus funds will of course provide for any future post closure costs and be available for reinvestment in future waste management activities.

We are fortunate to have a dedicated team at SRWRA who manage all aspects of our operation very well and on behalf of the Board I would like to take this opportunity to acknowledge their contribution to the success of SRWRA. I also extend my thanks and appreciation to the Board and the Audit Committee for their vision, dedication and commitment to ensuring that SRWRA continues to deliver sustainable waste management solutions for our Constituent Councils and the southern region of Adelaide.

I commend to you the Annual Report for FY2022 which demonstrates that the Authority continues to meet the objectives outlined in its Charter.

Mark Booth
CHAIRPERSON



CHIEF EXECUTIVE OFFICER'S MESSAGE

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

The Southern Recycling Centre had a strong 12 months, growing its customer base whilst playing a significant role in the diversion of waste from landfill.

The Southern Materials Recovery Facility has completed its first year of operation and is setting the benchmark for product purity in Australia. This facility is the largest and most technically advanced facility of its type in South Australia.

SRWRA's green energy precinct continues to thrive with the generation of power from South Australia's largest solar farm on capped landfill (600kW) and a 3MW biogas plant that converts methane from the landfill into electricity, removing a harmful greenhouse gas in the process.

The Authority has continued to provide a cost-effective waste management solution for its Constituent Councils and their communities. The Authority is in a strong financial position with net assets of \$26.2 million.

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, 14 schools from our three Constituent Council areas took part in the Les Perry Memorial Grants Program and received a total of \$9,656 in grant funding to support learning about environmentally responsible waste management.

COVID-19 continues to have an impact on our operation with new work practices now the norm for all staff. The commitment and 'can do' attitude of the SRWRA staff has ensured the site continues to operate for the benefit of our Constituent Councils and their communities. I congratulate our team on their strong contribution and express my sincere appreciation of their efforts.



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

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

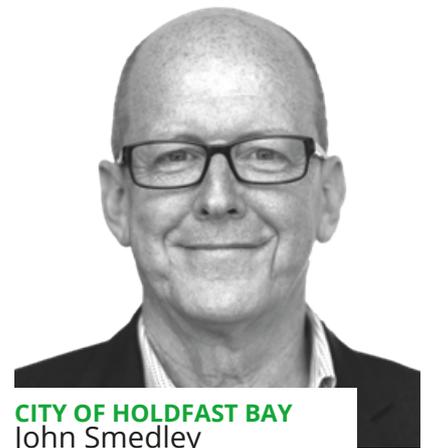
Chris Adams
CHIEF EXECUTIVE OFFICER

BOARD OF MANAGEMENT

AS AT JUNE 30TH 2022



MEMBERS



DEPUTY MEMBERS



FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022



SOUTHERN REGION WASTE RESOURCE AUTHORITY

General Purpose Financial Report for the financial year ended 30 June 2022

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SOUTHERN REGION WASTE RESOURCE AUTHORITY

Annual Financial Statements
for the financial year ended 30 June 2022

Certification of Financial Statements

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards*.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



Chris Adams
Chief Executive Officer



Mark Booth
Chairperson

Date: 19 September 2022

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Statement of Comprehensive Income for the financial year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Income			
User charges	2	10,534	11,774
Investment income	2	656	487
Other	2	2,309	454
Net gain - equity accounted Joint Venture	13	2,988	1,032
Total Income		16,487	13,747
Expenses			
Employee costs	3	951	1,131
Finance costs		1	-
Materials, contracts & other expenses	3	11,671	11,176
Depreciation, amortisation & impairment	3	936	1,002
Total Expenses		13,559	13,309
Operating Surplus		2,928	438
Asset disposal & fair value adjustments	3	13	140
Amounts received specifically for new/upgraded assets		-	-
Net Surplus		2,941	578
Other Comprehensive Income			
Changes in revaluation surplus - property, plant & equipment		1,153	-
Total Other Comprehensive Income		1,153	-
Total Comprehensive Income		4,094	578

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 2022

	Notes	2022 \$'000	2021 \$'000
Assets			
Current Assets			
Cash and cash equivalents	4	5,828	4,643
Trade & other receivables	4	2,501	3,008
Loan - Related Party	11,13	400	1,500
Total Current Assets		8,729	9,151
Non-current Assets			
Equity accounted joint venture	13	8,808	5,801
Property, plant & equipment	5	25,693	25,745
Total Non-current Assets		34,501	31,546
Total Assets		43,230	40,697
Liabilities			
Current Liabilities			
Trade & other payables	6	3,203	4,752
Provisions	6	119	128
Total Current Liabilities		3,322	4,880
Non-Current Liabilities			
Provisions	6	13,723	13,726
Total Non-current Liabilities		13,723	13,726
Total Liabilities		17,045	18,606
Net Assets		26,185	22,091
Equity			
Accumulated surplus		23,810	20,869
Asset revaluation reserve		2,375	1,222
Total Equity		26,185	22,091

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 2022

	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
Balance at start of period - 1 July 2020	20,291	1,222	21,513
Net Surplus/ (Deficit) for Year	578	-	578
Other Comprehensive Income			
Gain on revaluation of property, plant & equipment	-	-	-
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
Balance at end of period - 30 June 2021	20,869	1,222	22,091
Balance at start of period - 1 July 2021	20,869	1,222	22,091
Net Surplus/ (Deficit) for Year	2,941	-	2,941
Other Comprehensive Income			
Gain on revaluation of property, plant & equipment	-	1,153	1,153
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
Balance at end of period - 30 June 2022	23,810	2,375	26,185

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Statement of Cash Flows for the financial year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Cash Flows from Operating Activities			
Operating receipts from customers		13,334	11,450
Investment receipts		656	487
Operating payments to suppliers & employees		(12,228)	(9,920)
Finance payments		(1)	-
Net Cash provided by (or used in) Operating Activities	7	1,761	2,017
Cash Flows from Investing Activities			
Amounts specifically for new or upgraded assets		-	-
Sale of replaced assets	3	57	244
Distributions from equity accounted Joint Ventures	13	700	600
Contributions to equity accounted Joint Ventures	13	(703)	(513)
Expenditure on equity accounted contributed assets	13	-	(5,679)
Expenditure on renewal/replacement of assets	5	-	(634)
Expenditure on new/upgraded assets	5	(1,730)	(6,898)
Net Cash provided by (or used in) Investing Activities		(1,676)	(12,880)
Cash Flows from Financing Activities			
Repayment Related Party Loans		1,500	-
Payment of Related Party Loans		(400)	-
Net Cash provided by (or used in) Financing Activities		1,100	-
Net Increase (Decrease) in cash held		1,185	(10,863)
Cash & cash equivalents at beginning of period	4	4,643	15,506
Cash & cash equivalents at end of period	4	5,828	4,643

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 – Significant Accounting Policies

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

Each Constituent Council hold the following equitable interest in the Authority:

- City of Onkaparinga 55%
- City of Marion 30%
- City of Holdfast Bay 15%

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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

2 The Local Government Reporting Entity

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

3 Income recognition

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

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 (cont.) – Significant Accounting Policies

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

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

5 Infrastructure, Property, Plant & Equipment

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

5.1 Initial Recognition

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

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

5.2 Materiality

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

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

5.3 Depreciation of Non-Current Assets

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

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

Plant, Furniture & Equipment	3 - 10 years
Buildings	30 -50 years
Waste Facility	10 - 15 years
Landfill construction	Amortised proportionately to rate of filling
Future capping costs	Amortised proportionately to rate of filling
Future rehabilitation and restoration costs	Amortised proportionately to rate of filling

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 (cont.) – Significant Accounting Policies

6 Payables

6.1 Goods & Services

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

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

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

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

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

7.2 Superannuation

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

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation 10% in 2021/22 (9.5% in 2020/21).

No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial. The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2021.

The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

The Authority also makes contributions to other superannuation schemes selected by employees under the 'choice of fund' legislation.

All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the new assets of the scheme, and no further liability attaches to the Authority.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 (cont.) – Significant Accounting Policies

8 Provisions for Landfill Capping, Rehabilitation and Restoration Costs

The Authority's provision for landfill capping, post closure rehabilitation costs and restoration costs are calculated based on the net present value of the future cash outflows expected to be incurred to remediate the landfill which will include the costs of capping, rehabilitating and restoring the landfill site.

The measurement of the provisions requires significant estimates and assumptions such as discount rate, inflation rate, assessment of the requirements of the Environment Protection Authority (EPA) or other government authorities, the timing, extent and costs of activities required and the area of the landfill to be remediated, which is determined by volumetric aerial surveys.

These uncertainties may result in future actual expenditure differing from the amounts currently provided. Expenditure relating to ongoing rehabilitation and restoration will reduce any provision previously established.

The Authority monitors the remaining airspace, the airspace consumption efficiency (compaction) ratio, the discount rate and the inflation rate used to calculate the net present value of the future landing capping, rehabilitation and restoration costs on an annual basis and makes adjustments to the liability as required to ensure an accurate projected cost of the liability is showing in the balance sheet.

A complete review of all future capping, rehabilitation and restoration costs including a review of all the key assumptions and estimates in relation to the measurement of these costs is performed on a regular basis with the assistance of external consultants to ensure all projected costs have been independently verified.

The dates of the last review of the key assumptions and estimates in relation to the measurement of the future capping, rehabilitation and restoration costs are shown below:

Costs	Effective Date	Independent Assessor
Capping costs	30 June 2019	Golder Associates
Restoration costs	30 June 2018	Golder Associates
Rehabilitation costs	30 June 2016	Katalyse Pty Ltd

9 Inventory

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

10 GST Implications

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

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

11 Comparative Information

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1 (cont.) – Significant Accounting Policies

12 New Accounting Standards

No new accounting standards were applied by the Authority during the financial year. The Authority has not elected to early adopt any new accounting standards, interpretations or amendments which are not yet effective.

13 Valuation of Land and Building Assets

Building assets held by the Authority were valued by Opteon (South Australia) Pty Ltd with an effective valuation date of 30 June 2014 applied for financial reporting purposes. Assets were valued to their market value based on highest and best use. All purchases made post 30 June 2014 have been recorded at cost. Since 1 July 2019, The Authority has undertaken significant building construction works which represent 65% of the recorded "At Cost" balance of assets recorded in Note 5 as at 30 June 2022.

Land assets held by the Authority were valued by AssetVal with an effective valuation date of 30 June 2022 applied for financial reporting purposes. Where there is an active and liquid market as evidenced by sales transactions of similar property types, a Market approach by way of Direct Comparison or Income methods were utilised.

Some parcels of land are subject to restrictions as to use and sale and the value of these land assets has been determined after considering suitable market evidence and making necessary adjustment to account for these restrictions.

14 Valuation of Landfill Assets

Landfill assets comprise the acquisition of landfills, cell development costs, landfill improvements costs and the assets related to future landfill capping, rehabilitation and restoration costs.

Assets related to future landfill capping, rehabilitation and restoration costs are valued based on the net present value of the future cash outflows expected to remediate the landfill which will include the costs of capping, rehabilitating and restoring the landfill asset. The assumptions used to estimate these costs and details of their regular review are described in item 8 – Provision for Landfill Capping, Rehabilitation and Restoration Costs.

All landfill assets are amortised proportionately to the rate of filling as described in Note 1.5.3 Depreciation of Non-Current Assets.

15 Equity Accounted Joint Ventures

The Authority accounts for its interest in Joint Ventures applying the equity method per AASB 128. The value of investments held in Joint Venture entities are held at cost.

16 COVID-19

Given the nature of the business activities undertaken by the Authority, there has been no restrictions imposed on waste processing operations of the Authority due to government enforced restrictions introduced as a result of the COVID-19 pandemic event.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

	2022 \$'000	2021 \$'000
Note 2 - Income		
User Charges		
Landfill Operations	10,534	11,774
	<u>10,534</u>	<u>11,774</u>
Investment Income		
Interest on investments	34	102
Rental income	622	385
	<u>656</u>	<u>487</u>
Other Income		
Other income	353	171
Joint Venture cost reimbursement *	1,956	283
	<u>2,309</u>	<u>454</u>
Note 3 - Expenses		
Employee Costs		
Salaries and Wages	829	1,092
Employee leave expense	(13)	(25)
Superannuation	99	98
Workers' Compensation Insurance	36	47
Less: Capitalised and distributed costs	-	(81)
	<u>951</u>	<u>1,131</u>
Materials, Contracts & Other Expenses		
Auditor's Remuneration	39	21
Board Expenses	52	36
Contractors	403	397
Fuels & oils	199	128
Equipment hire	28	10
Maintenance	292	450
Legal	52	160
Levies - EPA	8,137	9,570
Professional services	166	26
Joint Venture costs*	1,956	108
Sundry	347	270
	<u>11,671</u>	<u>11,176</u>

* Expenses recorded for the Southern Materials Recycling Facility relate to leasehold improvements undertaken on the recycling shed premises by the Authority which were reimbursed by the Joint Venture and recorded as income in Note2. The leasehold improvements are recognised as an asset by the Joint Venture.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 3 - Expenses (cont)

	2022 \$'000	2021 \$'000
Depreciation, Amortisation & Impairment		
Buildings & Structures	314	184
Plant & Equipment	310	408
Office Equipment	6	8
Super Cell	156	205
Super Cell Capping	132	174
Post Closure Rehabilitation	15	19
Future Restoration Costs	3	4
Work in Progress	-	-
	<u>936</u>	<u>1,002</u>

Asset Disposals

Proceeds from disposal	57	244
Less: Carrying amount of assets sold	(44)	(104)
Gain (Loss) on disposal	<u>13</u>	<u>140</u>

Note 4 - Current Assets

Cash & Cash Equivalents

Cash on Hand and at Bank	2,575	4,519
Short-term deposits	3,253	124
	<u>5,828</u>	<u>4,643</u>

Trade & Other Receivables

Debtors - general	2,394	3,008
Accrued Revenues	13	-
Prepayments	49	-
Sundry Debtors	45	-
	<u>2,501</u>	<u>3,008</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 5 - Property, Plant & Equipment

	2021 \$'000				2022 \$'000			
	At Fair Value	At Cost	Accumulated Depreciation	Carrying Amount	At Fair Value	At Cost	Accumulated Depreciation	Carrying Amount
Land	5,205	-	-	5,205	6,335	-	-	6,335
Buildings & Structures	560	5,810	(955)	5,415	560	11,637	(1,265)	10,932
Plant & Equipment	-	4,938	(2,718)	2,220	-	4,994	(2,950)	2,044
Office Equipment	-	172	(141)	31	-	122	(118)	4
Super Cell	-	8,970	(5,599)	3,371	-	8,988	(5,756)	3,232
Super Cell Capping	5,426	-	(2,570)	2,856	5,426	-	(2,702)	2,724
Post Closure Rehabilitation	6,143	-	(5,818)	325	6,143	-	(5,833)	310
Future Restoration Costs	4,228	-	(4,169)	59	4,228	-	(4,172)	56
Work in Progress	-	6,263	-	6,263	-	56	-	56
	21,562	26,153	(21,970)	25,745	22,692	25,797	(22,796)	25,693

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2022

Note 5 - Property, Plant & Equipment

	2021	Movement in Property, Plant & Equipment during the Financial Year					2022	
	\$'000	Renewal / Replacement	Additions New/Upgrade	Disposals	Revaluation	Adjustment / Transfer	Depreciation	Carrying Value
Land	5,205	-	-	(23)	1,153	-	-	6,335
Buildings & Structures	5,415	-	-	-	-	5,831	(314)	10,932
Plant & Equipment	2,220	-	-	-	-	134	(310)	2,044
Office Equipment	31	-	-	(21)	-	-	(6)	4
Super Cell	3,371	-	17	-	-	-	(156)	3,232
Super Cell Capping	2,856	-	-	-	-	-	(132)	2,724
Post Closure Rehabilitation	325	-	-	-	-	-	(15)	310
Future Restoration Costs	59	-	-	-	-	-	(3)	56
* Work In Progress	6,263	-	1,713	-	-	(7,920)	-	56
	25,745	-	1,730	(44)	1,153	(1,955)	(936)	25,693
	19,319	634	12,577	(104)	-	(5,679)	(1,002)	25,745

* A transfer of Work in Progress totalling \$1.955 million to operating expenses occurred during the financial year as improvements to the recycling shed were agreed to be taken on by the Joint Venture as a leasehold improvement. A disclosure has been included in Note 3 to show the total cost of the project and the funds reimbursed by the Joint Venture to the Authority for works undertaken.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 6 - Liabilities

	2022 \$'000		2021 \$'000	
	Current	Non-current	Current	Non-current
Trade & Other Payables				
Goods & services	3,186	-	4,752	-
Payments received in advance	17	-	-	-
	3,203	-	4,752	-

Provisions

Annual Leave	58	-	70	-
Long Service Leave	61	5	58	8
Super Cell Capping	-	7,980	-	7,980
Post Closure Rehabilitation	-	4,064	-	4,064
Future Restoration Costs	-	1,674	-	1,674
	119	13,723	128	13,726

Reconciliation of Movement in Landfill & Restoration Provisions

	Super Cell Capping	Post Closure Rehabilitation	Future Restoration Costs	Total
Opening Balance	7,980	4,064	1,674	13,718
Additional Amounts Recognised/ (Derecognised)	-	-	-	-
Payments	-	-	-	-
Unwinding of Present Value Discounts	-	-	-	-
Closing Balance	7,980	4,064	1,674	13,718

An independent review and update of key assumptions and estimates included in the calculation of landfill capping and post closure liabilities is planned to be conducted in 2022/23. As part of the review and update to the liabilities, consideration will be given to key assumptions relating to the estimated remaining filling life and available capping techniques/technology. Details relating to the previous review of the landfill liabilities has been disclosed in Note 1.8.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 7 - Cash Flow Reconciliation

(a) Reconciliation of Cash

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

	2022 \$'000	2021 \$'000
Total cash & equivalent assets	5,828	4,643
Less: Short-term borrowings	-	-
Balances per Cash Flow Statement	<u>5,828</u>	<u>4,643</u>

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

Net Surplus (Deficit)	2,941	578
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	936	1,002
Transfer of Work in Progress	1,955	-
Equity adjustment - Joint Venture	(16)	-
Net (Gain) Loss on equity accounted joint ventures	(2,988)	(1,032)
Net (Gain) Loss on disposal of assets	(13)	(140)
	<u>2,815</u>	<u>408</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	507	(778)
Net increase (decrease) in trade & other payables	(1,549)	2,411
Net increase (decrease) in other provisions	(12)	(24)
Net Cash provided by (or used in) operations	<u>1,761</u>	<u>2,017</u>

(c) Financing Arrangements

Corporate Credit Cards	20	18
Cash Advance Debenture (CAD) Facility*	500	-

*The CAD facility is held with the Local Government Finance Authority (LGFA) and the Authority has no drawdown of funds from the facility as at reporting date.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 8 - Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Accounting Policy: Carried at lower of cost and net realisable value; Interest is Call, Short Term recognised when earned.

Deposits Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 0.5% - 1.05% (2021: 0.3%).

Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Gate Accounting Policy: Carried at nominal values less any allowance for doubtful Fees & Associated debts. An allowance for doubtful debts is recognised (and re-assessed annually) Charges when collection in full is no longer probable.

Carrying amount: approximates fair value (after deduction of any allowance).

Liabilities - Creditors Accounting Policy: Liabilities are recognised for amounts to be paid in the future and Accruals for goods and services received, whether or not billed to the Authority.

Terms & conditions: Liabilities are normally settled on 30 day terms.

Carrying amount: approximates fair value.

Net Fair Value

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

Risk Exposure

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

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

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 8 - Financial Instruments

Liquidity Analysis

2022	Maturity			Non-interest bearing	Total
	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Amortised Cost					
Cash Assets	5,828	-	-	-	5,828
Receivables	-	-	-	2,501	2,501
Total	5,828	-	-	2,501	8,329
Financial Liabilities					
Payables	-	-	-	3,203	3,203
Borrowings	-	-	-	-	-
Total	-	-	-	3,203	3,203
2021	Maturity			Non-interest bearing	Total
	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets					
Amortised Cost					
Cash Assets	4,643	-	-	-	4,643
Receivables	-	-	-	3,008	3,008
Total	4,643	-	-	3,008	7,651
Financial Liabilities					
Payables	-	-	-	4,752	4,752
Borrowings	-	-	-	-	-
Total	-	-	-	4,752	4,752

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 9 - Commitments for Expenditure

	2022 \$'000	2021 \$'000
Capital Commitments		
Capital expenditure committed at reporting date but which is not recognised in the financial statements as liabilities are as follows:		
Committed Projects	79	1,250
	<u>79</u>	<u>1,250</u>

Note 10 - Events Occurring After Reporting Date

There were no events that occurred after reporting date that requires to be disclosed.

Note 11 - Disclosure of Related Party Transactions

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under Section 112 of the *Local Government Act 1999*. In all, 6 persons were paid the following total compensation:

Salaries, allowances & other short term benefits	402	404
Total	<u>402</u>	<u>404</u>

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Onkaparinga (Member Council)	7,913	466	Provision of waste disposal services
City of Holdfast Bay (Member Council)	1,446	115	Provision of waste disposal services
City of Marion (Member Council)	3,526	313	Provision of waste disposal services
Southern Materials Recycling Facility (Joint Venture)	3,309	362	Provision of waste disposal services
Southern Recycling Centre (Joint venture)	6,327	593	Provision of waste disposal services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 4. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

In addition to the waste disposal services above, SRWRA undertook \$1.956 million of works to upgrade the Material Recovery Facility by the Southern Materials Recycling Facility Joint Venture. The income and expenses relating to this activity have been disclosed in Note 2 and 3.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 12 - Uniform Presentation of Finances

	2022 \$'000	2021 \$'000
Income	16,487	13,747
Expenses	(13,559)	(13,309)
Operating Surplus / (Deficit)	<u>2,928</u>	<u>438</u>
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	-	(634)
Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	936	1,002
Proceeds from Sale of Replaced Assets	57	244
	<u>993</u>	<u>612</u>
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(1,730)	(6,898)
Amounts received specifically for New and Upgraded Assets	-	-
Proceeds from Sale of Surplus Assets	-	-
	<u>(1,730)</u>	<u>(6,898)</u>
Net Lending / (Borrowing) for Financial Year	<u><u>2,191</u></u>	<u><u>(5,848)</u></u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the Financial Statements for the financial year ended 30 June 2022

Note 13 - Equity Accounting Joint Ventures

Southern Recycling Centre (SRC)

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

	2022 \$'000	2021 \$'000
The Authority's respective interests are:		
- interest in operating result:	50.00%	50.00%
- ownership of equity	49.99%	49.99%
- the proportion of voting power	50.00%	50.00%
 <u>Movement in Investment in Joint Operation:</u>		
Opening Balance	1,164	677
New Capital Contributions	-	-
Share in Operating Result	1,140	1,087
Equity Adjustment	16	-
Distributions Received	(700)	(600)
Share in Equity of Joint Operation	1,620	1,164

Expenditure Commitments

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

Contingent Liabilities

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

Notes to the financial statements for the financial year ended 30 June 2022

Note 13 (cont.) - Equity Accounting Joint Ventures

Southern Materials Recycling Facility (SMRF)

The Authority has entered into a joint venture arrangement with Re.Cycle (Adelaide) Pty Ltd to operate the Southern Material Recovery Facility located on the Authority's landfill site.

	2022 \$'000	2021 \$'000
The Authority's respective interests are:		
- interest in operating result:	50.00%	50.00%
- ownership of equity	50.00%	50.00%
- the proportion of voting power	50.00%	50.00%
<u>Movement in Investment in Joint Operation:</u>		
Opening Balance	4,637	-
Capital Contributions (cash contribution)	703	513
Capital Contributions (transfer of plant assets)	-	5,679
Capital Contribution (conversion to loan)	-	(1,500)
Share in Operating Result	1,848	(55)
Share in Equity of Joint Operation	7,188	4,637

The Authority applies AASB 1058 when recognising income from Grants in line with the applicable treatment applied by not-for-profit entities. The Joint Venture recognises grant income on a different basis which has resulted in an inconsistent application of accounting policy between the entities on the timing of recognising income from grant revenues. As a result of this different application in accounting standards and policy on grant revenue recognition, this has resulted in an adjustment to the Share in Operating Result of \$2.327 million (increase) in the current financial year.

The Authority has an outstanding receivable loan with the Southern Materials Recovery Facility totalling \$0.4 million (FY21: \$1.5 million) as at the reporting date.

Expenditure Commitments

The Joint Venture has a \$3.956 million capital commitment as at reporting date relating to the construction of plant and equipment which is expected to be completed in the 2022/23 period.

Contingent Liabilities

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 14 - Fair Value Measurements

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

- Land assets.

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

(a) Fair value hierarchy

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

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

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

Valuation techniques

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

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

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 14 (cont.) - Fair Value Measurements

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2022					
Recurring fair value measurements					
Property, Plant & Equipment and Landfill Assets					
- Land	5	-	6,335	-	6,335
- Buildings	5	-	560	-	560
- Super Cell Capping	5	-	-	5,426	5,426
- Post Closure Rehabilitation	5	-	-	6,143	6,143
- Future Restoration Costs	5	-	-	4,228	4,228
Total financial assets recognised at fair value		-	6,895	15,797	22,692
2021					
Recurring fair value measurements					
Property, Plant & Equipment and Landfill Assets					
- Land	5	-	3,450	1,755	5,205
- Buildings	5	-	560	-	560
- Super Cell Capping	5	-	-	5,426	5,426
- Post Closure Rehabilitation	5	-	-	6,143	6,143
- Future Restoration Costs	5	-	-	4,228	4,228
Total financial assets recognised at fair value		-	4,010	17,552	21,562

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2022

Note 14 (cont.) - Fair Value Measurements

(b) Disclosed fair value measurements

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

	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	2	Market Value	Observable sales of similar properties – both vacant land and land with improvements
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	3	Cost Approach	Landfill assets unobservable inputs. The measure of these costs requires significant estimates and assumptions such as: discount rate, inflation rate, assessment of EPA requirements, the timing, extent and costs of the required activities and the estimated remaining airspace of the landfill.
There has been no change in the valuation technique(s) used to determine the value of parcels of land where there are restrictions as to use and sale of these assets.	3	Market Value	Land assets unobservable inputs. Some parcels of land are subject to restrictions as to use and sale and the value of these land assets has been determined after considering suitable market evidence and making necessary adjustments to account for these restrictions. These adjustments are usually unobservable inputs that are likely to have a significant effect on valuation.

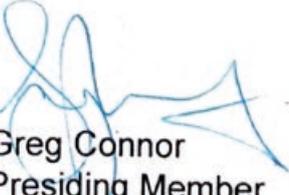


Southern Region Waste Resource Authority

Audit Committee - Auditor Independence

Presiding Member Certification

I, Greg Connor, the person occupying the position of Presiding Member of the Southern Region Waste Resource Authority's Audit Committee, do hereby certify (for the purposes of Regulation 21 (3) of the Local Government (Financial Management) Regulations 2011), that the auditor of the Southern Region Waste Resource Authority, Galpins, has not been engaged by the Southern Region Waste Resource Authority to provide services to the Southern Region Waste Resource Authority outside the scope of the audit functions under the Local Government Act 1999.



Greg Connor
Presiding Member

Southern Region Waste Resource Authority Audit Committee

22/8/2022
Dated



SOUTHERN REGION WASTE RESOURCE AUTHORITY

GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2022

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 2022, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

A handwritten signature in blue ink, appearing to read 'Tim Muhlhausler'.

Tim Muhlhausler CA, Registered Company Auditor

Director

21 September 2022

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INDEPENDENT AUDITOR'S REPORT

To the members of the Southern Region Waste Resource Authority

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of SRWRA (the Authority), which comprises the statements of financial position as at 30 June 2022, 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 2022, and its financial performance and its cash flow for the year then ended in accordance with the Australia Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

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

Responsibility for the Financial Report

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

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

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Auditor's Responsibility for the Audit of the Financial Report

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

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

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

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor

Director

21 September 2022



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

To the members of the Southern Region Waste Resource Authority

Opinion

We have audited the compliance of SRWRA (the Authority) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2021 to 30 June 2022 have been conducted properly and in accordance with the law.

In our opinion, SRWRA has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to internal controls established by the Authority in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Authority have been conducted properly and in accordance with law for the period 1 July 2021 to 30 June 2022.

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 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Authority's Responsibility for Internal Control

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

Our Independence and Quality Control

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

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Galpins Trading Pty Ltd
ABN: 89 656 702 886

Liability limited by a scheme approved
under Professional Standards Legislation

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 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

Limitations of Controls

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

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

Limitations of Use

This report has been prepared for the members of the Authority in accordance with section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Authority, or for any purpose other than that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor

Director

21 September 2022



**Southern Region Waste Resource Authority
Board Chairperson - Auditor Independence**

I, Mark Booth, the person occupying the position of Chairperson of the Southern Region Waste Resource Authority's Board, do hereby certify (for the purposes of Regulation 22 (3) of the Local Government (Financial Management) Regulations 2011), that the 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

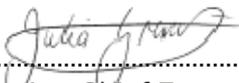
Mark Booth
Chairperson
Southern Region Waste Resource Authority

24 / 08/ 2022...

Date

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

I, Julia Grant, the person for the time being occupying the position of Acting 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.



.....
Acting Chief Executive Officer
City of Onkaparinga

24/08/2022.
Dated

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

I, Tony Harrison, 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.



.....
Chief Executive Officer
City of Marion

18 / 08 / 2022
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.

19 August 2022

**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*.



Chief Executive Officer
City of Holdfast Bay

19/8/22
Dated



ATTENDANCE AT BOARD MEETINGS

BOARD MEMBERS	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
CHAIRPERSON Mark Booth	8	7
CITY OF ONKAPARINGA Kirk Richardson	8	8
CITY OF ONKAPARINGA Richard Peat	8	7
CITY OF MARION Sorana Dinmore	8	7
CITY OF MARION Ian Crossland	8	5
CITY OF HOLDFAST BAY Roberto Bria	8	7
CITY OF HOLDFAST BAY John Smedley	8	4
DEPUTY BOARD MEMBERS		
Please Note: Deputy Members are only required to attend a Meeting when the Member is an apology		
CITY OF ONKAPARINGA Heidi Greaves	8	0
CITY OF ONKAPARINGA Jessica Tucker	3	2
CITY OF MARION Bruce Hull	8	0
CITY OF MARION Ray Barnwell	8	8
CITY OF HOLDFAST BAY Clare Lindop	8	2

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		
PRESIDING MEMBER Greg Connor	6	6
Sam Spadavecchia	6	6
Emma Hinchey	6	6
Mark Booth	6	6
John Smedley <i>Deputy SRWRA Representative</i>	6	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, OBJECTIVES AND KEY MEASURES	STATUS
RESOURCE RECOVERY OBJECTIVES	
Commence operation of Material Recovery Facility	Complete
Review the first 12 months of performance of the Solar Farm	Complete
Identify and assess the feasibility of advanced waste treatment opportunities	Complete
Explore options to treat organics and greens	In progress
Identify potential markets/business opportunities for recovered products	Ongoing
Identify and support potential markets/business opportunities for recovered resources	Completed
RESOURCE RECOVERY KEY MEASURES	
Diversion of incoming waste material from landfill >32% to increase by 1% per year	Achieved 36%
Future landfill airspace = 30 years	Achieved 30 years
Carbon emission offset >100,000 tonnes per year	Achieved 118,115t
Deliver agreed projects on time and on budget	91%
STAKEHOLDER RELATIONSHIPS OBJECTIVES	
Establish and maintain consistent communication with stakeholders and communities to ensure SRWRA's role and capabilities are understood	Completed
Provide information to Constituent Councils to support them with waste avoidance and positive waste behaviours and initiatives	Completed
Identify industry initiatives and outcomes that are locally relevant and provide to Constituent Councils	Completed
Hold Joint Venture Committee meetings in accordance with agreed schedule	Completed

Senator Andrew McLachlan CSC
 Erin Thompson
MAYOR, CITY OF ONKAPARINGA
 Amanda Wilson
MAYOR, CITY OF HOLDFAST BAY
 Tony Harrison
CHIEF EXECUTIVE OFFICER, CITY OF MARION



AIMS, OBJECTIVES AND KEY MEASURES	STATUS
STAKEHOLDER RELATIONSHIPS KEY MEASURES	
One presentation to Elected Members in each Constituent Council per annum	Completed
Bi-monthly communication with Constituent Councils	Completed
OPERATIONAL EXCELLENCE OBJECTIVES	
Update LEMP to reflect new EPA Licence which is renewed by 31 July 2021	Completed
Review and update Governance Manual	Completed
Review and update Policies and Procedures	Completed
Implement 2021 Risk Evaluation Action Plan (WHS&IM)	Completed
Implementation and review of Risk Management Registers	In Progress
Future landfill rehabilitation and capping is assessed and funded over the lifetime of the site	In Progress
Deliver operating surplus	Achieved
Review fill plan and program supercell construction	Achieved
Establish strategic and operational KPI's	Achieved
OPERATIONAL EXCELLENCE MEASURES	
Maintain EPA Licence	Achieved
Reduction in the number of lost time injuries from the previous year	Achieved
Achieve or surpass operating surplus budget	Achieved

WORK HEALTH AND SAFETY

LOST TIME INJURIES

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

SRWRA recorded one lost time injury (LTI) in 2021-2022 which is consistent with the previous twelve months when one lost time injury was also recorded.

ANNUAL LOST TIME INJURIES

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

2019-2020	2020-2021	2021 - 2022
0	1	1

INJURY MANAGEMENT

SRWRA received no worker compensation claims during 2021-2022. This is a decrease in claims lodged compared to the previous year, which had one compensation claim lodged.



PROCUREMENT

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

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

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

ANNUAL PROCUREMENT PERFORMANCE

NUMBER OF PROCUREMENT EVENTS

470

NUMBER OF PROCUREMENT POLICY WAIVERS

3

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

- the best value for money outcome for SRWRA
- the limited size of the market and the number of credible suppliers
- engagement of expert in financial and management accounting requirements due to complexity of operational and statutory requirements.



SRWRA CONSTITUENT
COUNCILS



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