



**SRWRA**   
Southern Region Waste Resource Authority

# ANNUAL REPORT

**2023 to 2024**

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 of 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, continues to prosper 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

On behalf of the Board I am pleased to present the Annual Report for the year ended 30 June 2024.

Waste management in Australia faces several significant challenges, driven by environmental concerns, economic factors, and social issues. At SRWRA we are conscious of these and are playing our part in attempting to address them.

This is occurring through the continued evolution of our integrated waste management precinct which now consistently diverts away from landfill more than 50 per cent of the municipal waste stream we receive, processes more than 40,000 tonnes of household kerbside recyclables at one of Australia's most advanced material recycling facilities, and produces enough green energy from landfill gas and a solar array, constructed on a capped landfill cell, to power more than 3,000 homes.

Our underpinning philosophy is to treat waste as a resource and seek the highest and best use in an environmentally and financially responsible manner.

Our approach is to work with industry experts in their respective fields, through joint ventures or partnering arrangements, to leverage opportunities as they arise. Our success is founded on these relationships and they remain at the very core of what we do.

Our joint venture with IWS saw us divert more than 36,500 tonnes of municipal waste away from landfill to a more productive use. Our joint venture with Re.Group resulted in the recovery of valuable commodities such as steel, aluminium, cardboard, mixed paper, glass, and various plastics, and through our arrangements with LMS Energy green power continues to be exported to the electricity grid.

While the Authority continues to fulfill the objects and purposes for which it was established, providing and operating waste management services on behalf of our constituent councils, we are conscious that more needs to be done.



At SRWRA we are addressing this by increasingly taking responsibility for the waste streams produced by our constituent councils, this includes finalising plans to process green waste and turn it into a valuable commodity. We are also exploring our options to further reduce our environmental impact by increasing the generation and use of renewable energy on site, and we are progressing our commitment to recycling by investing in education. Our investment in education aims to increase the level of community understanding on proper waste disposal and recycling practices in order to increase participation levels in waste reduction initiatives. Contamination, such as incorrect items placed in kerbside recycling bins, reduces the effectiveness of recycling programs and increases the cost of providing the service.

SRWRA has continued to invest in sustainable waste management facilities and to operate in a financially responsible manner. Over the past year we have recorded an Operating Surplus of \$2.566 million while continuing to provide for our future post closure obligations.

In closing I wish to extend my thanks and appreciation to those who have contributed to our success, to our constituent councils for their continued support, to the Board for their vision in ensuring SRWRA continues to provide a comprehensive waste management solution for Southern Adelaide, to the Audit & Risk Committee for their oversight and guidance, and of course to our CEO Chris Adams and his dedicated team.

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 with the Society of Chemical Industry's 2023 Plant of the Year Award. The award is only given if an entry of 'sufficient quality' is submitted, resulting in the SMRF's win being the first in several years. 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.

The risk of fire in our facilities is increasing due to the disposal of combustible materials, such as batteries and marine flares, in the kerbside waste and recycling bins. The greatest threat comes from lithium batteries, due to the intense heat and flame they produce when damaged. Combustible materials should not be placed in kerbside bins and should be disposed of correctly at designated collection points. SRWRA is responding to this risk by increasing communications to its customers on appropriate disposal pathways and augmenting fire response strategies and infrastructure.



The Authority has continued to provide a cost-effective waste management solution for southern Adelaide communities and is in a strong financial position, with an Operating Surplus of \$2.566M and Net Assets of \$30.9M. This strong financial performance supports the provision of \$13.718M for future capping and post closure liabilities. The review and update of the future capping and post closure liabilities will be completed in the 2024/2025 financial year.

Over the last 12 months, the Authority focussed its education efforts on a 'digital 'first' approach that included the launch of a new contemporary website that will, over time, host a range of education resources that can be used by our southern Adelaide communities and customers.

The commitment and 'can do' attitude of the SRWRA staff has ensured the site continues to operate for the benefit of our southern Adelaide communities. I congratulate our team on their strong contribution and express my sincere appreciation of their efforts.

The time commitment required of the Board is increasing as SRWRA increases in complexity. I would like to recognise the contribution of the Board, capably led by Mark Booth as the Independent Chairperson, and the 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> 2024



## MEMBERS



## DEPUTY MEMBERS





# FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED **30 JUNE 2024**



# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## General Purpose Financial Report for the financial year ended 30 June 2024

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# SOUTHERN REGION WASTE RESOURCE AUTHORITY

Annual Financial Statements  
for the financial year ended 30 June 2024

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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 2024 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: 23 September 2024

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Statement of Comprehensive Income for the financial year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
<b>Income</b>			
User charges	2	16,474	15,283
Investment income	2	921	891
Other	2	324	399
Net gain - equity accounted Joint Venture	13	1,482	1,717
<b>Total Income</b>		<b>19,201</b>	<b>18,290</b>
<b>Expenses</b>			
Employee costs	3	1,199	1,151
Finance costs		-	-
Materials, contracts & other expenses	3	14,170	13,591
Depreciation, amortisation & impairment	3	1,266	1,397
<b>Total Expenses</b>		<b>16,635</b>	<b>16,139</b>
<b>Operating Surplus</b>		<b>2,566</b>	<b>2,151</b>
Asset disposal & fair value adjustments	3	-	-
Amounts received specifically for new/upgraded assets		-	-
<b>Net Surplus</b>		<b>2,566</b>	<b>2,151</b>
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - property, plant & equipment		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>2,566</b>	<b>2,151</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 2024

	Notes	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	12,311	7,816
Trade & other receivables	4	2,804	3,759
Inventory		23	-
Loan - Related Party	11,13	-	400
<b>Total Current Assets</b>		<b>15,138</b>	<b>11,975</b>
<b>Non-current Assets</b>			
Equity accounted joint venture	13	9,440	9,508
Property, plant & equipment	5	23,905	24,868
<b>Total Non-current Assets</b>		<b>33,345</b>	<b>34,376</b>
<b>Total Assets</b>		<b>48,483</b>	<b>46,351</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & other payables	6	3,716	4,153
Provisions	6	116	137
<b>Total Current Liabilities</b>		<b>3,832</b>	<b>4,290</b>
<b>Non-Current Liabilities</b>			
Provisions	6	13,749	13,725
<b>Total Non-current Liabilities</b>		<b>13,749</b>	<b>13,725</b>
<b>Total Liabilities</b>		<b>17,581</b>	<b>18,015</b>
<b>Net Assets</b>		<b>30,902</b>	<b>28,336</b>
<b>Equity</b>			
Accumulated surplus		28,527	25,961
Asset revaluation reserve		2,375	2,375
<b>Total Equity</b>		<b>30,902</b>	<b>28,336</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 2024

	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Total Equity \$'000
<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>
<b>Balance at start of period - 1 July 2023</b>	<b>25,961</b>	<b>2,375</b>	<b>28,336</b>
Net Surplus/ (Deficit) for Year	2,566	-	2,566
<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 2024</b>	<b>28,527</b>	<b>2,375</b>	<b>30,902</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 2024

	Notes	2024 \$'000	2023 \$'000
<b>Cash Flows from Operating Activities</b>			
Operating receipts from customers		17,753	14,424
Investment receipts		921	891
Operating payments to suppliers & employees		(15,826)	(13,772)
Finance payments		-	-
<b>Net Cash provided by (or used in) Operating Activities</b>	7	<b>2,848</b>	<b>1,543</b>
<b>Cash Flows from Investing Activities</b>			
Amounts specifically for new or upgraded assets		-	-
Sale of replaced assets	3	-	-
Distributions from equity accounted Joint Ventures	13	1,550	1,750
Contributions to equity accounted Joint Ventures	13	-	(733)
Expenditure on renewal/replacement of assets	5	(303)	(310)
Expenditure on new/upgraded assets	5	-	(262)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>1,247</b>	<b>445</b>
<b>Cash Flows from Financing Activities</b>			
Repayment Related Party Loans		400	-
Payment of Related Party Loans		-	-
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>400</b>	<b>-</b>
<b>Net Increase (Decrease) in cash held</b>		<b>4,495</b>	<b>1,988</b>
Cash & cash equivalents at beginning of period	4	7,816	5,828
<b>Cash &amp; cash equivalents at end of period</b>	4	<b>12,311</b>	<b>7,816</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 2024

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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. 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.



# SOUTHERN REGION WASTE RESOURCE AUTHORITY

## Notes to the Financial Statements

for the year ended 30 June 2024

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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 2024

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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 11% in 2023/24 (10.5% in 2022/23).*

*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 2024

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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 landfill 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 shown 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 and details disclosed below.

The Authority has obtained an independent assessment of the liability estimate for its Closure and Post Closure Remediation Provisions which is based on a number of assumptions (as outlined in Note 14 - Fair Value Measurements) that have not yet been ratified by the Board.

The Authority as of 1 July 2023 has made the decision to retain the existing liability totalling \$13.7 million in the Balance Sheet which is expected to be sufficient to meet its closure and post closure obligations.

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.

### 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 2024

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### 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 2024.

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 2024

	2024 \$'000	2023 \$'000
<b>Note 2 - Income</b>		
<b>User Charges</b>		
Landfill Operations	16,474	15,283
	<u>16,474</u>	<u>15,283</u>
<b>Investment Income</b>		
Interest on investments	348	148
Rental income	573	743
	<u>921</u>	<u>891</u>
<b>Other Income</b>		
Other income	324	399
	<u>324</u>	<u>399</u>
<b>Note 3 - Expenses</b>		
<b>Employee Costs</b>		
Salaries and Wages	1,012	981
Employee leave expense	3	3
Superannuation	123	120
Workers' Compensation Insurance	61	47
Less: Capitalised and distributed costs	-	-
	<u>1,199</u>	<u>1,151</u>
<b>Materials, Contracts &amp; Other Expenses</b>		
Auditor's Remuneration	12	19
Board Expenses	42	46
Contractors	612	584
Fuels & oils	204	272
Equipment hire	34	130
Maintenance	417	588
Legal	10	21
Levies - EPA	12,300	11,372
Professional services	51	177
Sundry	488	382
	<u>14,170</u>	<u>13,591</u>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Notes to the Financial Statements for the financial year ended 30 June 2024

#### Note 3 - Expenses (cont)

	2024 \$'000	2023 \$'000
<b>Depreciation, Amortisation &amp; Impairment</b>		
Buildings & Structures	369	357
Plant & Equipment	302	292
Office Equipment	6	15
Super Cell	301	375
Super Cell Capping	259	316
Post Closure Rehabilitation	29	36
Future Restoration Costs	-	6
	<u>1,266</u>	<u>1,397</u>
<b>Asset Disposals</b>		
Proceeds from disposal	-	-
Less: Carrying amount of assets sold	-	-
<b>Gain (Loss) on disposal</b>	<u>-</u>	<u>-</u>
<b>Note 4 - Current Assets</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on Hand and at Bank	2,046	2,181
Short-term deposits	10,265	5,635
	<u>12,311</u>	<u>7,816</u>
<b>Trade &amp; Other Receivables</b>		
Debtors - general	2,576	3,575
Accrued Revenues	115	107
Prepayments	66	32
Sundry Debtors	47	45
	<u>2,804</u>	<u>3,759</u>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

[Notes to the Financial Statements  
for the financial year ended 30 June 2024](#)

### Note 5 - Property, Plant & Equipment

	2023 \$'000			2024 \$'000		
	At Fair Value	At Cost	Accumulated Depreciation	At Fair Value	At Cost	Accumulated Depreciation
Land	6,335	-	-	6,335	-	-
Buildings & Structures	560	11,875	(1,622)	560	11,875	(1,992)
Plant & Equipment	-	5,138	(3,242)	-	5,273	(3,542)
Office Equipment	-	143	(132)	-	154	(141)
Super Cell	-	8,988	(6,131)	-	8,988	(6,432)
Super Cell Capping	5,426	-	(3,021)	9,654	-	(7,454)
Post Closure Rehabilitation	6,143	-	(5,869)	6,143	-	(5,898)
Future Restoration Costs	4,228	-	(4,173)	-	-	-
Work in Progress	-	222	-	-	382	-
	<b>22,692</b>	<b>26,366</b>	<b>(24,190)</b>	<b>22,692</b>	<b>26,672</b>	<b>(25,459)</b>
			<b>24,868</b>			<b>23,905</b>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the financial year ended 30 June 2024

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

	2023	Movement in Property, Plant & Equipment during the Financial Year						2024
	\$'000	Renewal / Replacement	Additions New/Upgrade	Disposals	Revaluation	Adjustment / Transfer	Depreciation	Carrying Value
Land	6,335	-	-	-	-	-	-	6,335
Buildings & Structures	10,813	-	-	-	-	(1)	(369)	10,443
Plant & Equipment	1,896	137	-	-	-	-	(302)	1,731
Office Equipment	11	8	-	-	-	-	(6)	13
Super Cell	2,857	-	-	-	-	-	(301)	2,556
Super Cell Capping	2,405	-	-	-	-	54	(259)	2,200
Post Closure Rehabilitation	274	-	-	-	-	-	(29)	245
Future Restoration Costs	55	-	-	-	-	(55)	-	-
Work in Progress	222	160	-	-	-	-	-	382
	<b>24,868</b>	<b>305</b>	<b>-</b>	<b>-</b>	<b>(2)</b>	<b>(1,266)</b>	<b>(1,266)</b>	<b>23,905</b>
	<b>25,693</b>	<b>310</b>	<b>260</b>	<b>-</b>	<b>2</b>	<b>(1,397)</b>	<b>(1,397)</b>	<b>24,868</b>



## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Notes to the Financial Statements for the financial year ended 30 June 2024

#### Note 6 - Liabilities

	2024 \$'000		2023 \$'000	
	Current	Non-current	Current	Non-current
<b>Trade &amp; Other Payables</b>				
Goods & services	3,699	-	4,137	-
Payments received in advance	17	-	16	-
	<b>3,716</b>	<b>-</b>	<b>4,153</b>	<b>-</b>
<b>Provisions</b>				
Annual Leave	63	-	76	-
Long Service Leave	53	31	61	7
Super Cell Capping	-	9,654	-	7,980
Post Closure Rehabilitation	-	4,064	-	4,064
Future Restoration Costs	-	-	-	1,674
	<b>116</b>	<b>13,749</b>	<b>137</b>	<b>13,725</b>

<b>Reconciliation of Movement in Landfill &amp; Restoration Provisions</b>	<b>Super Cell Capping</b>	<b>Post Closure Rehabilitation</b>	<b>Future Restoration Costs</b>	<b>Total</b>
<b>Opening Balance</b>	<b>7,980</b>	<b>4,064</b>	<b>1,674</b>	<b>13,718</b>
Additional Amounts Recognised/ (Derecognised)	1,674	-	(1,674)	-
Payments	-	-	-	-
Unwinding of Present Value Discounts	-	-	-	-
<b>Closing Balance</b>	<b>9,654</b>	<b>4,064</b>	<b>-</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 2024

#### 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:

	2024 \$'000	2023 \$'000
Total cash & equivalent assets	12,311	7,816
Less: Short-term borrowings	-	-
Balances per Cash Flow Statement	<u>12,311</u>	<u>7,816</u>

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

Net Surplus (Deficit)	2,566	2,151
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,266	1,397
Net (Gain) Loss on equity accounted joint ventures	(1,482)	(1,717)
Provision unwinding - finance costs	-	-
	<u>2,350</u>	<u>1,831</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	955	(1,258)
Net (increase) decrease in inventory	(23)	-
Net increase (decrease) in trade & other payables	(437)	950
Net increase (decrease) in other provisions	3	20
<b>Net Cash provided by (or used in) operations</b>	<u><b>2,848</b></u>	<u><b>1,543</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 2024

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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 4.3% (2023: 4%).

**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 debts. An Fees & Associated allowance for doubtful debts is recognised (and re-assessed annually) when collection in Charges 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 for and Accruals 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 2024

#### Note 8 - Financial Instruments

##### Liquidity Analysis

	2024	Maturity			Non-interest bearing	Total
		≤ 1 year	> 1 year ≤ 5 years	> 5 years		
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>						
<b>Amortised Cost</b>						
Cash Assets		12,311	-	-	-	12,311
Receivables		-	-	-	2,804	2,804
<b>Total</b>		<b>12,311</b>	<b>-</b>	<b>-</b>	<b>2,804</b>	<b>15,115</b>
<b>Financial Liabilities</b>						
Payables		-	-	-	3,716	3,716
Borrowings		-	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>3,716</b>	<b>3,716</b>
	2023	≤ 1 year	> 1 year ≤ 5 years	> 5 years	Non-interest bearing	Total
		\$'000	\$'000	\$'000	\$'000	\$'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>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Notes to the Financial Statements for the financial year ended 30 June 2024

#### Note 9 - Commitments for Expenditure

	2024 \$'000	2023 \$'000
<b>Capital Commitments</b>		

The Authority had no committed capital expenditure commitments as at reporting date to disclose.

#### 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	454	499
<b>Total</b>	<b>454</b>	<b>499</b>

#### Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Onkaparinga (Member Council)	8,562	281	Provision of waste disposal services
City of Holdfast Bay (Member Council)	1,365	74	Provision of waste disposal services
City of Marion (Member Council)	3,793	284	Provision of waste disposal services
Southern Materials Recycling Facility (Joint Venture)	2,721	282	Provision of waste disposal services
Southern Recycling Centre (Joint venture)	7,833	453	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 2024

#### Note 12 - Uniform Presentation of Finances

	2024 \$'000	2023 \$'000
<b>Income</b>		
<i>User charges</i>	16,474	15,283
<i>Investment income</i>	921	891
<i>Other</i>	324	399
<i>Net gain - equity accounted Joint Venture</i>	1,482	1,717
	<u>19,201</u>	<u>18,290</u>
<b>Expenses</b>		
<i>Employee costs</i>	1,199	1,151
<i>Finance costs</i>	-	-
<i>Materials, contracts &amp; other expenses</i>	14,170	13,591
<i>Depreciation, amortisation &amp; impairment</i>	1,266	1,397
	<u>(16,635)</u>	<u>(16,139)</u>
 Operating Surplus / (Deficit)	 2,566	 2,151
<b>Net Outlays on Existing Assets</b>		
<i>Capital Expenditure on renewal and replacement of Existing Assets</i>	(303)	(310)
<i>Depreciation, Amortisation, Impairment and Movement in Landfill Provisions</i>	1,266	1,397
<i>Proceeds from Sale of Replaced Assets</i>	-	-
	<u>963</u>	<u>1,087</u>
<b>Net Outlays on New and Upgraded Assets</b>		
<i>Capital Expenditure on New and Upgraded Assets</i>	-	(262)
<i>Amounts received specifically for New and Upgraded Assets</i>	-	-
<i>Proceeds from Sale of Surplus Assets</i>	-	-
	<u>-</u>	<u>(262)</u>
 Net Lending / (Borrowing) for Financial Year	 <u>3,529</u>	 <u>2,976</u>

## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### Notes to the Financial Statements for the financial year ended 30 June 2024

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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.

	2024	2023
	\$'000	\$'000
<b>The Authority's respective interests are:</b>		
- interest in operating result:	50.00%	50.00%
- ownership of equity	49.99%	49.99%
- the proportion of voting power	50.00%	50.00%
 <u>Movement in Investment in Joint Operation:</u>		
Opening Balance	1,410	1,620
New Capital Contributions	-	-
Share in Operating Result	1,507	1,540
Equity Adjustment	-	-
Distributions Received	(1,550)	(1,750)
<b>Share in Equity of Joint Operation</b>	<b>1,367</b>	<b>1,410</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 2024

#### 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.

	2024 \$'000	2023 \$'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	8,098	7,188
Capital Contributions (cash contribution)	-	733
Capital Contributions (transfer of plant assets)	-	-
Capital Contribution (conversion to loan)	-	-
Share in Operating Result	(25)	177
<b>Share in Equity of Joint Operation</b>	<b>8,073</b>	<b>8,098</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 \$0.154 million (decrease) (FY23: \$0.495 million increase) in the current financial year.

##### 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 2024

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#### 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 2024

	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2024</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	-	-	9,654	9,654
- Post Closure Rehabilitation	5	-	-	6,143	6,143
<b>Total financial assets recognised at fair value</b>		-	<b>6,895</b>	<b>15,797</b>	<b>22,692</b>

<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>

**(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 2024

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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, David Powell, 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 2024, 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 blue ink, appearing to read 'David Powell', is written over a horizontal line.

David Powell  
Presiding Member  
Southern Region Waste Resource Authority  
Audit & Risk Committee

7 August 2024  
Dated



## SOUTHERN REGION WASTE RESOURCE AUTHORITY

### GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2024

#### 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 2024, 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 'T. Muhlhausler'.

**Tim Muhlhausler** CA, Registered Company Auditor

Director

26 September 2024

#### Mount Gambier

233 Commercial Street West  
PO Box 246, Mount Gambier SA 5262  
P: (08) 8725 3068  
F: (08) 8724 9553  
E: admin@galpins.com.au

#### Stirling

Unit 4, 3-5 Mount Barker Road  
PO Box 727, Stirling SA 5152  
P: (08) 8339 1255  
F: (08) 8339 1266  
E: stirling@galpins.com.au

#### Norwood

3 Kensington Road, Norwood SA  
PO Box 4067, Norwood South SA  
P: (08) 8332 3433  
E: norwood@galpins.com.au

W: www.galpins.com.au

Galpins Trading Pty Ltd

ABN 62 151 822 021

## 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 2024, 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 2024, 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 adoption of the revaluation of landfill capping and post closure liabilities. The Authority has made the decision to retain the existing liabilities totalling \$13.7 million in the balance sheet. The Authority expects these liabilities to be sufficient to meet its closure and post closure obligations. 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.



CHARTERED ACCOUNTANTS™  
AUSTRALIA • NEW ZEALAND

#### Mount Gambier

233 Commercial Street West  
PO Box 246, Mount Gambier SA 5262  
P: (08) 8725 3068  
F: (08) 8724 9553  
E: admin@galpins.com.au

#### Stirling

Unit 4, 3-5 Mount Barker Road  
PO Box 727, Stirling SA 5152  
P: (08) 8339 1255  
F: (08) 8339 1266  
E: stirling@galpins.com.au

#### Norwood

3 Kensington Road, Norwood SA  
PO Box 4067, Norwood South SA  
P: (08) 8332 3433  
E: norwood@galpins.com.au

W: www.galpins.com.au

Galpins Trading Pty Ltd

ABN 62 151 850 001

## 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 2024



## 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 2023 to 30 June 2024 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 2023 to 30 June 2024.

### 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 2023 to 30 June 2024. 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.

#### Mount Gambier

233 Commercial Street West  
PO Box 246, Mount Gambier SA 5103  
P: (08) 8725 3068  
F: (08) 8724 9553  
E: admin@galpins.com.au

#### Stirling

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PO Box 727, Stirling SA 5152  
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F: (08) 8339 1266  
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P: (08) 8332 3433  
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W: www.galpins.com.au

Galpins Trading Pty Ltd

ABN 62 151 822 021



## 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 2023 to 30 June 2024. 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 2024



## 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 2024, 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 blue ink, appearing to be 'M Booth', is positioned above a horizontal line.

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Mark Booth  
Chairperson  
Southern Region Waste Resource Authority

Dated 7 August 2024

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

I, Phu Nguyen, the person occupying the position of Chief Executive Officer of the City of Onkaparinga, for the financial year ending, 30 June 2024, 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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Phu Nguyen  
Chief Executive Officer  
City of Onkaparinga

Dated 20 August 2024

## 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 2024, 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.



Tony Harrison  
Chief Executive Officer  
City of Marion

06/08/2024

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.



## 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 2024, 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

7 August 2024  
Dated

# ATTENDANCE AT BOARD MEETINGS

BOARD MEMBERS	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
<b>CHAIRPERSON</b> Mark Booth	7	7
<b>CITY OF ONKAPARINGA</b> Kirk Richardson	7	7
<b>CITY OF ONKAPARINGA</b> Jordan Pritchard	7	7
<b>CITY OF MARION</b> Angela Allison	7	7
<b>CITY OF MARION</b> Ray Barnwell	7	7
<b>CITY OF HOLDFAST BAY</b> Roberto Bria	7	7
<b>CITY OF HOLDFAST BAY</b> John Smedley	7	5
<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	7	0
<b>CITY OF ONKAPARINGA</b> Jessica Tucker	4	2
<b>CITY OF MARION</b> Ian Crossland	7	0
<b>CITY OF HOLDFAST BAY</b> Monique O'Donohue	7	0
<b>CITY OF HOLDFAST BAY</b> Pamela Jackson	7	1

# ATTENDANCE AT AUDIT & RISK COMMITTEE MEETINGS

	MEETINGS HELD WHILST MEMBER	MEETINGS ATTENDED
<b>DAVID POWELL</b> Presiding Member <i>Appointed December 2023</i>	3	3
<b>SAM SPADAVECCHIA</b> <i>Term completed February 2024</i>	2	2
<b>JOSH HUBBARD</b> <i>Appointed August 2023</i>	5	5
<b>TIM O'LOUGHLIN</b> <i>Appointed September 2023</i>	4	3
<b>MARK BOOTH</b>	5	5

# 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
Grow the customer base for SRWRA and its Joint Venturers	Complete
Implement year 1 of the Communication and Education Strategy	In Progress
Progress the development of the Circular Economy Park	In progress
Investigate options to increase diversion from landfill	Complete
Seek opportunities to source landfill cell construction and capping material from customers	Complete
Maximise the use of recovered resources on site	Complete
OPERATIONAL EXCELLENCE ACTIONS	STATUS
Continuously review and improve workplace safety systems	Complete
Maximise remaining landfill airspace	Complete
Maximise the compatible use of buffer land	In Progress
Continuous improvement of litter capture on site	Complete
Conduct organisational review to ensure SRWRA is positioned to meet our strategic objectives and future business needs such as buffer land development/EcoPark	Complete
GOVERNANCE & RISK ACTIONS	STATUS





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## AIMS, OBJECTIVES AND KEY MEASURES

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Maintain a contemporary suite of policies	In Progress
Work in accordance with the Risk Management Policy and Framework	Complete
Implement a Records Management System	In Progress
Review and update the Work Emergency & Evacuation Plan	Complete
Board and Committee meetings are delivered as per the agreed timing and schedule	Complete
The Annual Business Plan and Budget is prepared, reviewed, and reported and adopted in accordance with statutory timelines	Complete

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# 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 2023-2024 which is an increase over the previous twelve months when no LTI's were recorded.

Annual lost time injuries:

### ANNUAL LOST TIME INJURIES

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

2021 - 2022	2022 - 2023	2023 - 2024
1	0	1

## INJURY MANAGEMENT

SRWRA received one worker compensation claim during 2023-2024. This is an increase in claims lodged this year compared to the previous year, 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:

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## ANNUAL PROCUREMENT PERFORMANCE

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**NUMBER OF PROCUREMENT  
EVENTS**

531

**NUMBER OF PROCUREMENT  
POLICY WAIVERS**

2

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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**

112 Bakewell Drive  
Seaford Heights SA 5169

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**T** 08 8327 0304

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**E** [info@srwra.com.au](mailto:info@srwra.com.au)

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**W** [srwra.com.au/contact](http://srwra.com.au/contact)