



**SRWRA**   
Southern Region Waste Resource Authority

**ANNUAL  
REPORT**

**2022 to 2023**



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 150,000 tonnes of waste annually with approximately 90,000 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 in waste to landfill and continues to work towards the targets set out in the Australian Government National Waste Policy Action Plan.

Our joint venture operation with Re.Cycle (Adelaide), a subsidiary of Re.Group, has completed its second 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.

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**SRWRA** CONSTITUENT  
COUNCILS



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**JOINT** VENTURE  
PARTNERS



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## CHAIRPERSON'S MESSAGE

We all have a role to play in the management of waste.

At SRWRA this is at the very core of our mission, and I am pleased to share with you the progress we have made and our commitment to creating a sustainable future through responsible waste management practices.

At SRWRA, we take great pride in our journey towards taking increasing responsibility for the management of the waste streams produced by our Constituent Councils and our other customers. We do this from the perspective of seeking the highest and best use of recovered materials, not only for the present but for future generations as well. This is the very foundation on which we have developed an integrated waste management precinct.

While the foundation of our precinct was a modern engineered landfill, which received 90,300 tonnes of waste in the past year, in progressing the development of an integrated waste precinct, we have strategically and consciously aligned ourselves with industry experts to harness the opportunities arising in the rapidly evolving landscape of integrated waste management.

LMS and Joule continue to capture and produce green energy from landfill gas in sufficient quantities to power the equivalent of 3,600 homes.

Through our joint venture with IWS, the Southern Recycling Centre has diverted more than 38,500 tonnes of municipal material from landfill, making a tangible contribution towards the targets set out in the Australian Government National Waste Policy Action Plan which seeks to halve the organic waste sent to landfill by 2030 and to achieve an 80% average recovery rate from all waste streams.

Our Material Recovery Facility, operated with Re.Group, which stands as one of the most advanced recycling facilities in Australia received the Outstanding Facility Award at the 2022 Waste Innovation and Recycling Awards. This facility processed 37,900 tonnes of commingled recyclables from household 'yellow bins,' diverting more than 77% from landfill and extending the life of materials by turning them into valuable products. Our ambition for this facility is to ensure that the output from this facility is of the highest quality, providing a solid platform for the future development of a circular economy industry in the southern region of Adelaide. This ambition has been challenged over the past 12 months as the price of many commodities has plummeted and we are a long way from having a viable circular economy, this needs Commonwealth and State leadership in supporting new industries to develop along with procurement policies which mandate the use of recycled materials in much greater quantities.



For us to achieve the targets set out in the Australian Government National Waste Policy Action Plan, we must all accept our roles and responsibility in the management of waste.

We are making progress towards the target of achieving an 80% average recovery rate from all waste streams, nationally, we currently sit at 63.1% and we have achieved an estimated increase of 2.2 percentage points since 2016/2017. To achieve this we need the right waste in the right bin - up to 30% of all recyclables ends up in the municipal waste bin. At SRWRA we will play our part by working with our Constituent Councils to provide a greater focus on education.

On a national scale, the average waste generated per person stands at 2.95 tonnes and, according to the most recent National Waste Report (2022), this has increased by 3% since 2016/2017 against a target of a 10% reduction. Quite simply we produce too much waste and we can all do something about that.

Despite the challenges of global commodities markets, we continue to maintain highly competitive waste disposal costs and reported an Operating Surplus of \$2.15 million for the year ending June 30, 2023. These surplus funds will support our future investment in waste management activities and our post-closure costs.

None of these accomplishments would have been possible without the dedication and expertise of our outstanding team. Under the accomplished leadership of CEO Chris Adams, they have collectively contributed to SRWRA's success. On behalf of the Board, I extend my heartfelt gratitude to them. I also want to express my thanks to the Board and the Audit & Risk Committee for their unwavering commitment to ensuring that SRWRA fulfills its mission.

In closing, I encourage you to explore our Annual Report for FY2023, which demonstrates our continued dedication to meeting the objectives outlined in our Charter. Together, we can make a meaningful impact on waste management in our region and contribute to a more sustainable future for all.

Mark Booth  
**CHAIRPERSON**



## CHIEF EXECUTIVE OFFICER'S MESSAGE

SRWRA operates a world class integrated waste and recycling facility at Seaford Heights that includes South Australia's largest and most technically advanced Materials Recovery Facility.

The Southern Materials Recovery Facility (SMRF) has been recognised in the 2022 Waste Innovation and Recycling Awards, winning the Outstanding Facility Award, and was recently showcased on the 'War on Waste' Docuseries (Season 3, Episode 1). This ongoing recognition of the facility is a reflection of the vision and commitment of our Constituent Councils, SRWRA Board and Joint Venture Partner Re.Group.

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, a Joint Venture with Integrated Waste Services, plays a significant role in the diversion of organic waste from landfill. Organic waste placed in landfill produces methane, a powerful greenhouse gas. SRWRA's strategy for the removal of methane includes diversion of organics before they enter landfill and the capture and combustion of methane via the onsite 3MW biogas plant, feeding electricity into the grid in the process.

SRWRA's green energy precinct continues to grow with the addition of an Anaerobic Digester. The digester is owned and operated by LMS Energy and is part of their ongoing innovation program. The Southern Recycling Centre is supporting this research by providing organic feed stock for the digester trial.

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 \$28.3 million.





Over the last 12 months, the Authority invested in the education of school children within our communities through the Les Perry Memorial Grants Program. This year, 15 schools from two Constituent Council areas took part in the Les Perry Memorial Grants Program and received a total of \$9,918 in grant funding to support learning about environmentally responsible waste management.

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, led by a highly experienced Chairperson, Mark Booth. The time commitment required of the Board is increasing as SRWRA grows and increases in complexity. I would like to recognise the strong contribution of the Board and Audit & Risk 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 30<sup>TH</sup> 2023



## MEMBERS



## DEPUTY MEMBERS





# FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED **30 JUNE 2023**



# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## General Purpose Financial Report for the financial year ended 30 June 2023

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# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## Annual Financial Statements for the financial year ended 30 June 2023

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### 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 2023 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



.....  
Chris Adams  
**Chief Executive Officer**



.....  
Mark Booth  
**Chairperson**

Date: 25/9/2023

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Statement of Comprehensive Income for the financial year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
<b>Income</b>			
User charges	2	15,283	10,534
Investment income	2	891	656
Other	2	399	2,309
Net gain - equity accounted Joint Venture	13	1,717	2,988
<b>Total Income</b>		<b>18,290</b>	<b>16,487</b>
<b>Expenses</b>			
Employee costs	3	1,151	951
Finance costs	3	-	1
Materials, contracts & other expenses	3	13,591	11,671
Depreciation, amortisation & impairment	3	1,397	936
<b>Total Expenses</b>		<b>16,139</b>	<b>13,559</b>
<b>Operating Surplus</b>		<b>2,151</b>	<b>2,928</b>
Asset disposal & fair value adjustments	3	-	13
Amounts received specifically for new/upgraded assets		-	-
<b>Net Surplus</b>		<b>2,151</b>	<b>2,941</b>
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - property, plant & equipment		-	1,153
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>1,153</b>
<b>Total Comprehensive Income</b>		<b>2,151</b>	<b>4,094</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 2023

	Notes	2023 \$'000	2022 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	7,816	5,828
Trade & other receivables	4	3,759	2,501
Loan - Related Party	11,13	400	400
<b>Total Current Assets</b>		<b>11,975</b>	<b>8,729</b>
<b>Non-current Assets</b>			
Equity accounted joint venture	13	9,508	8,808
Property, plant & equipment	5	24,868	25,693
<b>Total Non-current Assets</b>		<b>34,376</b>	<b>34,501</b>
<b>Total Assets</b>		<b>46,351</b>	<b>43,230</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & other payables	6	4,153	3,203
Provisions	6	137	119
<b>Total Current Liabilities</b>		<b>4,290</b>	<b>3,322</b>
<b>Non-Current Liabilities</b>			
Provisions	6	13,725	13,723
<b>Total Non-current Liabilities</b>		<b>13,725</b>	<b>13,723</b>
<b>Total Liabilities</b>		<b>18,015</b>	<b>17,045</b>
<b>Net Assets</b>		<b>28,336</b>	<b>26,185</b>
<b>Equity</b>			
Accumulated surplus		25,961	23,810
Asset revaluation reserve		2,375	2,375
<b>Total Equity</b>		<b>28,336</b>	<b>26,185</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 2023

	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
<b>Balance at start of period - 1 July 2021</b>	<b>20,869</b>	<b>1,222</b>	<b>22,091</b>
Net Surplus/ (Deficit) for Year	2,941	-	2,941
<b>Other Comprehensive Income</b>			
Gain on revaluation of property, plant & equipment	-	1,153	1,153
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
<b>Balance at end of period - 30 June 2022</b>	<b>23,810</b>	<b>2,375</b>	<b>26,185</b>
<b>Balance at start of period - 1 July 2022</b>	<b>23,810</b>	<b>2,375</b>	<b>26,185</b>
Net Surplus/ (Deficit) for Year	2,151	-	2,151
<b>Other Comprehensive Income</b>			
Gain on revaluation of property, plant & equipment	-	-	-
Transfers between reserves	-	-	-
Distributions to Member Councils	-	-	-
<b>Balance at end of period - 30 June 2023</b>	<b>25,961</b>	<b>2,375</b>	<b>28,336</b>

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 2023

	Notes	2023 \$'000	2022 \$'000
<b>Cash Flows from Operating Activities</b>			
Operating receipts from customers		14,424	13,334
Investment receipts		891	656
Operating payments to suppliers & employees		(13,772)	(12,228)
Finance payments		-	(1)
<b>Net Cash provided by (or used in) Operating Activities</b>	7	<b>1,543</b>	<b>1,761</b>
<b>Cash Flows from Investing Activities</b>			
Amounts specifically for new or upgraded assets		-	-
Sale of replaced assets	3	-	57
Distributions from equity accounted Joint Ventures	13	1,750	700
Contributions to equity accounted Joint Ventures	13	(733)	(703)
Expenditure on renewal/replacement of assets	5	(310)	-
Expenditure on new/upgraded assets	5	(262)	(1,730)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>445</b>	<b>(1,676)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment Related Party Loans		-	1,500
Payment of Related Party Loans		-	(400)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>-</b>	<b>1,100</b>
<b>Net Increase (Decrease) in cash held</b>		<b>1,988</b>	<b>1,185</b>
Cash & cash equivalents at beginning of period	4	5,828	4,643
<b>Cash &amp; cash equivalents at end of period</b>	4	<b>7,816</b>	<b>5,828</b>

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 2023

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### Note 1 – Significant Accounting Policies

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

#### 1 Basis of Preparation

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

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

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

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.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## Notes to the Financial Statements

for the year ended 30 June 2023

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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 8.

### 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 2023

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### 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 10.5% in 2022/23 (10.0% in 2021/22).*

*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 2023

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### 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. However - strategic decisions potentially impacting the expected remaining life and future management strategies for the landfill are currently under consideration by the Board, and as such revaluation of the provision has been intentionally delayed causing the value of the provision to be overdue for reassessment. The next scheduled review of all capping and closure liability estimates is expected to occur in FY24, by which time it is expected that decisions regarding the future management of the landfill will have been finalised. As a result, readers of these financial statements should be aware that the value of the provisions, and related impact on the statement of comprehensive income, may change materially in the FY24 financial statements, and these financial statements should be read in this context.

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

<b>Costs</b>	<b>Effective Date</b>	<b>Independent Assessor</b>
Capping costs	30 June 2019	Golder Associates
Restoration Costs	30 June 2018	Golder Associates
Post Closure 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.

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## Notes to the Financial Statements

### for the year ended 30 June 2023

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#### 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

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 2023.

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.



## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Notes to the Financial Statements for the financial year ended 30 June 2023

	2023 \$'000	2022 \$'000
<b>Note 2 - Income</b>		
<b>User Charges</b>		
Landfill Operations	15,283	10,534
	<u>15,283</u>	<u>10,534</u>
<b>Investment Income</b>		
Interest on investments	148	34
Rental income	743	622
	<u>891</u>	<u>656</u>
<b>Other Income</b>		
Other income	399	353
Joint Venture cost reimbursement	-	1,956
	<u>399</u>	<u>2,309</u>
<b>Note 3 - Expenses</b>		
<b>Employee Costs</b>		
Salaries and Wages	981	829
Employee leave expense	3	(13)
Superannuation	120	99
Workers' Compensation Insurance	47	36
Less: Capitalised and distributed costs	-	-
	<u>1,151</u>	<u>951</u>
<b>Materials, Contracts &amp; Other Expenses</b>		
Auditor's Remuneration	19	39
Board Expenses	46	52
Contractors	584	403
Fuels & oils	272	199
Equipment hire	130	28
Maintenance	588	292
Legal	21	52
Levies - EPA	11,372	8,137
Professional services	177	166
Joint Venture costs*	-	1,956
Sundry	382	347
	<u>13,591</u>	<u>11,671</u>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Notes to the Financial Statements for the financial year ended 30 June 2023

#### Note 3 - Expenses (cont)

	2023 \$'000	2022 \$'000
<b>Depreciation, Amortisation &amp; Impairment</b>		
Buildings & Structures	357	314
Plant & Equipment	292	310
Office Equipment	15	6
Super Cell	375	156
Super Cell Capping	316	132
Post Closure Rehabilitation	36	15
Future Restoration Costs	6	3
	<u>1,397</u>	<u>936</u>
<b>Asset Disposals</b>		
Proceeds from disposal	-	57
Less: Carrying amount of assets sold	-	(44)
<b>Gain (Loss) on disposal</b>	<u>-</u>	<u>13</u>
<b>Note 4 - Current Assets</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on Hand and at Bank	2,181	2,575
Short-term deposits	5,635	3,253
	<u>7,816</u>	<u>5,828</u>
<b>Trade &amp; Other Receivables</b>		
Debtors - general	3,575	2,394
Accrued Revenues	107	13
Prepayments	32	49
Sundry Debtors	45	45
	<u>3,759</u>	<u>2,501</u>





## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2023

#### Note 5 - Property, Plant & Equipment

	2022		Movement in Property, Plant & Equipment during the Financial Year					2023	
	Carrying Value	\$'000	Renewal / Replacement	Additions New/Upgrade	Disposals	Revaluation	Adjustment / Transfer	Depreciation	Carrying Value
Land	6,335		-	-	-	-	-	-	6,335
Buildings & Structures	10,932		-	238	-	-	-	(357)	10,813
Plant & Equipment	2,044		144	-	-	-	-	(292)	1,896
Office Equipment	4		-	22	-	-	-	(15)	11
Super Cell	3,232		-	-	-	-	-	(375)	2,857
Super Cell Capping	2,724		-	-	-	-	(3)	(316)	2,405
Post Closure Rehabilitation	310		-	-	-	-	-	(36)	274
Future Restoration Costs	56		-	-	-	-	5	(6)	55
Work in Progress	56		166	-	-	-	-	-	222
	<b>25,693</b>		<b>310</b>	<b>260</b>			<b>2</b>	<b>(1,397)</b>	<b>24,868</b>
<b>2022 \$'000</b>	<b>25,745</b>		-	1,730	(44)	1,153	(1,955)	(936)	<b>25,693</b>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Notes to the Financial Statements for the financial year ended 30 June 2023

#### Note 6 - Liabilities

	2023 \$'000		2022 \$'000	
	Current	Non-current	Current	Non-current
<b>Trade &amp; Other Payables</b>				
Goods & services	4,137	-	3,186	-
Payments received in advance	16	-	17	-
	<b>4,153</b>	<b>-</b>	<b>3,203</b>	<b>-</b>

#### Provisions

Annual Leave	76	-	58	-
Long Service Leave	61	7	61	5
Super Cell Capping	-	7,980	-	7,980
Post Closure Rehabilitation	-	4,064	-	4,064
Future Restoration Costs	-	1,674	-	1,674
	<b>137</b>	<b>13,725</b>	<b>119</b>	<b>13,723</b>

#### Reconciliation of Movement in Landfill & Restoration Provisions

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

Please refer to Note 1 part 8 for details regarding the valuation of landfill capping, post closure rehabilitation cost and restoration cost provisions. This information is important for the interpretation of these financial statements.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Notes to the Financial Statements for the financial year ended 30 June 2023

#### 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:

	2023 \$'000	2022 \$'000
Total cash & equivalent assets	7,816	5,828
Less: Short-term borrowings	-	-
Balances per Cash Flow Statement	<u>7,816</u>	<u>5,828</u>

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

Net Surplus (Deficit)	2,151	2,941
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,397	936
Transfer of Work in Progress	-	1,955
Equity adjustment - Joint Venture	-	(16)
Net (Gain) Loss on equity accounted joint ventures	(1,717)	(2,988)
Net (Gain) Loss on disposal of assets	-	(13)
	<u>1,831</u>	<u>2,815</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(1,258)	507
Net increase (decrease) in trade & other payables	950	(1,549)
Net increase (decrease) in other provisions	20	(12)
<b>Net Cash provided by (or used in) operations</b>	<u><b>1,543</b></u>	<u><b>1,761</b></u>

##### (c) Financing Arrangements

Corporate Credit Cards	20	20
Cash Advance Debenture (CAD) Facility*	500	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 2023

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### 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 4% (2022: 0.5%).

**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 2023

### Note 8 - Financial Instruments

#### Liquidity Analysis

2023	≤ 1 year \$'000	Maturity		Non- interest bearing \$'000	Total \$'000
		> 1 year ≤ 5 years \$'000	> 5 years \$'000		
<b>Financial Assets</b>					
<b>Amortised Cost</b>					
Cash Assets	7,816	-	-	-	7,816
Receivables	-	-	-	3,759	3,759
<b>Total</b>	<b>7,816</b>	<b>-</b>	<b>-</b>	<b>3,759</b>	<b>11,575</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	4,153	4,153
Borrowings	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,153</b>	<b>4,153</b>

2022	≤ 1 year \$'000	Maturity		Non- interest bearing \$'000	Total \$'000
		> 1 year ≤ 5 years \$'000	> 5 years \$'000		
<b>Financial Assets</b>					
<b>Amortised Cost</b>					
Cash Assets	5,828	-	-	-	5,828
Receivables	-	-	-	2,501	2,501
<b>Total</b>	<b>5,828</b>	<b>-</b>	<b>-</b>	<b>2,501</b>	<b>8,329</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	3,203	3,203
Borrowings	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,203</b>	<b>3,203</b>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Notes to the Financial Statements for the financial year ended 30 June 2023

#### Note 9 - Commitments for Expenditure

	2023 \$'000	2022 \$'000
<b>Capital Commitments</b>		
Capital expenditure committed at reporting date but which is not recognised in the financial statements as liabilities are as follows:		
Committed Projects	-	79
	<u>-</u>	<u>79</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	499	402
<b>Total</b>	<u>499</u>	<u>402</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)	8,077	363	Provision of waste disposal services
City of Holdfast Bay (Member Council)	1,289	101	Provision of waste disposal services
City of Marion (Member Council)	3,576	311	Provision of waste disposal services
Southern Materials Recycling Facility (Joint Venture)	2,747	751	Provision of waste disposal services
Southern Recycling Centre (Joint venture)	7,425	893	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.

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Notes to the Financial Statements for the financial year ended 30 June 2023

#### Note 12 - Uniform Presentation of Finances

	2023 \$'000	2022 \$'000
<b>Income</b>		
<i>User charges</i>	15,283	10,534
<i>Investment income</i>	891	656
<i>Other</i>	399	2,309
<i>Net gain - equity accounted Joint Venture</i>	1,717	2,988
	<u>18,290</u>	<u>16,487</u>
<b>Expenses</b>		
<i>Employee costs</i>	1,151	951
<i>Finance costs</i>	-	1
<i>Materials, contracts &amp; other expenses</i>	13,591	11,671
<i>Depreciation, amortisation &amp; impairment</i>	1,397	936
	<u>(16,139)</u>	<u>(13,559)</u>
 Operating Surplus / (Deficit)	 <b>2,151</b>	 <b>2,928</b>
<b>Net Outlays on Existing Assets</b>		
<i>Capital Expenditure on renewal and replacement of Existing Assets</i>	(310)	-
<i>Depreciation, Amortisation, Impairment and Movement in Landfill Provisions</i>	1,397	936
<i>Proceeds from Sale of Replaced Assets</i>	-	57
	<u>1,087</u>	<u>993</u>
<b>Net Outlays on New and Upgraded Assets</b>		
<i>Capital Expenditure on New and Upgraded Assets</i>	(262)	(1,730)
<i>Amounts received specifically for New and Upgraded Assets</i>	-	-
<i>Proceeds from Sale of Surplus Assets</i>	-	-
	<u>(262)</u>	<u>(1,730)</u>
 Net Lending / (Borrowing) for Financial Year	 <u><b>2,976</b></u>	 <u><b>2,191</b></u>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Notes to the Financial Statements for the financial year ended 30 June 2023

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#### Note 13 - Equity Accounting Joint Ventures

##### Southern Recycling Centre (SRC)

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

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<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	1,620	1,164
New Capital Contributions	-	-
Share in Operating Result	1,540	1,140
Equity Adjustment	-	16
Distributions Received	<u>(1,750)</u>	<u>(700)</u>
<b>Share in Equity of Joint Operation</b>	<b><u>1,410</u></b>	<b><u>1,620</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 the financial statements for the financial year ended 30 June 2023

#### 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.

	2023 \$'000	2022 \$'000
<b>The Authority's respective interests are:</b>		
- 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	7,188	4,637
Capital Contributions (cash contribution)	733	703
Capital Contributions (transfer of plant assets)	-	-
Capital Contribution (conversion to loan)	-	-
Share in Operating Result	177	1,848
<b>Share in Equity of Joint Operation</b>	<b>8,098</b>	<b>7,188</b>

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 \$0.495 million (increase) (FY22: \$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 (FY22: \$0.4 million) as at the reporting date.

##### Expenditure Commitments

There are no capital construction commitments as at reporting date to disclose.

##### 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 2023

### 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 2023

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2023</b>					
Recurring fair value measurements					
<b>Property, Plant &amp; Equipment and Landfill Assets</b>					
- 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
<b>Total financial assets recognised at fair value</b>		-	<b>6,895</b>	<b>15,797</b>	<b>22,692</b>

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2022</b>					
Recurring fair value measurements					
<b>Property, Plant &amp; Equipment and Landfill Assets</b>					
- 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
<b>Total financial assets recognised at fair value</b>		-	<b>6,895</b>	<b>15,797</b>	<b>22,692</b>

**(b) Disclosed fair value measurements**

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

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

# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2023

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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 & Risk Committee – Auditor Independence

#### Presiding Member Certification

I, Greg Connor, the person occupying the position of Presiding Member of the Southern Region Waste Resource Authority Audit & Risk Committee, for the financial year ending, 30 June 2023, 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 the scope of the audit functions under the Local Government Act 1999.

A handwritten signature in black ink, appearing to read 'Greg Connor', is positioned above a horizontal line.

22 August 2023

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Greg Connor  
Presiding Member  
Southern Region Waste Resource Authority  
Audit & Risk Committee

Dated



## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2023

#### 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 2023, 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

**Tim Muhlhausler** CA, Registered Company Auditor

Director

26 September 2023

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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 2023, 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 2023, 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.

#### Emphasis of Matter – Postponed revaluation of landfill capping and post closure liabilities

Without modifying our opinion, we draw attention to Note 1 part 8 of the financial report, which describes the postponed revaluation of landfill capping and post closure liabilities. The postponement is to allow greater clarity over the strategic direction of the landfill, which will inform the appropriate assumptions to be used for the revaluation. These circumstances impact the reliability of the reported provision balances and related amounts in the statement of comprehensive income. Our opinion is not modified in respect of this matter.

#### 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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Galpins Trading Pty Ltd  
ABN: 89 656 702 886

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under Professional Standards Legislation



## 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

26 September 2023





## 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 2022 to 30 June 2023 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 2022 to 30 June 2023.

### 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 2022 to 30 June 2023. 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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## **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 2022 to 30 June 2023. 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

26 September 2023



## 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 Board, for the financial year ending, 30 June 2023, 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 the scope of the audit functions under the Local Government Act 1999.

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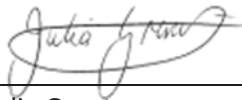
Mark Booth  
Chairperson  
Southern Region Waste Resource Authority

23.8.23

Dated

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

I, Julia Grant, the person occupying the position of Acting Chief Executive Officer of the City of Onkaparinga, for the financial year ending, 30 June 2023, 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 the scope of the audit functions under the Local Government Act 1999.



Julia Grant

Acting Chief Executive Officer for the 22/23 financial year  
City of Onkaparinga

25/08/2023

Dated



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

I, Tony Harrison, the person occupying the position of Chief Executive Officer of the City of Marion, for the financial year ending, 30 June 2023, 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 the scope of the audit functions under the Local Government Act 1999.



23/08/2023

Tony Harrison

Dated

Chief Executive Officer

City of Marion

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.

23 August 2023

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

I, Roberto Bria, the person occupying the position of Chief Executive Officer of the City of Holdfast Bay, for the financial year ending, 30 June 2023, 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 the scope of the audit functions under the Local Government Act 1999.



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Roberto Bria  
Chief Executive Officer  
City of Holdfast Bay

23/8/23  
Dated

# ATTENDANCE AT BOARD MEETINGS

BOARD MEMBERS	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
<b>CHAIRPERSON</b> Mark Booth	6	5
<b>CITY OF ONKAPARINGA</b> Kirk Richardson	6	5
<b>CITY OF ONKAPARINGA</b> Richard Peat <i>Term Completed November 2022</i>	3	0
<b>CITY OF ONKAPARINGA</b> Jordan Pritchard <i>Appointed January 2023</i>	3	2
<b>CITY OF MARION</b> Sorana Dinmore <i>Term completed August 2022</i>		
<b>CITY OF MARION</b> Angela Allison <i>Appointed December 2022</i>	3	3
<b>CITY OF MARION</b> Ray Barnwell	6	6
<b>CITY OF HOLDFAST BAY</b> Roberto Bria	6	5
<b>CITY OF HOLDFAST BAY</b> John Smedley	6	6
<b>DEPUTY BOARD MEMBERS</b>		
Please Note: Deputy Members are only required to attend a Meeting when the Member is an apology		
<b>CITY OF ONKAPARINGA</b> Heidi Greaves	6	3
<b>CITY OF ONKAPARINGA</b> Jessica Tucker	6	6
<b>CITY OF MARION</b> Bruce Hull <i>Term Completed November 2022</i>	3	0
<b>CITY OF MARION</b> Ian Crossland	6	1
<b>CITY OF HOLDFAST BAY</b> Clare Lindop <i>Term Completed November 2022</i>	3	2
<b>CITY OF HOLDFAST BAY</b> Monique O'Donohue <i>Appointed December 2022</i>	3	2
<b>CITY OF HOLDFAST BAY</b> Michael De Heus <i>Term completed June 2023</i>	2	1

# ATTENDANCE AT AUDIT & RISK 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>GREG CONNOR</b> Presiding Member	4	4
<b>SAM SPADAVECCHIA</b>	4	4
<b>EMMA HINCHEY</b> <i>Term completed December 2022</i>	2	2
<b>MARK BOOTH</b>	4	4
<b>JOHN SMEDLEY</b> Deputy SRWRA Representative	4	1



# PERFORMANCE AGAINST BUSINESS PLAN

Each year SRWRA prepares an Annual Business Plan, detailing its actions and measures, that is submitted to the Constituent Councils.

## AIMS, OBJECTIVES AND KEY MEASURES

RESOURCE RECOVERY ACTIONS	STATUS
Investigate markets and develop pathways for the receipt and processing of commercial and industrial products and associated reuse and commercial opportunities.	Ongoing
Investigate options and pathways for the receipt and processing of organic waste and associated reuse and commercial opportunities.	Ongoing
Investigate options to establish a Bio Pad to process green waste.	Complete
Grow the customer base for SRWRA and its Joint Venture partners	Complete
Develop business case for the construction and operation of an education facility at SRWRA.	Ongoing



## AIMS, OBJECTIVES AND KEY MEASURES

OPERATIONAL EXCELLENCE ACTIONS	STATUS
Continuously review and improve workplace safety systems.	Ongoing
Maximise remaining landfill airspace.	Ongoing
Develop project scope and business case for the installation of rooftop solar power on the SMRF roof.	In progress
Maximise the compatible use of buffer land.	Ongoing
Continuous improvement of litter capture on site.	Ongoing
Governance & Risk Actions	Status
Maintain a contemporary suite of policies.	Ongoing
Work in accordance with the Risk Management Policy and Framework.	Ongoing
Review and update the Business Continuity Plan.	In progress
Review and update the Work Emergency & Evacuation Plan.	In progress
Develop a Technology Disaster Recovery Plan.	In progress
Board and Committee meetings are delivered as per the agreed timing and schedule.	Completed
The Annual Business Plan and Budget is prepared, reviewed, and reported and adopted in accordance with statutory timelines.	Completed

# 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 zero lost time injury (LTI) in 2022-2023 which presents a 100% reduction over the previous twelve months.

Annual lost time injuries:

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<b>ANNUAL LOST TIME INJURIES</b>		
(Lost time injuries represent one complete shift or more of lost time)		
2020 – 2021	2021 – 2022	2022 – 2023
1	1	0

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

## INJURY MANAGEMENT

SRWRA received no worker compensation claims during 2022-2023. This is consistent with the previous twelve months, which had zero compensation claims 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:

## ANNUAL PROCUREMENT PERFORMANCE

NUMBER OF PROCUREMENT EVENTS	NUMBER OF PROCUREMENT POLICY WAIVERS
538	2

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



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**SRWRA** CONSTITUENT  
COUNCILS



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**SRWRA**

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