



General Purpose Financial Reports

For the Year Ended 30 June 2013

SOUTHERN REGION WASTE RESOURCE AUTHORITY

General Purpose Financial Reports for the year ended 30 June 2013

TABLE OF CONTENTS

	<u>Page</u>
Authority Certificate	
Principal Financial Statements	
Statement of Comprehensive Income	1
Balance Sheet	2
Statement of Changes in Equity	3
Cash Flow Statement	4
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	N1
Note 2 - Income	N6
Note 3 - Expenses	N6-N7
Note 4 - Gain or Loss on Disposal of Assets	N7
Note 5 - Current Assets	N7
Note 6 - Infrastructure, Property, Plant & Equipment & Investment Property	N8-N9
Note 7 - Liabilities	N10
Note 8 - Reserves	N10
Note 9 - Reconciliation of Cash Flow Statement	N11
Note 10 - Financial Instruments	N12-N13
Note 11 - Expenditure Commitments	N14
Note 12 - Uniform Presentation of Finances	N15
Note 13 - Operating Leases	N16
Note 14 - Events Occurring After Reporting Date	N16
Note 15 - Contingencies & Assets & Liabilities Not Recognised in the Balance Sheet	N17
EO Statement	
Audit Report	
Council Certificates of Audit Independence	
Audit Certificate of Audit Independence	

SOUTHERN REGION WASTE RESOURCE AUTHORITY

ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2013

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2013 and the results of its operations and cashflows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.

.....
Mark Booth
Chairman

Dated the 16th day of SEPTEMBER 2013

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
INCOME			
User charges	2	9,750	8,430
Investment income	2	674	726
Other Income	2	2,002	-
Total Income		<u>12,426</u>	<u>9,156</u>
EXPENSES			
Employee costs	3	1,012	983
Materials, contracts & other expenses	3	6,056	5,056
Depreciation, amortisation & impairment	3	2,048	2,022
Other Expenses	3	161	348
Total Expenses		<u>9,277</u>	<u>8,409</u>
OPERATING SURPLUS / (DEFICIT)		3,149	747
Net gain (loss) on disposal or revaluation of assets	4	47	-
NET SURPLUS / (DEFICIT)		<u>3,196</u>	<u>747</u>
transfer to Equity Statement			
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>3,196</u>	<u>747</u>

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

**BALANCE SHEET
as at 30 June 2013**

ASSETS	Notes	2013 \$'000	2012 \$'000
Current Assets			
Cash and cash equivalents	5	16,574	14,732
Trade & other receivables	5	1,049	924
Inventories	5	-	278
		<u>17,623</u>	<u>15,934</u>
Total Current Assets		<u>17,623</u>	<u>15,934</u>
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	20,902	17,903
Total Non-current Assets		<u>20,902</u>	<u>17,903</u>
Total Assets		<u>38,525</u>	<u>33,837</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	1,375	1,009
Provisions	7	1,981	4,056
		<u>3,356</u>	<u>5,065</u>
Total Current Liabilities		<u>3,356</u>	<u>5,065</u>
Non-current Liabilities			
Provisions	7	19,098	15,897
Total Non-current Liabilities		<u>19,098</u>	<u>15,897</u>
Total Liabilities		<u>22,454</u>	<u>20,962</u>
NET ASSETS		<u>16,071</u>	<u>12,875</u>
EQUITY			
Accumulated Surplus		12,593	9,397
Asset Revaluation Reserve	8	2,966	2,966
Other Reserves	8	512	512
TOTAL EQUITY		<u>16,071</u>	<u>12,875</u>

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2013

2013	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Balance at end of previous reporting period		9,397	2,966	512	12,875
Adjustments due to compliance with revised Accounting Standards		-	-	-	-
Adjustments to give effect to changed accounting policies		-	-	-	-
Restated Opening Balance		9,397	2,966	512	12,875
Net Surplus/ (Deficit) for Year		3,196			3,196
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-	-
Transfers between reserves		-	-	-	-
Distributions to Member Councils		-	-	-	-
Balance at end of period		12,593	2,966	512	16,071

2012	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	TOTAL EQUITY
Balance at end of previous reporting period		8,900	2,966	512	12,378
Adjustments due to compliance with revised Accounting Standards		-	-	-	-
Adjustments to give effect to changed accounting policies		-	-	-	-
Restated Opening Balance		8,900	2,966	512	12,378
Net Surplus/ (Deficit) for Year		747	-	-	747
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-	-
Transfers between reserves		-	-	-	-
Distributions to Member Councils		(250)	-	-	(250)
Balance at end of period		9,397	2,966	512	12,875

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

CASH FLOW STATEMENT for the year ended 30 June 2013

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2013 \$'000	2012 \$'000
<u>Receipts</u>			
Operating receipts		10,627	9,649
Investment receipts		685	677
<u>Payments</u>			
Operating payments to suppliers & employees		(8,608)	(7,347)
Finance payments		-	-
Net Cash provided by (or used in) Operating Activities	9 (b)	2,704	2,979
 CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts</u>			
Sale of surplus assets		384	-
Net disposal of investment securities		-	862
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(19)	(29)
Expenditure on new/upgraded assets		(1,227)	(1,864)
Purchase of Investments		-	-
Net Cash provided by (or used in) Investing Activities		(862)	(1,031)
Distributions Paid to Constituent Councils		-	(250)
Net Cash provided by (or used in) Financing Activities		-	(250)
Net Increase (Decrease) in cash held		1,842	1,698
Cash & cash equivalents at beginning of period		14,732	13,034
Cash & cash equivalents at end of period	9 (a)	16,574	14,732

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2013

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, 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.

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, and has its principal place of business at 282 Main South Road, Morphett Vale SA 5162. These financial statements have been prepared for use by the Constituent Councils of the Authority.

3 Income recognition

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

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 5.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

5 Infrastructure, Property, Plant & Equipment

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

5.1 Initial Recognition

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

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

5.2 Materiality

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

5.3 Subsequent Recognition

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 5.

5.4 Depreciation of Non-Current Assets

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

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

Plant, Furniture & Equipment	5 to 10 years
Buildings	50 years
Infrastructure:	
Waste Facility	10 to 15 years
Landfill Construction	Amortised proportionately to rate of filling

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

5.5 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

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.

An accrual is recognised for sick leave only to Landfill employees and is recognised once staff accrue 3 weeks worth of entitlements. Any liability is payable annually upon request. For all other employees, no accrual is made for sick leave as the Authority's experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods.

The Authority 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 the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently.

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9% in 2012/13; 9% in 2011/12). 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.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

7.2 Superannuation (Cont.)

Defined Benefit Members

Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial. The most recent full actuarial investigation conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2011. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

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

8 Rehabilitation

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

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

9 Leases

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

In respect of finance leases, where the Authority substantially carries all the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as assets under lease, and are amortised to expense over the period during which the Authority is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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

10 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.

11 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.

12 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 AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 1 - Significant Accounting Policies (cont)

13 New Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2013 reporting period and have not been used in preparing these reports.

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

14 Valuation of Land Assets

During the 2013/14 financial year, the Authority will be engaging an external Valuer to undertake an independent valuation of all Land assets owned by the Authority which will incorporate any market value adjustment caused by re-zoning of land use in the area in which the Authority operates its landfill activities.

The Authority has been waiting for the completion of all re-zoning to be completed by the State Government before undertaking an independent valuation of all Land assets held. This re-zoning was subsequently completed in July 2013.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 2 - INCOME

	Notes	2013 \$'000	2012 \$'000
USER CHARGES			
Landfill Operations		9,750	8,430
		9,750	8,430
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		624	669
Banks & other		43	50
Investment property rental income		7	7
		674	726
OTHER INCOME			
Movement in Landfill Capping Liabilities		2,002	-
		2,002	-

During the 2012/13 financial year, the Authority undertook a review of all estimated capping and post closure rehabilitation costs. As a result of this review and the approval of an alternate capping design for the Northern Area and Cell 2 capping design by the EPA, the liability for the Northern Area and Cell 2 capping was reduced by \$2 million. This reduction in liability is a non-cash transaction reflected in Other Income.

Note 3 - EXPENSES

EMPLOYEE COSTS			
Salaries and Wages		914	943
Employee leave expense		30	(46)
Superannuation		84	84
Workers' Compensation Insurance		45	40
Less: Capitalised and distributed costs		(61)	(38)
Total Operating Employee Costs		1,012	983
Total Number of Employees		10	10
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		17	17
- Other Services		-	-
Bad and Doubtful Debts		-	36
Board Expenses		23	31
Operating Lease Rentals - cancellable leases		28	26
Subtotal - Prescribed Expenses		68	110
<u>Other Materials, Contracts & Expenses</u>			
Contractors		464	306
Fuel		183	191
Equipment Hire		19	1
Maintenance		330	246
Legal Expenses		20	37
Levies paid- EPA Levy		4,735	3,886
Professional services		34	59
Sundry		203	220
Subtotal - Other Materials, Contracts & Expenses		5,988	4,946
		6,056	5,056

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 3 - EXPENSES (cont)

	2013 \$'000	2012 \$'000
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Landfill Construction	1,648	1,553
Buildings & Waste Facility	22	22
Plant & Equipment	378	447
	2,048	2,022
OTHER EXPENSES		
Transfer to Provision for Northern Area Rehabilitation	-	193
Transfer to Provision for Cell 2 Capping	100	116
Transfer to Provision of Cell 3-1 & 3-2 Capping	61	39
	161	348

Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	384	-
Less: Carrying amount of assets sold	337	-
Gain (Loss) on disposal	47	-
	47	-
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	47	-

Note 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	1,432	1,215
Deposits at Call	-	202
Short Term Deposits & Bills, etc	15,142	13,315
	16,574	14,732
TRADE & OTHER RECEIVABLES		
Accrued Revenues	21	10
Debtors - general	932	916
Prepayments	96	34
Total	1,049	960
Less: Allowance for Doubtful Debts	-	36
	1,049	924
INVENTORIES		
Stores & Materials	-	278
	-	278

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

	2012 \$'000			2013 \$'000				
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Freehold Land	4,648	-	-	4,648	4,648	-	-	4,648
Buildings	-	112	(33)	79	-	112	(36)	76
Waste Facility:								
Fencing	-	29	(4)	25	-	29	(12)	17
Concrete Slab	-	111	(67)	44	-	111	(73)	38
Oil Transfer Facility	-	68	(41)	27	-	68	(45)	23
Shed	-	25	(8)	17	-	25	(8)	17
Depot	-	67	(20)	47	-	67	(21)	46
Plant & Equipment	-	3,935	(1,962)	1,973	-	4,326	(1,899)	2,427
Motor Vehicles	-	75	(29)	46	-	86	(8)	78
Office Equipment	-	133	(103)	30	-	152	(124)	28
Landfill Construction:								
Landfill Cell 3-1 & 3-2	-	5,293	(5,293)	-	-	5,293	(5,293)	-
Landfill Cell's 3-1 & 3-2 Capping	-	828	(828)	-	-	828	(828)	-
Cell 3-3 & 3-4 (Lower)	-	3,705	(3,264)	441	-	3,705	(3,264)	441
Cell 3-3 & 3-4 (Lower) Capping	-	672	(588)	84	-	699	(588)	111
Cell 4	-	3,196	(79)	3,117	-	3,388	(556)	2,832
Cell 4 (Capping)	-	2,843	(71)	2,772	-	2,960	(487)	2,473
Site Rehabilitation	-	1,411	(301)	1,110	-	5,053	(729)	4,324
Future Restoration Costs	-	5,067	(1,624)	3,443	-	5,275	(1,952)	3,323
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	4,648	27,570	(14,315)	17,903	4,648	32,177	(15,923)	20,902
<i>Comparatives</i>	4,648	22,335	(12,297)	14,686	4,648	27,570	(14,315)	17,903

This Note continues on the following pages.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

	2012 \$'000 CARRYING AMOUNT	CARRYING AMOUNT MOVEMENTS DURING YEAR \$'000						2013 \$'000 CARRYING AMOUNT
		Additions		Disposals	Depreciation	Write Down Accumulated Depreciation	Revaluation Movement	
		Capital	Renewals					
Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT								
Freehold Land	4,648	-	-	-	-	-	-	4,648
Buildings	79	-	-	-	(3)	-	-	76
Waste Facility:								
Fencing	25	-	-	-	(8)	-	-	17
Concrete Slab	44	-	-	-	(6)	-	-	38
Oil Transfer Facility	27	-	-	-	(4)	-	-	23
Shed	17	-	-	-	-	-	-	17
Depot	47	-	-	-	(1)	-	-	46
Plant & Equipment	1,973	1,141	-	(341)	(346)	-	-	2,427
Motor Vehicles	46	86	-	(43)	(11)	-	-	78
Office Equipment	30	-	19	-	(21)	-	-	28
Landfill Construction:								
Landfill Cell 3-1 & 3-2	-	-	-	-	-	-	-	-
Landfill Cell's 3-1 & 3-2 Capping	-	-	-	-	-	-	-	-
Cell 3-3 & 3-4 (Lower)	441	-	-	-	-	-	-	441
Cell 3-3 & 3-4 (Lower) Capping	84	27	-	-	-	-	-	111
Cell 4	3,117	192	-	-	(477)	-	-	2,832
Cell 4 (Capping)	2,772	116	-	-	(415)	-	-	2,473
Site Rehabilitation	1,110	3,642	-	-	(428)	-	-	4,324
Future Restoration Costs	3,443	208	-	-	(328)	-	-	3,323
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT	17,903	5,412	19	(384)	(2,048)	-	-	20,902
<i>Comparatives</i>	14,686	5,207	32	-	(2,022)	-	-	17,903

This Note continues on the following pages.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 7 - LIABILITIES

	Notes	2013 \$'000		2012 \$'000	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		1,098	-	530	-
Accrued expenses - employee entitlements		115	-	104	-
Accrued expenses - other		162	-	375	-
		<u>1,375</u>	<u>-</u>	<u>1,009</u>	<u>-</u>
PROVISIONS					
Employee entitlements (including oncosts)		107	9	24	84
Northern Area Rehabilitation		936	-	4,032	-
Cell 2 Capping		938	-	-	2,428
Post Closure Site Rehabilitation		-	7,617	-	3,975
Cell Capping - 3-1 & 3-2		-	2,538	-	828
Cell Capping - 3-3 & 3-4 (Lower)		-	699	-	672
Cell 4 Capping		-	2,960	-	2,843
Future Restoration Costs Capitalised		-	5,275	-	5,067
		<u>1,981</u>	<u>19,098</u>	<u>4,056</u>	<u>15,897</u>

*Movements in Provisions - 2013 year only
(current & non-current)*

	Opening Balance	Additional Amounts Recognised/ (Derecognised)	Payments	Closing Balance
<i>Northern Area Rehabilitation</i>	4,032	(2,678)	(418)	936
<i>Cell 2 Capping</i>	2,428	(874)	(616)	938
<i>Post Closure Site Rehabilitation</i>	3,975	3,642	-	7,617
<i>Cell Capping -3-1 & 3-2</i>	828	1,710	-	2,538
<i>Cell Capping - 3-3 & 3-4 (Lower)</i>	672	27	-	699
<i>Cell 4 Capping</i>	2,843	117	-	2,960
<i>Future Restoration Costs Capitalised</i>	5,067	208	-	5,275
<i>Total</i>	<u>19,845</u>	<u>2,152</u>	<u>(1,034)</u>	<u>20,963</u>

Note 8 - RESERVES

	1/07/2012	Transfers to Reserve	Transfers from Reserve	30/06/2013
OTHER RESERVES				
Asset Revaluation Reserve	2,966	-	-	2,966
Waste Management Fund	512	-	-	512
TOTAL OTHER RESERVES	<u>3,478</u>	<u>-</u>	<u>-</u>	<u>3,478</u>
<i>Comparatives Totals</i>	<u>3,478</u>	<u>-</u>	<u>-</u>	<u>3,478</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 9 - RECONCILIATION OF CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2013 \$'000	2012 \$'000
Total cash & equivalent assets	5	16,574	14,732
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		16,574	14,732

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

Net Surplus (Deficit)		3,196	747
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		2,048	2,022
Net (Gain) Loss on Disposals		(47)	-
		5,197	2,769
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(125)	329
Net (increase) decrease in inventories		278	39
Net (increase) decrease in other current assets		-	862
Net increase (decrease) in trade & other payables		366	(364)
Net increase (decrease) in other provisions		(3,012)	(656)
Net Cash provided by (or used in) operations		2,704	2,979

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

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

(d) Financing Arrangements

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

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

The Authority has no bank overdraft facility.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 10 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned. Terms & conditions: Deposits are returning fixed interest rates of 3.5 - 4.25% (2012: 4.5 - 5%). Short term deposits have an average maturity of 90 days (2012: 90 days). Carrying amount: approximates fair value due to the short term to maturity.
Receivables - Gate Fees & Associated Charges	Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable. Carrying amount: approximates fair value (after deduction of any allowance).
Liabilities - Creditors and Accruals	Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the 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 Exposures

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

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

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows.

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

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 10 (cont) - FINANCIAL INSTRUMENTS

Liquidity Analysis

2013	Floating Interest Rate \$'000	Fixed interest maturing in			Non- interest bearing \$'000	Total \$'000
		≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000		
Financial Assets						
Fair Value through P&L						
Cash Assets	1,432	15,142	-	-	-	16,574
Loans & Receivables						
Receivables	-	-	-	-	1,049	1,049
Total	1,432	15,142	-	-	1,049	17,623
<i>Weighted Average Interest Rate</i>	<i>3.50%</i>	<i>4.25%</i>				
Financial Liabilities						
Payables	-	-	-	-	1,375	1,375
Total	-	-	-	-	1,375	1,375
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,432	15,142	-	-	(326)	16,248

2012	Floating Interest Rate \$'000	Fixed interest maturing in			Non- interest bearing \$'000	Total \$'000
		≤ 1 year \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000		
Financial Assets						
Fair Value through P&L						
Cash Assets	1,215	13,517	-	-	-	14,732
Loans & Receivables						
Receivables	-	-	-	-	924	924
Total	1,215	13,517	-	-	924	15,656
<i>Weighted Average Interest Rate</i>	<i>4.00%</i>	<i>5.00%</i>				
Financial Liabilities						
Payables	-	-	-	-	1,009	1,009
Total	-	-	-	-	1,009	1,009
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,215	13,517	-	-	(85)	14,647

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 11 - COMMITMENTS FOR EXPENDITURE

	<u>Notes</u>	2013 \$'000	2012 \$'000
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Resource Recovery Facility		1,900	2,000
Administration Office Construction		300	-
Plant & Equipment		-	275
		<u>2,200</u>	<u>2,275</u>
These expenditures are payable:			
Not later than one year		2,200	2,275
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		<u>2,200</u>	<u>2,275</u>
Other Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		29	46
		<u>29</u>	<u>46</u>
These expenditures are payable:			
Not later than one year		17	18
Later than one year and not later than 5 years		12	28
Later than 5 years		-	-
		<u>29</u>	<u>46</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 12 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a uniform and consistent basis. The uniform presentation represents a simplified version of reporting under the Government Finance Statistics (GFS) framework of the Australian Bureau of Statistics.

All Councils in South Australia voluntarily have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	2013 \$'000	2012 \$'000
Operating Revenues	12,426	9,156
<i>less</i> Operating Expenses	<u>(9,277)</u>	<u>(8,409)</u>
Operating Surplus / (Deficit)	3,149	747
<i>less</i> Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(19)	(29)
<i>less</i> Depreciation, Amortisation, Impairment and Movement in Landfill Provisions	2,209	2,370
<i>less</i> Proceeds from Sale of Replaced Assets	<u>-</u>	<u>-</u>
	2,190	2,341
<i>less</i> Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets <i>(including investment property & real estate developments)</i>	(1,227)	(1,864)
<i>less</i> Amounts received specifically for New and Upgraded Assets	-	-
<i>less</i> Proceeds from Sale of Surplus Assets	<u>384</u>	<u>-</u>
	<u>(843)</u>	<u>(1,864)</u>
Net Lending / (Borrowing) for Financial Year	<u>1,802</u>	<u>270</u>

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 13 - OPERATING LEASES

Lease payment commitments of the Authority

The Authority has entered into non-cancellable operating leases for the office building premises it currently occupies.

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

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

No lease contains any escalation clause.

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

	2013 \$'000	2012 \$'000
Not later than one year	14	28
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>14</u>	<u>28</u>

Note 14 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2013 that need to be disclosed in the financial statements.

SOUTHERN REGION WASTE RESOURCE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2013

Note 15 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE BALANCE SHEET

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

1. POTENTIAL INSURANCE LOSSES

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

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

2. LEGAL EXPENSES

All known costs have been recognised.

3. "CARBON" TAX

From 1 July 2012 a new tax on emissions of certain 'greenhouse' gases commenced operation. The Authority operates a landfill facility which emits, and will continue to emit gases of this type. Information currently available provides assurances that 'legacy emissions' from garbage placed in landfills prior to the commencement of the tax will not become liable to the tax. The Authority has assessed that as at 30 June 2013, there is no liability to be recorded for this tax as the Authority remains under the emissions threshold however in future years there may be a liability for this tax should emissions reach exceed current emissions threshold.

The Authority will continue to monitor its emissions in future years to assess whether it becomes liable for this tax.