

Annual Report

2017 - 2018



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INTRODUCTION



Mayor's Reflections

Welcome to this year's annual report, a comprehensive summary of the achievements and performance of City of Prospect for the year ending 30 June 2018.

The demolition of our offices on Prospect Road, the sale of our depot site on Main North Road, and the commencement of construction of the new Civic Centre are just some of the year's major highlights for Council.

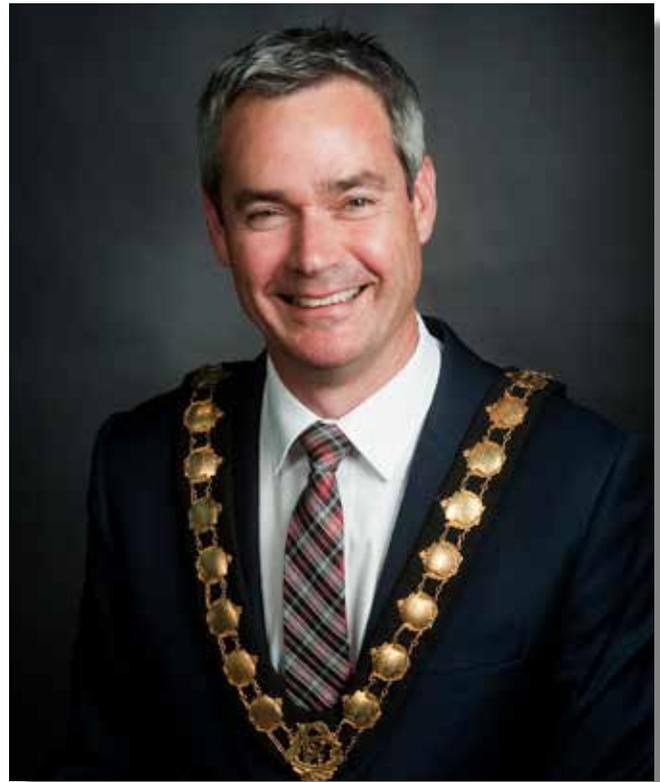
Elsewhere we saw significant economic growth including the completion and opening of the 14 screen Palace Nova cinema complex and associated cafes, restaurants and bars; completion of a number of major residential developments and commencement of development work on the long-vacant land at 250 Churchill Road. It was a busy year of achievements all round and there were a number of other highlights and significant achievements including the following:

Roads, Paths and Parks

- Endorsed a Main North Road Master Plan, including design for tree planting in centre median.
- Endorsed a detailed design ready for the redevelopment of George Whittle Reserve on Churchill Road.
- Implemented upgrades at Broadview Oval including a new fitness track, BMX track, and new fitness equipment.
- Completed Prospect Road powerline undergrounding and footpath upgrade up to Regency Road.
- Endorsed a long term Open Space Strategy.
- The March State election cycle enabled us to leverage \$3.2m towards upgrading the benign northern parklands with our southern neighbours, the City of Adelaide.
- Replaced the roof and substructure on the 1957 Prospect Oval grandstand to support North Adelaide Football Club's new solar array - the largest in the city.

Business and Innovation

- Implemented an **Investment Attraction Strategy** in partnership with the Town



of Walkerville for Main North Road and North East Roads.

- Implemented a **Village Heart Marketing Fund** resulting in active engagement of businesses in the Village Heart.
- Saw a doubling in the number of pedestrians in the Village Heart
- Established a **GigCity network** to complement existing internet service providers
- Developing a **Connected Cities** project for a consortium of councils to develop a metropolitan-wide low powered sensor network, to help with the asset management of both St Helens Park and Memorial Gardens.

The **Palace Nova Cinema Complex** provided new energy to Prospect Road. I want to thank the Maras Group for sharing our vision for Prospect. They introduced some great new businesses to the street including 50sixone, New Nordic and Anchovy Bandit - the first 'bar' on Prospect Road, Prospect in history.

We also applied significant pressure to the State Government to improve the Development Plan provisions for our main road corridors, in response to community

Mayor's Reflections

feedback about the plain and dominating forms approved under the previous State government authored provisions.

Events

The inaugural '**Prospect Spring Fair**' was held at Broadview Oval on Saturday 27 October 2017. The new format and location was a resounding success, with over 6,000 people attending. Coupled with the **Tourrific Prospect** which attracted an estimated 18,000 participants and a refreshed format for the '**2018 Twilight Series**' (every Friday night in February), Council saw new audiences and participants in these wonderful events.

Prospect Gallery delivered a wonderful program of exhibitions again in 2017/18 which re-enforced the gallery's reputation as one of the best council-run galleries in the state.

In April **Prospect Active Walkers**, facilitated by City of Prospect volunteers and supported by the Heart Foundation, celebrated 10 years of service. This group welcomes and encourages new members and is suitable for people of all ages and fitness levels, and it's a free activity!

Council's **Reconciliation Action Plan** focused on dual naming of parks, reserves and places with the new housing development located on the corner of Regency Road and Churchill Road providing an unprecedented opportunity for Council to introduce indigenous names into Council's road network.

Community

In recognition of the volunteers in our community, we celebrated a number of Community Service Awards. Thank you to **Charlie Farrugia** from the RSL Maltese Sub Branch who was awarded the Freedom of the City for his long and dedicated service to the Maltese community together with our Community Service Award recipients for their outstanding voluntary contributions within and beyond our city. A plaque was also presented to local business **Terry Howe Printing** for their outstanding voluntary contribution to the community of Prospect.

We recognised Dr Robert Irving as our **Australia Day - Citizen of the Year Award**; his receipt of this award was further embellished by receiving a commendation in the South Australian Citizen of the Year awards. Claire Sander was awarded Young Citizen of the Year, and Megan Cunnah was recognised for running our Community Event of the Year.

Financial Results

On balance, a measured financial outcome was achieved for the city with revenue lifting to \$23.5M and expenditure of \$22.3M, providing a net operating surplus of \$1.2m. The surplus was larger than expected due to additional contributions to our parking fund and a range of other savings being achieved.

A significant threat to council's financial independence emerged towards the end of the year with the election of a new state government that intends to introduce rate-capping. Ironically, it would allow us to impose a special levy to fund a major project such as the new Civic Centre, and therefore justify a much higher level of rate rise than CPI. It is notable that our City's financial strength is such we expect to be able to fund our new facility within a ten year framework of reasonable rate rises anticipated to mirror the local government CPI for Adelaide, without a special levy.

Summary

It has been a year of remarkable achievement, particularly in light of the additional workload associated with planning for implementing the largest single project in the history of the city - our new Civic Centre on Prospect Road.

I want to thank my fellow councillors and collectively our industrious CEO Cate Hart and her hardworking team for another year of prudent financial management, engaging community service, wonderful civic improvements and inspiring investments for the future prosperity of our city.

David O'Loughlin

Mayor, City of Prospect

Words from the CEO

As outlined by the Mayor's introduction, there is no doubt that 2017/2018 was an extremely busy year for Council and one which saw the delivery of an extensive number of key operating and capital projects, together with the ongoing development of the Community Hub Library and Innovation Centre on Prospect Road.

Together with these projects, the organisation continues to respond to the demands of delivering on a comprehensive Strategic Management Plan whilst ensuring its finances are managed in a sustainable manner.

Supporting our community is at the centre of what we do, and it is always pleasing to see positive community response across the year to the many services we offer. Likewise, we receive feedback from our community about issues that need addressing and I encourage everyone to utilise our new Customer Request Management system available on the website for timely responses to issues you may come across.

The Community Satisfaction Survey and a Youth Research Project were undertaken in September 2017 and saw a great response and some interesting statistics, with almost 7 in 10 residents satisfied overall with City of Prospect. This places City of Prospect generally above other councils across Adelaide and South Australia for a similar rating.

“We have an enviable reputation as a great place to live, work, visit and invest.”

The survey also highlighted a desire from residents to receive more information about development happening across the council. Staff are now reviewing the Council magazine, which is a principle form of communication with you, and I encourage you to sign up for a digital version to stay in touch.



It was pleasing to see that the overall satisfaction with our community events and arts and cultural activities has significantly improved, a key area of resourcing for the organisation.

We have an enviable reputation as a great place to live, work, visit and invest. We anticipate the coming year will see continued change in our Council and we look forward to helping deliver and share in the successes that lay ahead.

Cate Hart
CEO, City of Prospect

OUR COUNCIL



Our Council

Council Members

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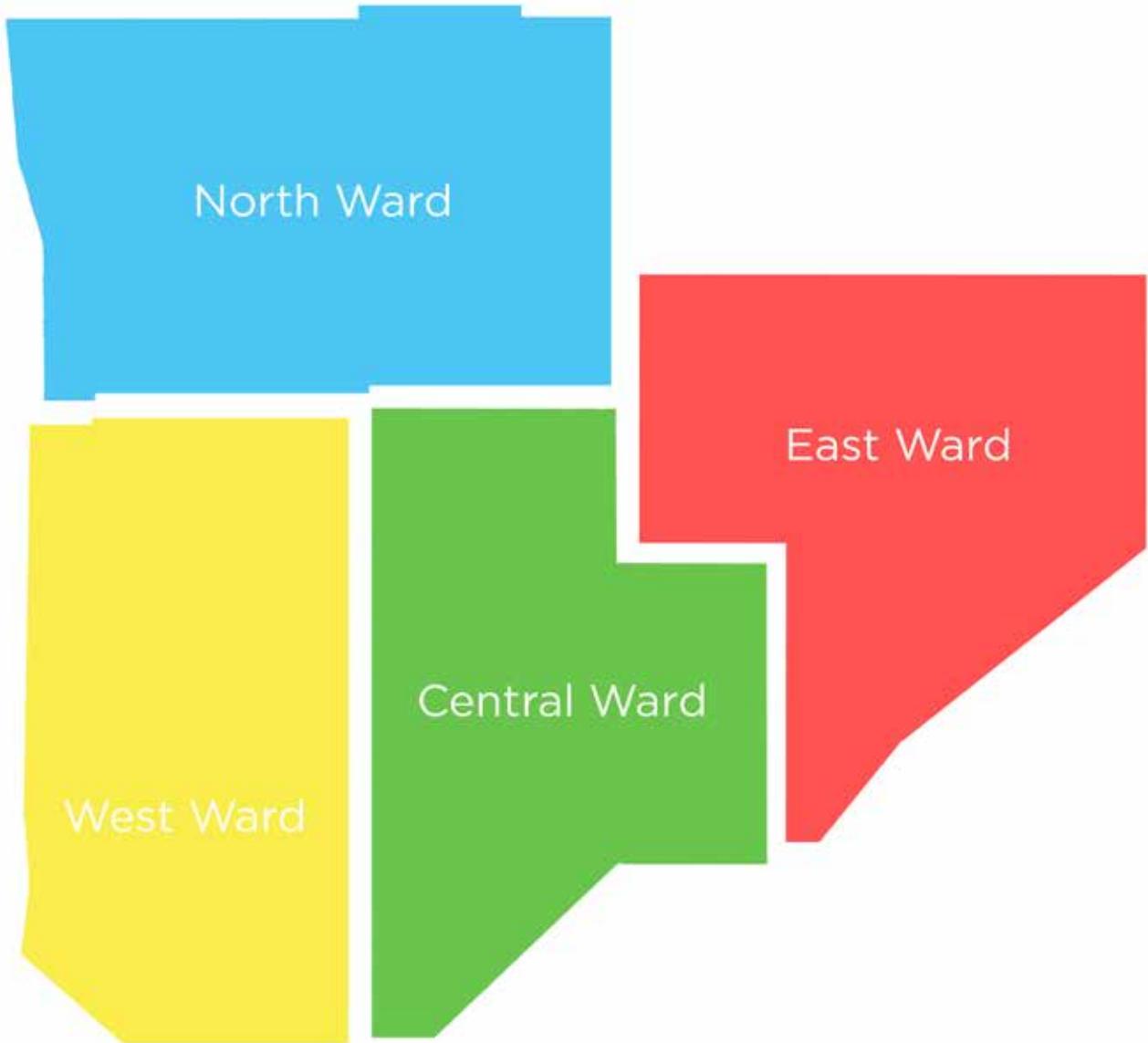
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CR MARK STANDEN
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Our Council

Council Boundaries



	North Ward , includes Prospect
	East Ward , includes Nailsworth, Collinswod, Broadview, Sefton Park
	Central Ward , includes Prospect, Nailsworth, Thorngate, Medindie Gardens
	West Ward - Fitzroy, Ovingham, Prospect

Our Council

Elector Representation

The following table compares City of Prospect's representation quota with that of other councils of a similar size and type. The quota is derived by dividing the total number of electors for each council by the number of Council Members. The average for these councils (based on the ratio column below) is 1,741.

Council	Number of Electors	Number of Council Members	Ratio
Walkerville (3.5km ²)	5,629	9	1:625
Prospect (7.8km ²)	14,859	9	1:1,651
Norwood, Payneham & St Peters (15.1km ²) *	25,443	14	1:1,817
Unley	27,688	13	1:2,129
Adelaide (15.6km ²)	25,601	12	1:2,133

Source: Electoral Commission of SA (ECSA), current as at 28 February 2018

The legislation specifies that if a council is divided into wards, then the number of electors in each ward must fall within a ward quota so that there is fair representation on Council.

The next Elector Representation Review will be undertaken when directed by the Electoral Commissioner. At that time, notices will be placed in a newspaper circulating in the area and on Council's website to invite public submissions.



Council Member Allowances

Section 74 of the Local Government Act 1999 requires that the Remuneration Tribunal determines, on a four yearly basis, allowances for all South Australian councils. Prospect is classified as a Group Two Council (there are six groups all together). The allowances came into operation following the November 2014 Council elections and were indexed from 7 November 2017:

	Prescribed Allowance
Mayor	\$66,304
Deputy Mayor	\$20,720
Council Member	\$16,576

Council Member Training Seminars & Conferences

In accordance with City of Prospect's Training and Development Policy, the Council Members were provided the opportunity to undertake training and development activities during 2017-2018 as per the table below:

Name	Date	Training/Development Session Details
Mayor David O'Loughlin	15-16 November 2017	LGA Conference, AGM and Conference Dinner
Cr Kristina Barnett	15 November 2017	LGA Conference
Cr Alison De Backer	23 March 2018	State Planning Conference 2018
All Council Members	20 February 2018	Social Media Training
All Council Members	20 February 2018	Bullying and Harassment Training

Our Council

Meetings, Workshops, Panels and Committees

Ordinary Meetings of Council are held on the fourth Tuesday of the month starting at 7:00pm.

Workshops are held on the first and second Tuesday night of each month (except January), starting at 6:15pm.

Meetings attended by Council Members 1 July 2017 - 30 June 2018						
	Council Meetings	Council Workshops	Audit Committee	SPD&P Committee	Council Assessment Panel (CAP)	CEO Performance Review Committee
Total number of Meetings	20	28	5	2	13	2
Mayor David O'Loughlin	18	24	4	2	-	2
Cr Talis Evans	16	23	5	-	-	-
Cr Monica Lee	19	25	-	2	3	1
Cr Kristina Barnett	19	26	-	2	-	-
Cr Matt Larwood	16	18	-	-	-	2
Cr Mark Groote	18	24	-	-	-	2
Cr Alison De Backer	19	25	-	1	11	-
Cr Allen Harris	18	23	-	-	-	2
Cr Mark Standen	19	22	-	-	-	-

Our Council

Consistent with the requirements of the incoming Planning, Development and Infrastructure Act, Council appointed its Assessment Panel (CAP) in August 2017 (with the CAP to commence operating from 1 October 2017).

The CAP essentially replaced the Development Assessment Panel (DAP) that was previously appointed by Council under the outgoing Development Act. The sitting fees of CAP members were modestly increased from those paid to DAP members, in recognition of the increased responsibilities required to be fulfilled by the CAP in comparison to those required of the DAP.

The CAP meets on the second Monday of each month, commencing at 5.30pm.

Council Assessment Panel Independent (CAP) Members Allowances paid			
Sitting Fees per meeting		Allowances Paid 2017/2018	
<i>Presiding Member - to Sept 2017</i>	\$500	Mr David Cooke (Presiding)	\$6,450
Member - to Sept. 2017	\$400	Mr Sam Green	\$4,950
		Mr Julian Rutt	\$4,850
Presiding Member - from Oct. 2017	\$550	Mr Darren Starr	\$1,320
Member - from Oct. 2017	\$450	Mr Simon Weidenhofer	\$1,200
		Mr Robert Gagetti	\$4,050
		Mr Ruan Perera	\$1,350

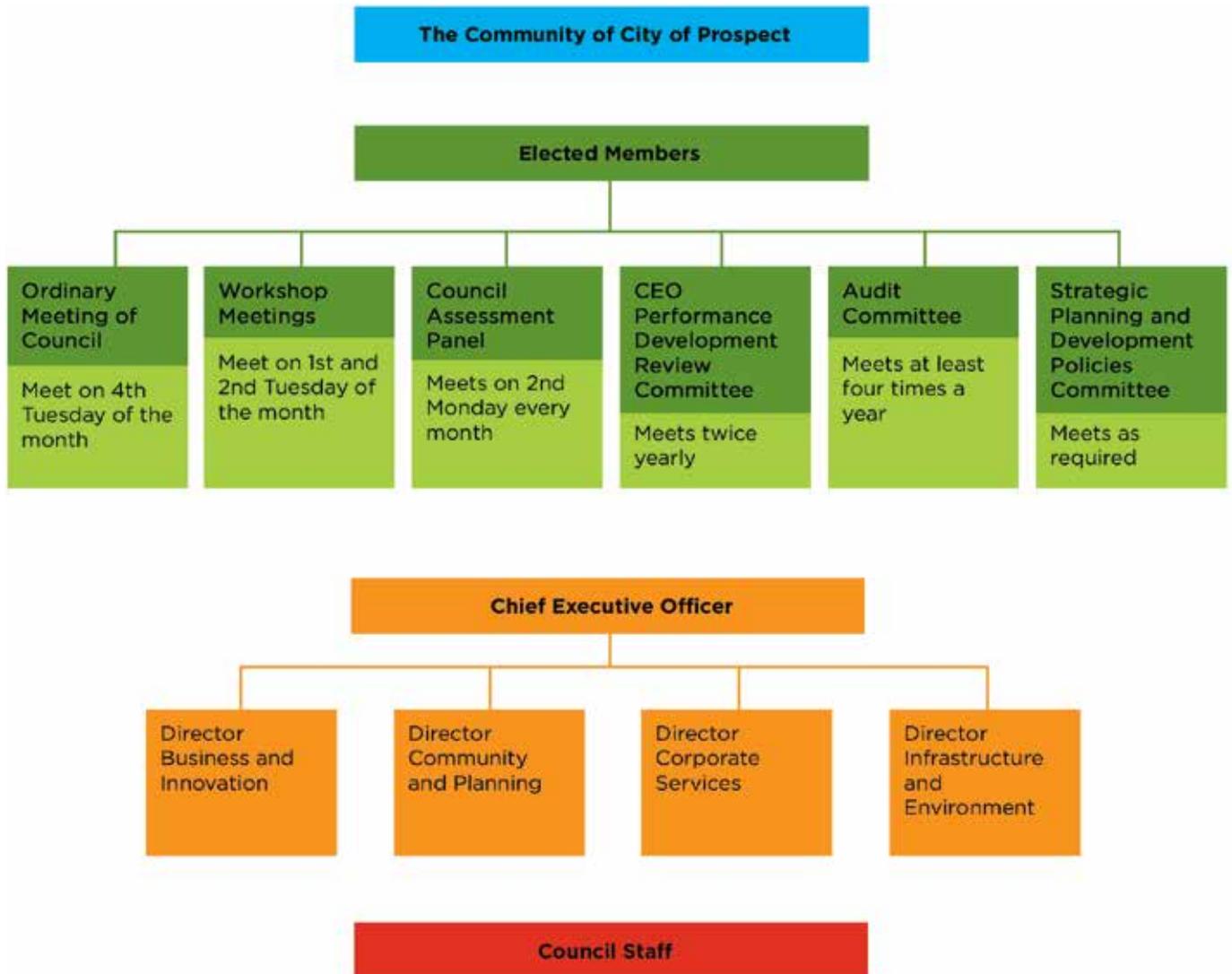
The Audit Committee is established to oversee risk management and audit initiatives of council activities and to act as a source of advice to the Council and Chief Executive Officer in relation to these matters. The Committee are expected to meet at a minimum of four times per year.

Audit Committee Independent Member Allowances			
Sitting Fees per meeting		Allowances Paid 2017/2018	
<i>Presiding Member</i>	\$500	Laurie Kozlovic (end March 2018)	\$2,000
Member	\$400	David Moffat	\$2,000
		Corinne Garrett (Presiding)	\$1,700
		Peter Fairlie-Jones (from May 2018)	\$400

Our Council

Council Decision Making Structure

City of Prospect operates within the framework of the Local Government Act 1999, and the elected body may delegate authority to the Chief Executive Officer in accordance with legislative requirements and the corporate structure.



Our Council

Executive Leadership

Council has five senior executives including the Chief Executive Officer. Negotiated salary packages include legislated employer-sponsored superannuation contributions and the opportunity to contribute to a fully maintained vehicle. No bonuses are payable.

Cate Hart

Chief Executive Officer

The Chief Executive Officer is responsible for overall management of the Administration and Employee Relations and reports to the Mayor and Council. The CEO is the Work Health Safety responsible officer.

Ginny Moon

Director Corporate Services

The Director of Corporate Services is responsible for Customer Services, Financial Management, Information Management, Corporate Governance (Delegations, Policy, and Elections), Civic Governance (Council Members, Council Meetings and Workshops), Information Technology, Risk Management, Work Health Safety Management, Human Resource Management and Rates Administration.

Nathan Cunningham

Director Community & Planning

The Director of Community & Planning is responsible for the delivery of the significant development of the new Council and Community building on Prospect Road together with the delivery of Community Development, Aged and Youth Programs as well as Public Art and the Gallery programs. These items are delivered together with City Events, Library and Digital literacy programming as well as Planning and Urban Development throughout the City.

Simon Bradley

Director Infrastructure & Environment

The Director of Infrastructure and Environment is responsible for Public Realm Placemaking, City Maintenance, Asset Management, Stormwater Management, Traffic Management, Contract Management, Capital Works Programming, Parks and Gardens, Open Space Management, Fleet Management, Community Land and Property Management, Waste Management, Environmental Management and Community Safety.

Chris Hannaford

Director Business & Innovation

The Director of Business and Innovation is responsible for Economic Development, Investment Attraction, Business Relations, Village Heart Marketing Fund, GigCity, External Funding Policy, Strategic Economic Planning and Communications.

Human Resource Management

City of Prospect had 85 full time equivalent positions carried out by 92 employees as at 30 June 2018.

Council supports a diversity of employment types including full-time, part-time, role sharing, fixed-term contract and casual employees, with casual staff working predominantly in customer facing roles that can deliver services over seven days, peaking during seasonal and high demand periods.

Council maintains a policy of retaining a balance of trained and engaged Council employees and the use of contractors for specialised projects and services. In doing so, Council can ensure that projects are carried out using the specialist equipment and skills of contractors whilst retaining a core in-house workforce that can respond quickly and efficiently to localised issues and concerns.

In addition, training is provided to Council employees during the year to ensure they are equipped with the knowledge and skills required to service the community efficiently.

Employees range in age from 20 through to 68 years, holding job-obtained skills or qualifications at all levels, from Certificate level through to Post Graduate.

Employees are engaged under the South Australian Municipal Salaried Officers Award and the Local Government Employees Award. Service delivery standards and employment conditions are enhanced through the enterprise bargaining process, which involves negotiation between Council employees and management.

Council employs staff across a range of job roles, including:

- Management
- Administration
- Planning & Building
- Library Services
- Information Technology
- Work Health & Safety
- Horticulture & Civil Services
- Engineering
- Economic Development
- Community Services
- Arts & Events, and
- Environmental Planning & Management.

Council experienced minor employee turnover during 2017/2018, with six employees leaving the organisation to pursue other promotional or career opportunities and one employee retiring. Council continues to develop strategies to attract and retain quality employees. Council seeks to balance the inevitable employee turnover generated by the tight labour market with core employees who have dedicated significant periods of their working life to serving the residents and community organisations within Prospect.

Your Rates, Your City

After Council has established what services will be provided and how much those services are expected to cost, it then works out how much money will be collected from various sources, and how much it needs to collect from the community in the form of rates.

Providing and maintaining services and facilities costs money. Council must raise sufficient funds and does this by charging a rate on property.

While Council receives some money from other sources such as grants and fees, the largest portion (approximately 87%) of the money that Council requires comes from rate payers.

Rating Strategy

Before Council can set its rates each financial year, it must review its Rating Strategy to assess if strategy positions previously taken need to be amended.

The Rating Strategy is a broad statement by the Council of the approach that it will take in determining rates and the reasons for this approach. This process helps to ensure accountability to the community.

The Rating Strategy for 2017/2018 was adopted by Council on 27 June 2017 as part of Council's Annual Business Plan. It took into account:

- Valuations set by the Valuer-General
- City of Prospect Strategic Plan 2020
- Council's Treasury Management Policy
- Inflation rates, Consumer Price Index (CPI) and Local Government Price Index (LGPI)
- The effect of rates on local business
- Employment rates
- Interest rates
- Council's borrowings
- Legislative changes
- Any financial change imposed by legislation
- Physical infrastructure requirements

- Environmental impacts and opportunities
- Income from fees and charges
- Income from grants
- Income from other sources

Council works hard to ensure rates are kept to a responsible level, consistent with meeting the needs and demands of the local community in maintaining infrastructure and providing services.

Council also seeks to ensure that rates are applied fairly across the community.

In 2017/2018, the total revenue raised from rates increased by 3.75%. This increase was made up of average residential rate increases of 2.75% plus growth of 1.0%. Local residential property valuations increased by an average of 8.12% from the previous year.

Land Use & Locality

Council has chosen to have four different rates depending on the type of land use and location within the development plan. One for residential, one for non-residential (including commercial shops, offices, light industry etc), one for vacant land located in the residential development zone and one for vacant land not in the residential development zone (non-residential).

Minimum Rate

Council considers it appropriate that all rateable properties make a contribution to the basic services provided for all rate payers by way of a minimum rate. The minimum rate was increased from \$1,118 to \$1,160 for the 2017/2018 financial year.

Payments

Council rates can be paid through a variety of methods:

- Cash
- Cheque
- EFTPOS
- Internet
- Australia Post and
- BPay.

Our Council

Every \$100 spent by Council is spent on

Service	\$
Waste Management	\$4.85
Sanitation	\$0.17
Community Arts, Events & Gallery	\$1.80
Library	\$2.48
Community Wellbeing & Development	\$38.92
Street Trees, Nature Strips, Parks & Landscapes	\$0.74
Stormwater Drainage	\$0.38
Business & Economic Development	\$1.42
Street Lighting	\$1.04
Public Health & Safety	\$0.88
Streets & Footpaths	\$6.42
Traffic Management	\$1.29
City Planning & Development	\$1.86
Fleet & Depot Operations	\$4.90
Governance & Administration	\$9.22
Information Technology	\$3.04
Rates Administration	\$2.06
Financial Management (includes NRM Levy)	\$10.81
Reserves & Loans	\$2.10
Sports, Recreation & Playgrounds	\$4.96
Communication	\$0.66

Mandatory Rebates

During the 2017/2018 financial year, 134 (up from 130 in 2016/2017) properties were granted mandatory rebates as follows:

No. of Rebates	Reason	Value of Rebate
105	Community Services	\$1,222,769
11	Education	\$141,719
18	Religious	\$120,084
Total 134		\$1,484,572

Discretionary Rebates

Four applications for discretionary rebates were approved by Council during the 2017/2018 financial year.

No. of Rebates	Reason	Value of Rebate
3	Community Services	\$7,540
1	Services for Children	\$5,275
Total 4		\$12,815

Our Council

Valuation

A capital value is assessed for each property and is used by Council for calculating rates. The capital value is provided each year by the Valuer-General. The table shows the trend of capital valuation for City of Prospect over the last few years.

	11/12	12/13	13/14	14/15	15/16	16/17	17/18
Valuation of the City (Million)	\$4,939	\$4,729	\$4,783	\$4,877	\$4,962	\$5,205	\$5,629
Minimum Rate	\$857	\$912	\$980	\$1,050	\$1,090	\$1,118	\$1,160
Residential Rate in (dollar)	0.27470	0.303107	0.314506	0.321690	0.322342	0.319577	0.303805
Non-residential Rate in (dollar)	0.52823	0.583553	0.609000	0.658500	0.683288	0.654307	0.637904
Average Residential Rate	\$1,394	\$1,464	\$1,531	\$1,605	\$1,683	\$1,732	\$1,780
Vacant Land Rate	0.030981	0.323593	0.393132	0.402112	0.402927	0.399471	0.379756
Vacant Land Rate (Non-residential)	0.030981	0.323593	0.761250	0.823125	0.854110	0.817884	0.797380

Separate Rate - Village Heart Marketing Fund

In 2017/2018, Council established the Prospect Village Heart Traders Group to among other activities, promote Prospect Road as a retail destination.

Funding administered by the Group is achieved through a separate rate applied to each non-residential business or tenancy within the Prospect Road High Street Development Zone. Each business makes a fixed contribution of \$99 annually and a rebate is available to ensure that this is only paid once per business per year.

Policy & Administration Documents

National Competition Policy - Clause 7 Statement Reporting

The National Competition Policy was last revised in July 2002 and applies to all Local Government authorities in South Australia, including City of Prospect. The Policy aims to:

- Develop an open and integrated Australian market for goods and services by removing unnecessary barriers to trade and competition
- Ensure no buyer or seller in a market is able to engage in anti-competitive conduct against the public interest
- As far as possible, apply the same rules of market conduct to all market participants, regardless of the form of business ownership – that is government business activities should not enjoy any net advantages solely as a result of their public ownership, and
- Ensure that regulation of business activities which restrict competition is subject to an assessment of the likely costs and benefits.

National Competition Policy does not mean competition at any cost, however competitive neutrality is one of the key principles of the Policy. The principle is based on the concept of a level playing field for people competing for business and relates to situations where there is, or the potential for, competition between the private and public sectors.

Councils are required to identify any significant business activities that it undertakes in either Category One (annual revenue in excess of \$2m or employing assets in excess of \$20m) or Category Two (all other significant business activities).

Council commenced a significant business activity during the reporting period by becoming a member of Eastern Waste Management Authority. Council continued to be a member of the Eastern Health Authority Incorporated, and both businesses operate

with activity of interest with respect to the National Competition Policy.

Both the Eastern Health Authority and Eastern Waste Management Authority may be categorised as conducting significant business activity for Category One under the principles of the National Competition Policy. There are no business activities falling under Category Two to which the principles of Competitive Neutrality are to be applied.

City of Prospect has not received any complaints in relation to its application of competitive neutrality or the principles of the National Competition Policy during 2017/2018.

Council By -Laws

Council's By-Laws underwent a review in the last quarter of 2015, thereafter published in the SA Government Gazette on 24 December 2015.

The following By-Laws remain effective from 3 January 2016:

- Permits and Penalties
- Moveable Signs
- Local Government Land
- Roads
- Dogs
- Waste Management

Our Council

Registers, Codes, Policies and Guidelines

There are a number of registers, codes and policies the Council must endorse and regularly review to govern the conduct of its affairs, some of which are available on Council's website with the remainder available by request at the Civic Centre:

- Art Collection Management Policy
- Accounting Policies & Procedures Manual
- Annual Business Plan and Budget
- Budget Framework Policy
- Building Inspection Policy
- Business Use of a Road Policy
- Caretaker Policy
- Children and Vulnerable Persons Safety Policy
- Code of Conduct for Council Employees
- Code of Practice for Meetings Procedures
- Code of Conduct for Council Members
- Code of Conduct for Council Members – Complaint Handling Procedure Under Part 2
- Code of Practice - Meeting Procedures for Meetings of Council and Council Standing Committees
- Code of Practice for Public Access to Meetings and Documents
- Community Engagement and Consultation Policy
- Community Street Event Policy and Procedures
- Corporate Governance & Internal Control Framework
- Council Off Street Car Parking Development Fund Policy
- Corporate Governance Framework (Internal Controls)
- Corporate Risk Management Policy
- Credit Card Policy
- Customer Service Charter (Including Requests for Service & Complaint Handling)
- Delegations Register
- Development and Associated Public Realm (Urban Corridors) Enforcement Policy
- Development Assessment Panel Code of Conduct
- Development Assessment Panel Complaints Handling
- Dog Register
- Council Member Allowances and Benefits Policy
- Council Member Gifts and Benefits Register
- Council Member Training and Development Policy
- Fees and Charges Register
- Flying of Flags Policy
- Fraud and Corruption Prevention Policy & Reporting
- Freedom of Information Statement
- Informal Gatherings Policy
- Internal Review of Council Decisions Policy
- Kerbside Waste Management Policy
- Knowledge & Information Management Policy
- Liquor Licensing Policy
- Order Making Policy
- Petition Policy
- Procurement Policy
- Protection of Information Policy
- Prudential Management Policy
- Register of By-Laws
- Register of Campaign Donation Returns
- Register of Community Land
- Register of Council Member Allowances and Benefits
- Register of Public Roads
- Register of Salaries
- Selection of Road Names Policy
- Small memorials in Parks and Reserves Policy
- Social Media Policy
- Treasury Management
- Volunteer Management Policy
- Whistleblowers Protection Policy and Reporting Process

Information Statement

Providing Public Access to Official Documents and Records

The Freedom of Information Act 1991 (the FOI Act) gives you the right to request access to documents held by Council and plays a vital role in the overall transparency of government. To meet the requirements of Section 9(1a) of the FOI Act, Council is required to publish an Information Statement. The purpose of the Information Statement is to provide the public with an overview of information held by Council and details how to access the information. The Information Statement will be updated annually and published on Council's website.

Information Requests

During the 2017/2018 financial year, Council received a total of 3 requests for information under the provisions of the Freedom of Information Act.

Freedom of Information application forms, as well as details of applicable processing fees and conditions, can be obtained from Council's website www.prospect.sa.gov.au or alternatively from Customer Service.

All applications should be submitted in writing and forwarded with the application fee to:

The FOI Officer
City of Prospect
PO Box 171
Prospect SA 5082

Matters Considered in Confidence

During the 2017/2018 financial year, the confidentiality provisions of the Local Government Act were used by Council a total of 12 times to consider matters in confidence.

Council adopted 263 resolutions on a broad range of issues during this period. Matters considered 'in confidence' therefore represents approximately 4.5% of the total matters considered.

Orders made under Section 90(2) of the Local Government Act 1999 for 2017-2018

Date of Meeting	Subject	Reason (Section 90(3))
5/09/2017	Item 3.1 Confidential Report: Selection of Architects for the Community Hub, Library and Innovation Centre Project	(d) & (k)
12/09/2017	Item 3.1 Confidential Report: Appointment of Architect for the Design and Construction of Civic128 Community Hub, Library and Innovation Centre	(k)
26/09/2017	Item 23.1 Sale of 132-134 Prospect Road, Prospect	(b)
18/10/2017	Item 4.1 Chief Executive Officer's Performance Report 2016/2017	(a)
19/12/2017	Item 18.1 Australia Day Citizen of the Year Awards 2018	(a)
19/12/2017	Item 18.2 Sale of 82 Johns Road and 218 Main North Road, Prospect	(d)
6/02/2018	Item 3.1 Appointment of Managing Contractor for the Construction of the Community Hub, Library and Innovation Centre	(k)
6/02/2018	Item 3.2 Sale of 82 Johns Road and 218 Main North Road, Prospect	(b)
13/02/2018	Item 3.1 Sale of 82-90 Johns Road and 218 Main North Road, Prospect	(b)
27/02/2018	Item 18.1 Waste Disposal Contract	(k)
24/04/2018	Item 19.1 Community Service Awards	(a)
24/04/2018	Item 19.2 Update on the disposal of recyclable material	(d)

Orders made under Section 91(7) of the Local Government Act 1999 for 2017-2018

Date of Meeting	Subject	Reason (Section 90(3))
5/09/2017	Item 3.1 Confidential Report: Selection of Architects for the Community Hub, Library and Innovation Centre Project - Attachment 1 Only	(d) & (k)
12/09/2017	Item 3.1 Confidential Report: Appointment of Architect for the Design and Construction of Civic128 Community Hub, Library and Innovation Centre	(k)
29/09/2017	Item 23.1 Sale of 132-134 Prospect Road, Prospect	(b)
19/12/2017	Item 18.1 Australia Day Citizen of the Year Awards 2018	(a)
19/12/2017	Item 18.2 Sale of 82 Johns Road and 218 Main North Road, Prospect	(d)
6/02/2018	Item 3.2 Sale of 82 Johns Road and 218 Main North Road, Prospect	(b)
13/02/2018	Item 3.1 Sale of 82-90 Johns Road and 218 Main North Road	(b)
27/02/2018	Item 18.1 Waste Disposal Contract	(k)
24/04/2018	Item 19.1 Community Service Awards 2018	(a)
24/04/2018	Item 19.2 Update on the disposal of recyclable material	(d)

Orders made under 91(7) that expired, ceased or were revoked during 2017-2018

2 Confidential Items were released during the 2017-2018 financial year.

Date of Meeting	Subject	Reason (Section 90(3))	Date Released
19/12/2017	Item 18.1 Australia Day Citizen of the Year Awards 2018	(a)	24/01/2018
24/04/2018	Item 19.1 Community Service Awards 2018	(a)	30/05/2018

Our Council

21 items remain in confidence as at 30 June 2018:

Date of Meeting	Subject	Reason (Section 90(3))
22/02/2011	Unauthorised removal of six (6) significant trees at 252 Churchill Road, Prospect	(h)
19/04/2011	Unauthorised removal of six (6) significant trees at 252 Churchill Road, Prospect	(h)
21/02/2012	Settlement Proposal for removal of 6 Significant Trees - 252 CHR - Consideration of Proposal	(f) & (h)
13/03/2012	Settlement Proposal for removal of 6 Significant Trees - 252 CHR - Consideration of Deputation	(f) & (h)
13/03/2012	Settlement Proposal for removal of 6 Significant Trees - 252 CHR - Consideration of Proposal	(f) & (h)
15/05/2012	Removal of 6 Significant Trees - 252 CHR - Consideration of Proposal	(f) & (h)
27/11/2012	Rates Outstanding Report	(a)
25/03/2014	Digital Economy Strategy : 2014-2018 - Commercial Information	(b)
28/02/2017	Item 23.2 Recommendation for Award of Waste Contract	(d) & (k)
27/04/2017	Item 14.1 Award of Waste Contract	(k)
9/05/2017	Item 4.1 Award of Waste Contract - Commercial Information and Tender	(k)
27/06/2017	Item 23.1 Eastern Waste Management Authority Membership - Attachments 1-6 Only	(b)
5/09/2017	Item 3.1 Selection of Architects for the Community Hub, Library and Innovation Centre Project	(d) & (k)
12/09/2017	Item 3.1 Selection of Architects for the Community Hub, Library and Innovation Centre Project - Attachment 1 Only	(k)
26/09/2017	Item 23.1 Sale of 132-134 Prospect Road, Prospect	(b)
19/12/2017	Item 18.2 Sale of 82 Johns Road and 218 Main North Road, Prospect	(d)
6/02/2018	Item 3.1 Appointment of Managing Contractor for the Construction of the Community Hub, Library and Innovation Centre- Attachments Only	(k)
6/02/2018	Item 3.2 Sale of 82 Johns Road and 218 Main North Road, Prospect	(b)
13/02/2018	Item 3.1 Sale of 82-90 Johns Road and 218 Main North Road, Prospect	(b)
27/02/2018	Item 18.1 Waste Disposal Contract	(k)
24/04/2018	Item 19.2 Update on the disposal of recyclable material	(d)

Our Council

Key Performance Indicators

Council staff achieved approximately 88% completion of all budgeted projects for 2017/2018.

This includes six incomplete projects carried forward from the 2016/2017 budget and nine additional projects endorsed by Council at the April 2018 Meeting.

Whilst every effort was made to complete the projects, of the eight not completed:

Four Projects were completed by August 2018

- Road Design/Reconstruction (Alexandra Street)
- Reconciliation Action Plan (NAIDOC Week)
- Fleet Management - Community Bus Replacement
- Car Parking Development Fund Review

Four are still to be delivered as we work in partnership with other organisations:

- Depot Relocation (Later than anticipated settlement has led to being able to remain onsite and project deferral)
- Digital Transformation (Awaiting Sign On for all Partnered Councils)
- Public Art Installation (Location to be Finalised in Consultation with RSL)
- Flood Mitigation Works (Awaiting Engineering Assessment)

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Library Services

The year was an exciting and challenging one for Prospect Library, as the long-held dream of a new facility started to become a reality. This meant that the organisation entered a transition phase with staff relocated and the library having to close the physical space of the Digital Hub to accommodate this.

Despite this challenge, the Library continued to meet the ongoing needs of the community by providing welcoming spaces, an exciting program of activities and accessible collections. We also continued to provide digital literacy training sessions throughout the library.

There was a reduction in library visitor numbers and loans this year, indicating an understandable decline in community interest in the current facility, which has ceased upgrade spending since the commencement of the new facility. The parking constraints have been increased by the number of staff now in nearby streets which may have an impact, but highlighting the timing is right for the construction of the new facility which will deliver services that best meet current and future community demand and expectation.

Library Programs and Services

The Library's ongoing programs have continued to perform strongly over 2017/18. Particular highlights include:

- The Library being full to capacity with parents/caregivers and babies attending our weekly Baby Bounce & Rhyme sessions (*Image - Communications stock photos*);
- The Knitty Gritty group having strong attendances and promoting vibrant community
- Celebrating NAIDOC week with a day of activities attended by various school groups;
- Another successful year of the Annual Children's Writing Competition.

Local History

The Local History Digitisation project concluded in 2017/18, with the following outcomes achieved:

- Establishment of collection management guidelines
- Completion of a comprehensive collection assessment/consolidation process
- 50% of the collection digitised, consisting



Our People



of approximately 1250 photographs, 100 slides, and 73 screen print posters.

- Digitisation of the collection continues as part of general library operations with wonderful support from a dedicated band of volunteers.

Community Hub, Library and Innovation Centre (CLIC)

The design of the \$17.88m facility was finalised in collaboration with Council's architects (JPE Design Studio) heavily engaging with the CLIC Community Reference Group (a group specially established to assist Council and the architects). The new facility features:

- A contemporary design that embraces and complements the Town Hall, with new openings to the sides of the Eliza Hall designed to ensure maximum integration between the old and new buildings.
- A new, flexible gallery space fronting Prospect Road, bringing colour and interest at the pedestrian scale.
- A dedicated toy library and children's area, in addition to the library collection.
- A generous public outdoor area and balcony overlooking Vine Plaza.

- Nine different community meeting spaces of various sizes, including a maker space and a rejuvenated Town Hall on the ground level, along with a series of small meeting rooms and a large meeting/events space on level one with a balcony overlooking Prospect Road.
- Council administration areas over two levels, bringing all of Council's administrative staff under the one roof for the first time in its history.
- An undercroft car park and new open-air car park at the rear offering a total of 85 parking spaces.
- Two commercial tenancies are being created on the top floor of the building to support local commercial growth and to provide ongoing rental income.
- A café tenancy on the ground floor, to activate the corner of the Town Hall addressing both Prospect Road and Vine Plaza.

With the design completed and approved, Council appointed experienced Project Managers Jim Allen & Associates and local builders Kennett Pty Ltd to undertake the construction of the new facility, along with the necessary alterations to the local heritage

Our People

listed Town Hall. Council staff relocated from the Civic Centre to seamlessly continue their operations from the Town Hall, Thomas Street Centre and the Walkerville Depot.

It was an exciting start to construction on the site of the new facility, with demolition of the existing Civic Centre undertaken in May 2018. This was a delicate operation with great care taken so as to ensure no damage occurred to the Town Hall. A number of plane trees were removed from directly adjacent the Town Hall in line with heritage advice, which revealed the building in all its glory and created a more open feel to Vine Street plaza.

In order to officially begin works on the CLIC, a ceremonial 'turning of the sod' was held, where the Mayor, CEO, key members of the Project Team and contractors/consultants attended the site to look forward to the 15 months' of construction that lay ahead.

Youth

City of Prospect provide a Youth Development Officer to coordinate a range of programs and initiatives for young people aged between 10 and 25 years as outlined below.

Club5082

Every second Friday from 7pm, Prospect Town Hall is transformed into an action packed live music venue showcasing local, interstate and even international bands whilst also providing valuable stage time for emerging artists in a professional venue operated by newly graduated young technicians.

The program has increased its focus on developing an online audience through Council's Club5082 Facebook page and also makes a solid contribution to the Friday evening vibrancy and street activity of Prospect Road. The Club5082 Facebook page has over 4300 'likes' with many more viewing the page during the year to access high-quality photographs, stream events, purchase tickets and enter competitions.



Our People

Notable events this year included the hosting of international blues guitar specialist Gwyn Ashton and Rob Farnham's Rival Fire rock band where large audiences were attracted to Prospect, further enhancing Club5082's reputation as a high quality music venue.

YouthFM

City of Prospect continues to be an active participant and contributor to this popular regional youth radio program. Each year young people from each of the participating Council areas come together for training and mentoring that supports them to prepare and present radio programs.

Two intakes occurred in April and October school holidays with local young people engaged through local schools and youth organisations. Council sponsored four young people aged between 15 -25 to participate.

YouthFM is aired on Three D Radio 93.7FM on Thursday afternoons from 4pm - 5pm. The live to air show is produced by young people for young people with the support of the YouthFM mentor and aims to promote local youth events, services, raise awareness of the issues that impact young people and provide air time to young musicians.

Children's School Holiday Program

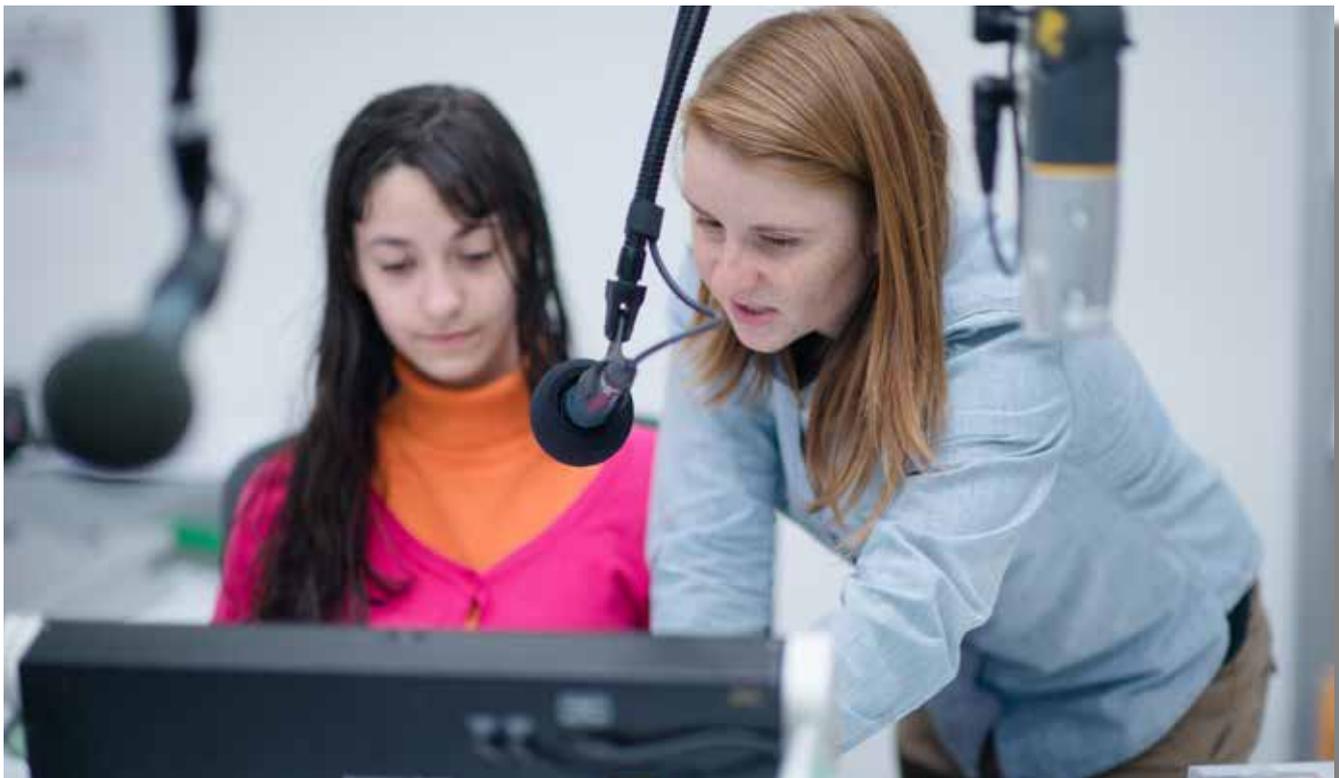
Two theatre shows were offered at Prospect Town Hall in the July and October School Holidays catering for local families and children. Events were offered as part of the Out of the Square program through a network of suburban theatres that plan, package and present high quality arts and entertainment experiences for South Australian consumers.

The program continues to be a huge success with both shows selling out quickly.

Youth Sponsorship Program

The Youth Sponsorship Program offered by City of Prospect aims to encourage and support young people aged 21 years and under who have been selected to represent their institution, club or organisation in sport and recreation, science, technology, arts or cultural pursuits.

Thirty-one sponsorships were provided this financial year, enabling young people to compete at events held in South Australia, interstate and overseas.



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Community Support

Prospect Community Support (Council's Aged Services team) has continued to provide a varied range of social activities and services utilising funding from Council, Commonwealth Home Support Program (CHSP - for people aged 65 years and over) and the State Government Home and Community Care (HACC - for people under 65 years on a Disability Support Pension).

Social programs and activities play a vital role in countering the negative health effects of social isolation by helping to connect residents with each other and the wider community.

Social Program activities include friendship groups, exercise programs, community lunches, the Men's Shed program and monthly bus trips to the Central Market. Quarterly trips to Monarto Zoo and other day trips to locations outside the metro area are also popular with clients of this service. Approximately 270 participants attended over 5,400 individual social sessions from July 2017 to June 2018.

Prospect Community Support also provides Home Support services to our older

residents, supporting them to maintain their properties and continue to live independently within our community. Home Support services include annual gutter/window/spring cleaning, handyman services to change tap washers/light globes/smoke detector batteries and home modification services to assist with grab rail installation. Over 4,744 individual home support services were provided to approximately 555 residents during the last financial year.

Prospect Community Support has received a directive from the Commonwealth Department of Health to ensure that all programs and services align with a *Wellness and Reablement* approach as part of ongoing national Aged Care reforms. The Prospect Community Support team has been working collaboratively with organisations and clients to develop, review and implement this approach. This involves listing individual plans and goals for over 500 active clients and implementing a monitoring system to ensure that services and programs provided are assisting each client to achieve their personal goals.



Our People

Men's Shed

Participation at the Men's Shed social program remains successful, with participation levels at capacity. Funded by Local, State and Commonwealth funding streams, the Men's Shed is a welcoming place where men come together from all backgrounds and abilities to share knowledge, learn new skills and develop old ones while enjoying a coffee and comradery.

Amongst other community-based projects, the Men's Shed has continued to collaborate with the Queen Elizabeth Hospital Palliative Ward to restore artworks and create 'roughly finished' bird houses in order to provide patients with activities which assist in their quality of end-life during their Palliative Care.

In total, 27 Men's Shed participants attended 725 sessions throughout the 2017/2018 Financial Year.

Community Bus Program

Community Transport programs (monthly day trip; twice weekly shopping runs and monthly library run) enjoy a consistent level of support. A dedicated group of 8-10 volunteers and a part-time Coordinator provides these services.

	2016/17	2017/18
Number of Trips	3,838	3,118
Kilometres Travelled	15,969km	15,534 km

There has been a drop in participation and distance travelled since 2016-2017, largely due to a curtailment of some HACC/CHSP programs.



Our People

Reconciliation Action Plan

During the past year, Council's Reconciliation Action Plan has focussed on dual naming of parks, reserves and places across the city. The new Prospect 1838 housing development, located on the corner of Regency and Churchill roads, provided an unprecedented opportunity for Council to introduce one or more indigenous names in Council's road network, which was considered an opportunity not to be missed.

Other activities include support for NAIDOC Week with a number of activities provided at the Thomas Street Centre attended by students from five local Schools who enjoyed indigenous storytelling and songs together with art and craft activities in celebration of Aboriginal and Torres Strait Islander culture. The activities were arranged in consultation with each of the attending schools, as well as local Aboriginal support service, Community Connect.

Justice of the Peace

As the demand for this service continues to grow, Council has 22 JPs that provide a walk-in service in locations across the city on Mondays to Saturdays. About 10,500 people accessed the service this financial year, compared to 9,000 in 2016/2017.

Since the transition from 128 Prospect Road, Council's Justice of the Peace program has been operating on Mondays from Officeworks on Main North Road and an average of 60 people have been accessing this service weekly. The remainder of the week the service is located at the Thomas Street Centre, with an average of 42 people accessing this service daily between Tuesday to Saturday. The program continues to be one of the most utilised services of Council.

This service continues to welcome registered local JPs who would like to join the program.

Re-Use of Assets by Community Groups

The transition plan for temporary accommodation of Council services during the CLIC construction included the desire to



Our People

identify surplus plant, building fixtures (small and large), equipment, furniture and other miscellaneous items to be made available to local community clubs, groups and associations.

An extensive mail-out and follow-up emails to all local groups was complimented with phone calls to some of our larger/more active groups, clubs and schools to ensure that the opportunity to benefit from the availability of surplus items was known and understood.

The invitation received responses from 23 groups who indicated their keen interest to make use of the offered surplus items for broader benefit across the local community, with many expressing their appreciation that the disposal of items process was made available and credited Council with this foresight.

Community Grants

The Community Support Fund provides grants of up to \$5,000 to locally based community groups to support their activities and develop programs which benefit our community. This year 16 grant

applications were received totalling \$31,414 which was beyond the available budget of \$28,000. Grants were offered to a range of sporting and community groups to assist with the purchase of equipment, facilities improvement, community development, community events and the environment.

Promotion of the Fund was encouraged by a mini documentary (produced by Council's Volunteer Coordinator) and accessed through Council's website. This video highlights the achievements of the Prospect Community Garden as an example of how grants can be used for the broad benefit of the Prospect community.

Community Service Awards

In recognition of the important role volunteers play within our community, City of Prospect officially said thank you to 140 of its valued volunteers at Palace Nova Cinema on Prospect Road, which included the presentation of Council's Community Service Awards. The following residents received recognition for their contributions to our communities:



Our People

Charlie Farrugia from the RSL Maltese Sub Branch was awarded the Freedom of the City; the most prestigious honour awarded in our city to persons of distinction who have given eminent and devoted service to City of Prospect for the benefit, enjoyment and welfare of the citizens.

Terry Howe Printing was the recipient of the City of Prospect 2018 Local Business Award and received a plaque for their outstanding voluntary contribution to City of Prospect.

Our Community Service Award recipients were **Stanislaw Kosmala, Mark Macapagal, Isobel Larwood, Georgia Groves, Rick Lillie, Frances McKenzie-Smith, Judy Woods, Alan (John) Ely,** and **Betty Ely** for their outstanding voluntary contribution.

Citizen of the Year Award

Citizen of the Year Awards are proudly presented by the Australia Day Council of South Australia and administered by local councils. The purpose of the awards are to recognise outstanding contributions and achievements of community members who demonstrate strong leadership skills or who

add value to improving community life across our city.

The recipient of our 2018 Citizen of the Year Award is **Dr Robert (Bob) Irving**; a resident of Prospect and a veterinarian surgeon who works in the remote APY lands. For over 21 years Dr Irving has spent most of his time helping remote Aboriginal communities in the Anangu-Pitjantjatjara-Yankunytjatjara lands in South Australia, Western Australia, and the Northern Territory a program which is funded by the Federal Government Dog Health Program. Dr Irving spends almost half of each year travelling to outback aboriginal communities to treat sick animals, mostly dogs, to improve not only the health of the animals which in turn has an impact and improvement on the health of the people living in these communities. He has several veterinary practices in Adelaide but decided long ago when no one else would help that he would dedicate his time and expertise to helping the aboriginal communities around Australia with their animal health problems. Dr Irving also received a Commendation Award for the South Australian Citizen of the Year 2018.



Our People



The recipient of our 2019 Young Citizen of the Award was **Claire Marie Sander**. Claire a Prospect resident and only 17 years of age had a vision to establish an inclusive, inexpensive and family-friendly dance classes for children in Prospect. The families that Claire supports are grateful for the skills she shares and her generosity which fosters a health creative community for young families.

An important commitment of Council is to support the development of a 'connected community' and the winner of the 2018 Community Event of the Year Award was an event that encourages neighbours to get to know one another. The award was received by a Clifton Street resident, Megan Cunnah for the **Clifton Street Christmas party**, which has been occurring annually for over 35 years.

Volunteering in our Community

In 2018 Council has 151 active volunteers and has received over further 90 registrations of interest to volunteer, with 39 of these

progressing to take up a vacant role with Council, while the remainder being referred to local clubs and community groups according to the availability of positions, and the skills and interests of the applicant.

This year we asked volunteers to assist with the Prospect Spring Fair and 18 volunteers worked together with many of these volunteers put their hand up to assist the events team again in 2018.

NAIDOC Week

Council participated in the national NAIDOC Week celebration at the Thomas Street Centre in early July to celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander peoples. On 3 July, Uncle Lewis O'Brien (Kaurna Elder) gave a Welcome to Country and Mayor O'Loughlin spoke about the history and theme of NAIDOC Week "Because of Her, We Can". Eddie Peters entertained with an interactive cultural performance of music and songs from the Torres Strait Islands. Local

Our People

Aboriginal woman Courtney Hebbberman and Aboriginal Community Connect presented art workshops in the Cottage with volunteer support from Bunnings Prospect. 150 children from Prospect, Prospect North and Nailsworth Primary, Rosary School and Blackfriars Early Learning Centre enjoyed the day and left with 'goodie bags'.

Prospect Gallery

Prospect Arts Action Network (PAAN) continues to meet monthly to guide and provide advice on Gallery business and exhibition programming, as well the PAAN drive member-led arts projects and initiatives whilst also volunteering at Gallery events. The seven-member group includes recently endorsed Council Members Cr Barnett and Cr Harris and a recruitment drive is underway to attract two new PAAN members.

Prospect Gallery and Exhibition Program

The Prospect Gallery delivered nine exhibitions in the 2017/2018 financial year, with 14,454 people coming through the Gallery doors.

June – July : **A Prospect of Prospects** – Stephanie Radock

August – September : **Side by Side II** – Invited artists

September – October : **Beastie Boy** – Kurt Bosecke

October – November : **Transmitting Cultural Memory** – Susan Bruce and Keith Giles



Our People



November 2017 to January 2018 : **The 9th Prospect Portrait Prize** – Local and interstate artists

February - March : **African Marangi** – Ronnie Ogwang and Charles Wasswa Rugumayo

March- April : **30/30 Vision – Thirty Years of the Prospect Gallery** – Civic Collection, curator Sarah Northcott

May – June : **The History of Prospect in Posters** – Local artists, curator Sarah Northcott

June – July : **Heart Pieces** – Suzanne Verrall and Dani Burbrook

Public Art

The City Wide Public Art Roundtable (CWPAR) continues to meet quarterly, overseeing and guiding Council’s annual Public Art Capital and Program projects and assisting Council in the development and placement of public art throughout our City.

The following public art initiatives have been completed with regard to the priorities as set by the CWPAR and endorsed by Council for 2017/2018:

- The 2017/2018 annual, Small Temporary Public Art Grants program
- St Helens Kindergarten artistic signage by Mark Warren
- Chalk Art pavement art as part of Tourrific
- 2 x Lightbox artworks by Cathy Brooks and Peter Lindon
- Palace Nova Cinema Mural by Store from Cold Crush Gallery
- Lightbox re-location from the Civic Centre to the Prospect Cricket Club
- Civic Collection purchases from artist Elizabeth Close and Sally Parnis
- Repairs to local Murals that have been ‘tagged’
- 2 x Design Stage Contracts (Art in Parks for 2017/18) awarded to John Hayward and Lorry Wedding-Marchioro

The CWPAR currently has seven members consisting of Mayor David O’Loughlin, Cr Alison De Backer (from 23 May 2017) supported by community members Cathy Brooks, Katie Harten, Seb Humphries, Gerry McMahon and Peter Syndicas.

Our People

Events

Prospect Spring Fair

The inaugural 'Prospect Spring Fair' was held at Broadview Oval on Saturday 27 October 2017. After 39 years at St Helen's Park in March, Council endorsed that the 'Prospect Fair' (as it was previously called) be moved to a new location and held a different time of year. In 2017, this new format attracted 66 stallholders, 21 performances, 15 'come and try' activities, a classic car display, a car boot sale, 17 food and drink traders, 11 rides and attractions, 22 community groups, 18 small businesses, 10 sporting clubs and was supported by 18 Council volunteers.

The event attracted over 6,000 attendees across the 6-hour event (9.00am - 3.00pm); much higher than expected based on the previous crowd figures of 2,000 - 3,000 people at St Helen's Park. The 2017 event was very successful, exceeding all expectations for its first year. Perfect weather supported the 'great spring fair' atmosphere with new and old attractions, a great number of community groups

participated by selling and promoting their services. Council staff and volunteers all worked together with a great sense of teamwork.

2018 Twilight Sessions

The 2018 Twilight Sessions (previously known as Twilight Concerts) occurred every Friday night in February. It was renamed to refresh the event brand with the programming including contemporary acts to add energy and attract new audiences. The 23rd annual event presented four nights of live music and entertainment all in the very popular relaxed picnic atmosphere at the Prospect Memorial Gardens.

New additions included DJs starting from 6pm, festoon lighting in the trees over the dance area in front of the stage, a professional MC to host each evening, select food trucks each week, new and expanded kid's activities and a misting tent on some of those hot summer nights. The event continues to be hugely popular with over 3,300 attendances across the four Fridays in February.



Our People



2018 Tourrific Prospect

The '2018 Tourrific Prospect Street Party' was held on Monday 15 January 2018 from 6.00pm - 11.00pm. In its 7th year, the event site shifted slightly south to between Azalea Street and Flora Terrace on Prospect Road so as to allow the new Cinema to be showcased within the event site. The event presented four entertainment stages, two DJ areas, 63 traders, 11 sponsors, 36 performers, a dedicated Kid's Zone, a curated market with 11 stalls, two live mural artworks (Muratti and V-Fit), 22 volunteers and the annual Loopy Kids Ride with 210 registrations.

It is estimated that 18,000 people attended the event, a great turnout! The planning of the event was highly professional due to the combination of experienced staff, new faces and a professional consultant team all bringing new ideas and perspectives. Overall, feedback was generally positive with only a few complaints from businesses relating to unclear information, leading to some lessons learnt for future years. Overall, the event was seen as another great success with many comments along the lines of "best

Tourrific ever" being heard on the night and in the weeks following. Some strong social and print media interest also provided great support.

The 2018 Tourrific Prospect event plans continued to apply the event objectives endorsed in 2016:

- PLACE - Put a spotlight on 'Brand' Prospect to showcase it to the world; where people champion Prospect as a vital place to be and invest.
- Working with Network Prospect, attracting a huge online following and internationally by being the only event without a Stage included in the 2018 Santos Tour Down Under booklet and website.
- PROSPERITY - Leverage the event to stimulate and sustain business activity and community benefit.
- Working with Network Prospect and local service groups, schools and local artist / makers who, as participants were able to generate sales and increased brand awareness with the 18,000 attendees.

Our People

- PEOPLE - Create an inclusive, innovative, culturally diverse and entertaining celebration that is a resident and visitor attractor.

The event entrainment program was developed to be as culturally representative and inclusive as possible, including a Kurna Welcome and smoking ceremony and Indigenous dance performances.

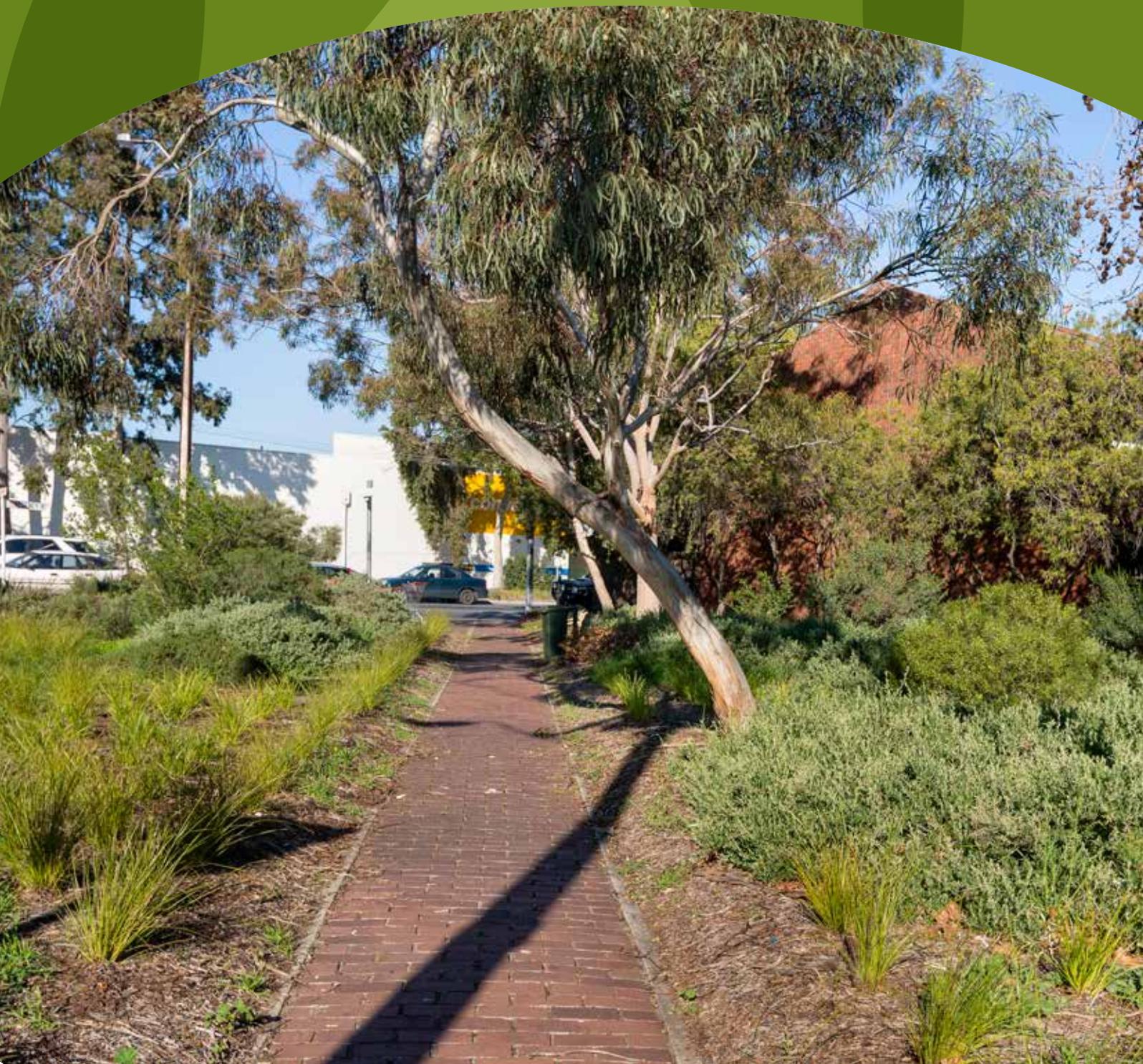
The 2018 event proved to be our most difficult year for attracting sponsorship for Tourrific Prospect. Cash sponsorship of \$25,500 was down from \$40,200 in 2017 and when combined with in-kind sponsorship of \$7,000, total sponsorship achieved was \$32,500. However, trader fees were up and generated additional income of \$19,755, which was \$9,755 above budget and demonstrates a strong desire to participate in the event.

Budget savings were sought for all events and the team worked hard on getting value for each dollar expended for Tourrific Prospect in direct response to the reduced sponsorship support.

In recognition of the success of previous Tourrific Prospect events, Council was registered as an Associated Event of the 2018 STDU, and as such was afforded some of the benefits of a Stage Start Host Council. This included being the only non-Stage Start associated event advertised in their 2018 STDU Program (print and web) which has a significant reach to anyone interested in the Tour Down Under.



OUR PLACES



Our Places

City Planning

In 2017/18, City of Prospect completed a Development Plan Amendment (DPA) to review and amend planning policy relating to multi-storey development along our major road corridors with these policies to have a design and outcome focus. The new planning policies within the Urban Corridor Zone & Interface Area Policy Review DPA introduced or refined policy to the Development Plan dealing with street level activation, building design and finishes, visual privacy, private open space, site landscaping, waste management and built form interaction within the Urban Corridor Zone. The DPA also identified issues of paramount importance to the Prospect community in the development of the urban corridors and included design and appearance, bulk, height and scale, material quality and durability, preservation of adjacent privacy/amenity and landscaping. The paramount provisions give great guidance to the development assessment team and panel.

City of Prospect's Heritage Grant Program approved fourteen properties for funding in a range of Historical Conservation Policy Areas.

The \$15,000 allocated as part of the Grant Program in 2017/18 facilitated restoration works worth \$135,784 (or average of \$9,699 per grant allocated).

As part of the ongoing implementation of the Planning, Development and Infrastructure Act 2016, which will significantly reform the South Australian planning and development system, Council has provided comment on a number of discussion papers, technical papers as part of the consultation processes on issues such as the proposed Planning and Design Code and State Planning Policies.

Council has commenced the preparation of a Housing Diversity and Desirable Neighbourhoods Study which includes a suite of investigations to enable Council to establish an updated policy position for the future of the Residential Zones under the provisions of the Planning and Design Code. Stage 1 of the Housing Diversity and Desirable Neighbourhoods Development study found that:

- There is a close alignment with the State density target supporting the current local strategy of growth on corridors and only minor infill in the residential zone.



Our Places

- Emerging trends will create an increasing discrepancy between housing demand and available local housing stock with a gap in smaller more affordable housing.
- In the individual streets reviewed, streetscape character was strong within 9 out of 14 (64%) of streets reviewed showing coherent or dominant streetscape character.
- Mixed character was found mainly within RB200 (Residential Zone Policy Area B 200) Policy Area and RA350 (Residential Zone Policy Area RA350) Policy Area which are areas covered by the Residential Code, coupled with policy which more actively promote infill and redevelopment.

GIS analysis of land division based on minimum site areas and frontage widths was undertaken, showing growth potential within RB200 areas and some growth opportunities within the RA350 and/or associated with Residential Code areas. The majority of the Residential Zone has limited opportunity for infill growth and minimum frontage was the major policy provision restricting further land division.

A process of scoping and testing desired new housing options and amendments will be required to determine if they are appropriate within City of Prospect and will meet emerging trends and community expectations.

Stage 2 Housing Diversity and Desirable Neighbourhoods Development study to be undertaken over the next financial year will involve:

- Further consideration of how Council can better recognise and protect the City's streetscape character of turn of the century residential architecture for future generations while ensuring new development can contribute and enhance neighbourhoods, including their street appearance and their contribution to identity and neighbourhood character.
- A further review of the existing streetscape and residential character

within the Residential Zones through an expanded a Streetscape Analysis

- Additional work to define the distinctive 'Prospect Character' recognising that different areas of the city have a different character.
- Alignment of housing choice and housing styles with community profile, needs and aspirations; informed by investigations and engagement.
- A review of Desired Character Statements within residential zone areas
- Scoping (in-house) and design testing exercise (subject to budget a design consultant to be resourced) to investigate new desirable housing opportunities

An engagement strategy has been developed for Stage 2 of the Housing Diversity and Desirable Neighbourhoods Study. Stakeholder consultation will involve a series of workshops and community forums to discuss background investigations and allow stakeholders and community to provide information to Council and input to a response to the policy direction of the State Government's Planning and Design Code.

Our Places

Development Assessment

During 2017/2018, City of Prospect received 600 development applications, which is an increase of 69 applications over the previous year. The total value of applications received was again higher than the previous year, totalling \$172 million (\$136 million excluding project staging). These figures show a continued 'boom' in local development with a substantial contributing factor to the total value of development received for this year continues to be development within the Urban Corridor Zone (Churchill Road, Prospect Road & Main North Road).

One hundred and thirteen (113) Development Applications were lodged within the Urban Corridor Zone for a total value of \$112 million (\$81 million excluding staging applications). By way of comparison, the total value of all development applications received by City of Prospect in 2012/2013 was \$45.6 million. This was immediately prior to the introduction of the Urban Corridor Zone.

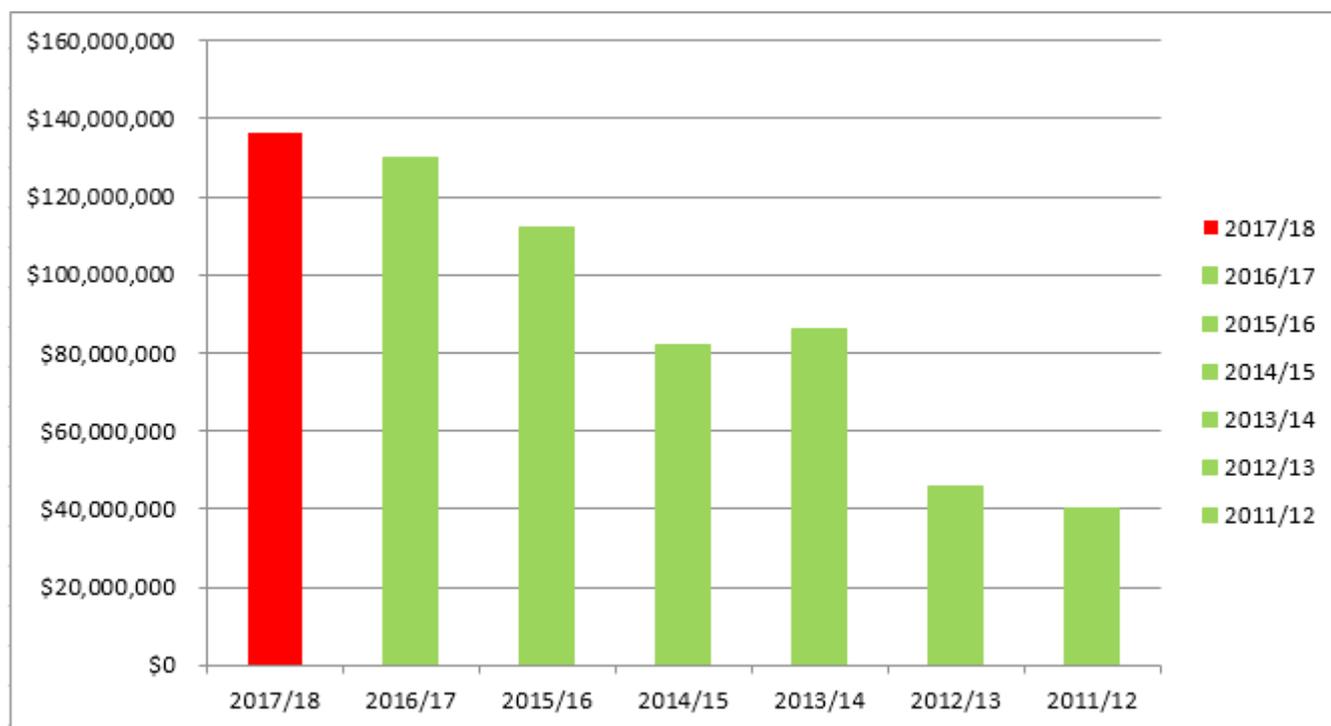
Main North Road Precinct Master Plan

City of Prospect continued its progress of the transformation of Main North Road streetscape, with a vision to create a 'Green Corporate Boulevard' that will attract investment, generate jobs and revitalise the corridor. The five guiding principles for developing the Master Plan are:

1. Increase Greenery,
2. Urban Design and Built Form,
3. Economic and Business Investment,
4. Movement and Connectivity,
5. Art and Design Quality.

The Master Plan was endorsed in early 2018 and Council has subsequently prepared detailed design for Stage 1, the section of Main North Road between Willcox Avenue and Kintore Avenue.

Main North Road is the primary transport corridor to and from the north of South Australia and improving the visual amenity is fundamental to attract property and business investors. At this time, the project is unfunded; however, Council is committed to realise the vision for Main North Road and will work with state and federal governments to progress delivery of the upgrade.



Our Places

Community Safety

Maintaining a vibrant and safe environment for our community to enjoy is what City of Prospect's Community Safety team is all about. The team is not only responsible for responding to customer service requests, but actively provides a wide range of services including:

- Parking patrols
- Dog and cat management
- Responding to litter and nuisance issues
- Dealing with abandoned vehicles
- Monitoring and enforcing Council's By-Laws
- Keeping our footpaths and roads safe from obstructions

Investigating issues relating to the keeping of animals or birds and responding to issues relating to European wasps and bees

The team takes a risk-based approach to maintain safety within the community which includes 24/7 customer response for emergencies relating to parking obstructions, dog matters or other safety-related issues.

Road Safety

A responsibility of Council is to ensure motorists comply with the Australian Road Rules particularly in relation to parking. Our Community Safety team plays an important role in this space and focuses on areas of highest risk such as bicycle lanes and school zones. In 2017/18 parking throughout the Village Heart on Prospect Road became a key focus area due to the opening of new businesses and the Cinema Complex. Regular parking patrols are undertaken in this and other key areas around the City to identify and address traffic safety concerns. Our inspectors take a balanced approach to compliance by educating motorists where possible as well as issuing warnings and expiations.

In 2017/18 a total of 1,911 parking expiations and 1,011 written warnings were issued to motorists for parking illegally.

Dog Control

Companion animals are an important part of our community as our statistics show in 2017/18 2,385 dogs were registered to City of Prospect for the year.



Our Places



Our responsibilities in terms of dog management include collection and return of dogs found wandering, investigating complaints relating to nuisance barking and dog attacks as well as annual dog registrations. In 2017/2018 the maximum dog registration fee was set at \$70.00; a number of rebates and concessions were also offered.

In 2017/18 Council investigated 23 complaints relating to nuisance barking, 15 dog attacks on other animals and five dog attacks on people. 86 dogs were found wandering at large; 27 were able to be reunited with their owners through registration and microchip identification, 59 were impounded at the Animal Welfare League and 44 of these were subsequently collected by their owners.

Cat Control

Council assists residents who are experiencing issues with feral or stray cats by hiring out traps to assist with capturing and removing cats from their properties. In 2017/18 Council officers assisted with the removal of 37 cats, which were taken to the Animal Welfare League.

Bees and Wasps

Council officers attended to 62 complaints relating to both bee and European Wasp issues, and located and destroyed 18 European wasp nests.

Local Nuisance and Litter Control

Responding to nuisance and litter issues is now a key responsibility of Council's Community Safety team. Customer requests received during 2017/18 included:

Category	Number Received
Unightly property	20
Noise issues	52
Air pollution	2
Drag out/Concrete/Oil spills	13
Waste/Dumped Litter	433

Council also received 48 customer requests relating to development safety concerns which include issues such as footpath and road closures without approval, waste/debris from construction sites and infrastructure damage.

Our Places

Asset Management Strategy

Sound asset management is a key to the financial sustainability of City of Prospect. Council has an obligation to ensure that current assets are managed efficiently and effectively and that decisions regarding the acquisition, sale and maintenance of assets is undertaken openly and transparently. The management of assets needs to consider financial, social and environmental factors in decision-making.

The development of Asset Management Plans will demonstrate Council’s responsive management of assets (and services provided from assets), compliance with legislative requirements, and to communicate funding via long term financial planning to provide the required levels of service over a 20-year planning period.

All future revisions of the Asset Management Plans will incorporate community consultation on levels of service and associated expenditure to provide the service. This will assist Council and the community in matching the level of service needed by the community, service risks and consequences with the community’s ability and willingness to pay for the service.

Public consultation is about ensuring the community has the opportunity to comment at the outset and remain involved throughout the planning process during the development of the draft Asset Management Plans.

Category/Class	Description of Assets within Category/Class
Transport	Road pavement and seal, kerbing, car parks, footpaths, kerb and gutter
Stormwater	Pipes, pits, pump station and other drainage infrastructure
Buildings	Council owned buildings and storage sheds either occupied by Council or others, toilets
Plant & Equipment	Cars, trucks, utes, heavy equipment and other vehicle types

Open Space	Irrigation, playgrounds, park furniture, oval lighting
Traffic Control Devices	Roundabouts, speed humps, slow points etc.

Council administration is currently reviewing and/or developing Asset Management Plans for City of Prospect in the 2018/19 financial year.

Prospect Road Footpath and Streetscape Upgrade - Regency Road to Angwin Avenue

Following on from the successful undergrounding of power lines by the Power Line Environment Committee (PLEC) along the length of Prospect Road, the final section between Regency Road and Angwin Avenue is currently underway and due for completion by December 2018. To coincide with the works, Council will conduct a streetscape upgrade to compliment the improved amenity of the newly removed stobie poles. The works will include:

- New kerbs and gutters and improved stormwater management;
- New footpaths;
- Irrigated and landscaped garden beds at the intersections;
- Safer east-west crossing for pedestrians;
- Entry statement.

The works are scheduled to commence as soon as the PLEC project is completed. The new streetscape will improve the amenity of the surrounding streetscape to the north of the Village Heart area and will be the final stage of streetscape upgrading of the entire length of Prospect Road.

Footpath Reconstruction Program

Council completed the 2017/18 Footpath Reconstruction Program on time and within the allocated budget. The 2017/18 program included the reconstruction of 3km of footpath and is part of Council’s annual footpath reconstruction program. All asphalt footpaths within City of Prospect reconstructed of concrete block pavers which was due for completion by the year

Our Places

2020 was completed this financial year. With the exception of Main North Road which will be upgraded as part of the Master Plan and the final section of Prospect Road, between Regency Road and Avenue, to be completed in 2018/19.

Kerb and Gutter Reconstruction Program

Council completed the 2017/18 Kerb and Gutter Program on time and within the allocated budget. The program included the reconstruction of 3.2km of kerb and gutter and is part of Council's annual kerb and gutter reconstruction program. The works consist of the reconstruction of existing old sections of kerb and gutter prior to road resurfacing. New kerbs and gutters improve stormwater management along a road and by reconstructing prior to road surfacing improves the amenity and integrity of a new road surface. This year we also commenced including TreeNet inlets within the kerb to provide additional watering for street trees, during periods of rain. TreeNet inlets were included in the new kerb and gutter at Alexandra Street and implementation of this water sensitive urban design initiative now forms part of Council's ongoing kerb and gutter program.

Road Resurfacing and Reconstruction Program

Council completed the 2017/18 program on time and within the allocated budget with the exception of Alexandra Street road reconstruction, which was completed in July 2018. The program included resealing, reconstructing or spray sealing approximately 2.6km of the local road network. Maintaining the city's road infrastructure is critical to improving road safety for motorists, pedestrians and cyclists. The local road network forms part of the city's streetscape and amenity and is a key asset that Council is committed to maintain and minimise deterioration of surfaces.

Broadview Oval Project

The ever-expanding use and visitation at Broadview Oval has raised it to be reclassified as a regional facility in Council's

Open Space Strategy. With this in mind, Council improved the facilities with constructing a walking/fitness track around the perimeter of the oval, reconstructed a new bike track, installed a new fitness equipment station, resurfaced the public tennis courts and converted a tennis court to a mixed-use court incorporating tennis and basketball.

Street Trees

As part of the annual Street Tree Planting Program for 2017/18, a total of 179 trees were planted throughout our city. This program ensures new trees are being planted throughout the city to replace those that have either died due to age, are diseased or damaged, that have presented an unmanageable risk to public safety, or locations that have been identified as missing trees. The program helps to minimise the gaps in tree canopy cover as per the direction in the Strategic Plan.

Furthermore, the White Cedar Replacement Program saw 70 trees replanted to replace mature/veteran trees that were identified as a risk to public safety.

Property Maintenance

Council owns and maintains 21 buildings that are accessed and highly utilised and they are valuable assets for both Council and the community. It is crucial that Council implements technical and administrative actions to ensure that the buildings are maintained to an acceptable standard to perform their required function. The community are key stakeholders and beneficiaries.

Regular repairs and maintenance works were continued at Council buildings and incorporated some larger projects including:

- Replacement of the grandstand roof at Prospect Oval;
- Renovated the public toilets at the Women's and Children's shelter at Memorial Gardens;
- Removed asbestos and replaced roof at Nailsworth Hall;

Our Places

- Constructed disability access ramp at the RSL Hall front access;
- Installed four new air conditioners at the RSL Hall;
- Power board upgrades at Prospect Oval for the Prospect Districts Cricket Club;
- Upgraded toilet facilities to DDA requirements at the Prospect Broadview Bowling Club.

City Maintenance

The City Maintenance Annual Plan governs services to be provided across our city throughout the course of the year.

Maintenance services are planned for annually and scheduled by fortnight to ensure efficient and effective delivery of maintenance across our city's streets and open spaces whilst allowing for seasonal variations.

Rapid Response and Customer Service

The Rapid Response team is the customer service face of City Maintenance and in 2017/18, responded to approximately 2,712 customer requests. The team takes a risk-based approach when prioritising works to ensure any hazardous issues are responded to appropriately. Part of the service includes providing a 24/7 response to customer requests including storm response for damaged street trees and other storm related issues.



Our Places

Seasonal and Cyclic Maintenance Works

City Maintenance cyclic work programs include road sweeping, footpath blowing, weed spraying and street tree watering. These programs are seasonally adjusted to cater for variations in weather conditions which often impact the level of intervention required by Council to ensure our streets and other open spaces are appropriately maintained.

Park Maintenance

Park maintenance is undertaken generally on a fortnightly basis for most of Council's parks and gardens to ensure the lawns are mowed, weeds are removed and garden beds are maintained. This enables the team to identify and address maintenance concerns on a regular basis. Seasonal activities include tree pruning, irrigation maintenance and revegetation of garden beds.

Playground audits are undertaken by accredited staff on a monthly basis to ensure that maintenance and/or vandalism issues are identified and repaired as quickly as possible.

Precinct Services

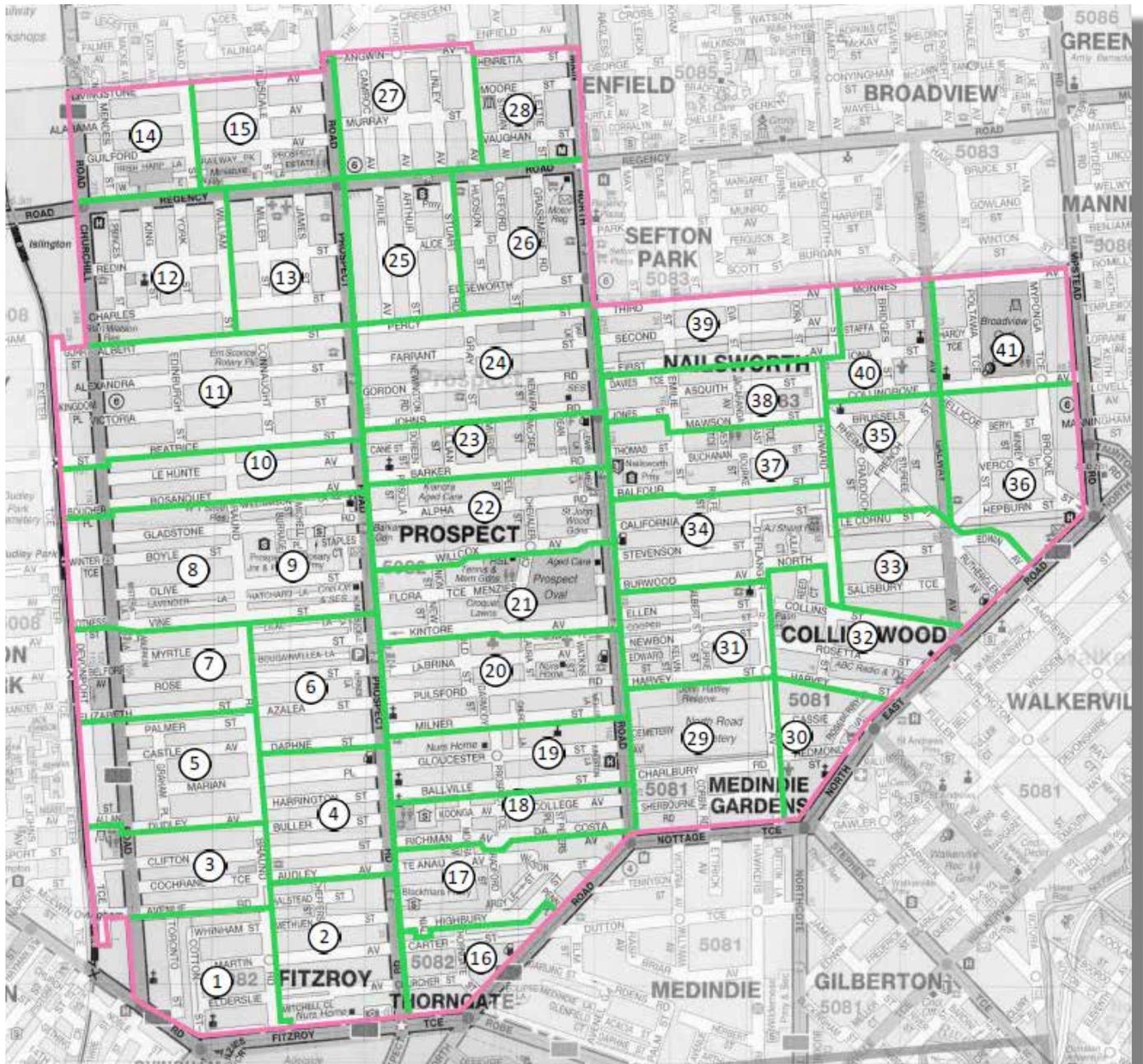
Precinct Services is a bi-annual programmed maintenance service that delivers an even spread of maintenance across the city. There are 41 precincts in total and works are prioritised according to risk. Maintenance activities include footpath, road and kerb/gutter repairs, tree pruning to maintain road and footpath clearances, sign replacement, nature strip repairs where issues have been identified and weed removal. Non-urgent customer requests are also taken care of during our precinct visits.

The precinct map and service schedule below indicate which precincts were serviced during 2017/18.

Precinct	Scheduled Service Date
1	July 2017
2	April 2017
3	February 2018

Precinct	Scheduled Service Date
4	September 2018
5	August 2017
6	June 2017
7	March 2018
8	April 2017
9	June 2017
10	May 2017
11	March 2018
12	July 2018
13	June 2018
14	September 2017
15	October 2017
16	September 2018
17	August 2017
18	May 2018
19	October 2017
20	October 2017
21	July 2017
22	February 2018
23	March 2017
24	March 2017
25	May 2017
26	April 2018
27	August 2017
28	April 2018
29	January 2018
30	November 2017
31	August 2018
23	February 2017

Our Places



Precinct	Scheduled Service Date
33	May 2018
34	September 2017
35	June 2018
36	March 2017
37	August 2018
38	August 2018
39	July 2018

Precinct	Scheduled Service Date
40	February 2017
41	January 2018

Our Places

Street Tree Maintenance

Maintenance of our street and park trees is undertaken to ensure our extensive and diverse tree population remains healthy, safe and attractive throughout their lifetime.

Programs include formative pruning of younger trees, basal shoot removal, mistletoe removal and tree pruning to maintain public safety and ensure the long-term health of our trees.

In 2017/18 Council staff attended to 811 customer requests relating to tree maintenance including requests for tree pruning, tree removals, damaged trees and other tree issues.

Prospect Road and Churchill Road Precincts

Dedicated precinct services are provided to both of these main streets, which have been identified as high profile/high traffic locations requiring a greater frequency of service. Maintenance activities include weekly removal of rubbish, garden bed maintenance and plant care including infill planting during winter/spring, footpath blowing and sanitation particularly during summer and the event season, bin and bus stop sanitation, footpath maintenance, graffiti removal and tree maintenance.



Our Places

Environmental Sustainability

Waste Processing and Waste Education

Waste education has once again been a key focus of Council throughout 2017/18 and kerbside waste collection and processing were delivered within the allocated timeframe and within budget.

Council's waste tonnage and associated costs for processing the three waste streams for the financial year is as follows:

- Domestic waste was at a cost of \$604,837
- Recyclable waste was at a cost of \$34,761
- Organic waste was at a cost of \$91,400

Council has continued to develop new and innovative ways of promoting our message to the community to reduce landfill. A range of actions undertaken included:

- Articles in the Prospect Magazine for 2017/18;
- Waste education on Council's website including brochures, recycling and composting information, E-waste and hard waste information;

- Moving towards zero waste at all Council community events.

Waste Calendar

As part of Council's initiative to reduce printing of unnecessary paper, the annual Waste Calendar was not printed this year and information was instead provided electronically via Council's website. The Waste Calendar contains information regarding correct and effective usage of the kerbside waste management system, as well as information regarding food scraps and hard waste.

Electronic Waste Program

City of Prospect continues to offer its residents the opportunity to recycle their unwanted, obsolete or damaged electronic waste items through E-Cycle Recovery. Residents can drop off all electronic waste items for zero cost to E-Cycle Recovery's premise.



Our Places



Compost Bins and Worm Farms

We continue to offer residents a rebate for the purchase of compost bins and worm farms through the Compost Bin and Worm Farm Incentive Scheme. Residents are able to receive a rebate of \$20 towards the purchase cost of these products in acknowledgement of their commitment to reduce landfill. In 2017/18, Council received one compost bin and four worm farm rebate applications and will continue to promote this initiative into the future.

scRamble - Sustainable Active Travel Program

The scRamble project is an initiative to encourage safe, fun, sustainable and active travel to and from school. Working with local schools, the project brings the community together by encouraging children and families to travel to school in ways other than by car.

During 2017/18, Council conducted a series of bicycle workshops for approximately 50 primary school students at Prospect, Prospect North, Nailsworth and Blackfriars Schools. The program delivers interactive education to primary school students

teaching them road rules and safe riding on local road networks.

Cloth Nappy Program

Council teamed with a Nappy Library Service (Eco Bums) to promote the use of cloth nappies. The program aims to reduce the waste to landfill associated with disposable nappies. By offering residents a free loan kit, residents had the opportunity to try out different types, sizes and brands of modern cloth nappies for two weeks to help find the perfect system for them and their baby.

OUR PROSPERITY



Our Prosperity

Economic Development

The efforts of the Business and Innovation Directorate have been effective in promoting local businesses. This is evidenced by positive business growth of nearly 40 new businesses in City of Prospect per annum over the last four years. This growth in business has been in part simulated by nbn™ and the training workshops of Network Prospect.

City of Prospect continues to excel in digital innovation with over 100,000 Facebook impressions from the Prospect Road Discover More campaign to attract additional visitors. Visitation to Prospect Road has doubled from February 2017 to February 2018.

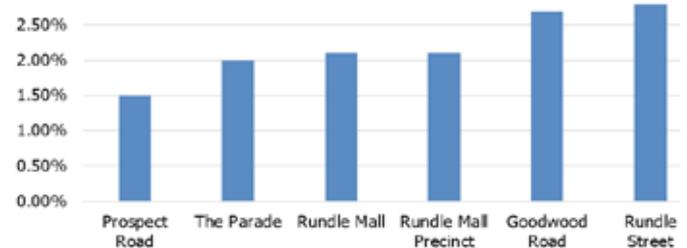
There has been over 850 apartments built, under construction or approved since the Urban Corridor Zone was approved in 2013. One of the most recent developments, the cinema complex on Prospect Road, has heralded a new phase of commercial development. The new GigCity Network on Prospect Road will deliver speeds of up to 10 gigabits per second and as such will provide an opportunity for office development with a focus on high-end telecommunications companies.

In addition, an Investment Attraction Strategy has been developed for Main North Road and North East Roads.

The combination of these new technologies, strategies and promotional platforms is highlighting the development opportunities in City of Prospect's corridors, while still maintaining residential amenity in our suburban streets.

Vacancy Rates and Improved Amenity

A Colliers International report, found only 1.5 per cent of Village Heart properties were vacant in September 2017, down from 4.4 per cent the year before.



Streetscape improvements on Prospect Road and Rose Street have encouraged businesses to implement outdoor trading, growing trading beyond their four walls. Over the last 12 months, City of Prospect has approved over 135 new seats of outdoor dining on Prospect Road, with five new liquor licenses granted in the precinct.

Our Prosperity

Prospect Fast WiFi

The Prospect Fast WiFi system was extended and upgraded in late 2017.

Footfall in the Village Heart has increased over 100%, as seen in Table 1. WiFi views from February 2017 to 2018 have increased from 1,685 to 3,632 (115%). While logins have increased over the same period from 816 to 2,508 (207%).

	February 2017	February 2018	% Increase
Wi-Fi Views	1,685	3,623	115%
Wi-Fi Logins	816	2,508	207%

Network Prospect

The Network Prospect website and innovative projects launched in 2016 to engage, educate, and promote City of Prospect businesses and professionals. At present Network Prospect 330 businesses listed on the directory page of its website.

Network Prospect holds regular workshops with new businesses, start-ups and home-based businesses. The combination of this focus on workshops, training of small businesses and access to fast broadband via

the nbn™ has been successful in assisting with starting new businesses.

Figure 2 (below) represents business entries and exits in City of Prospect from 2014 - 2017, based on data provided by the Australian Tax Office. It demonstrates positive business growth in Prospect with on average over 250 new businesses starting up per annum resulting in net growth of nearly 40 businesses per annum.

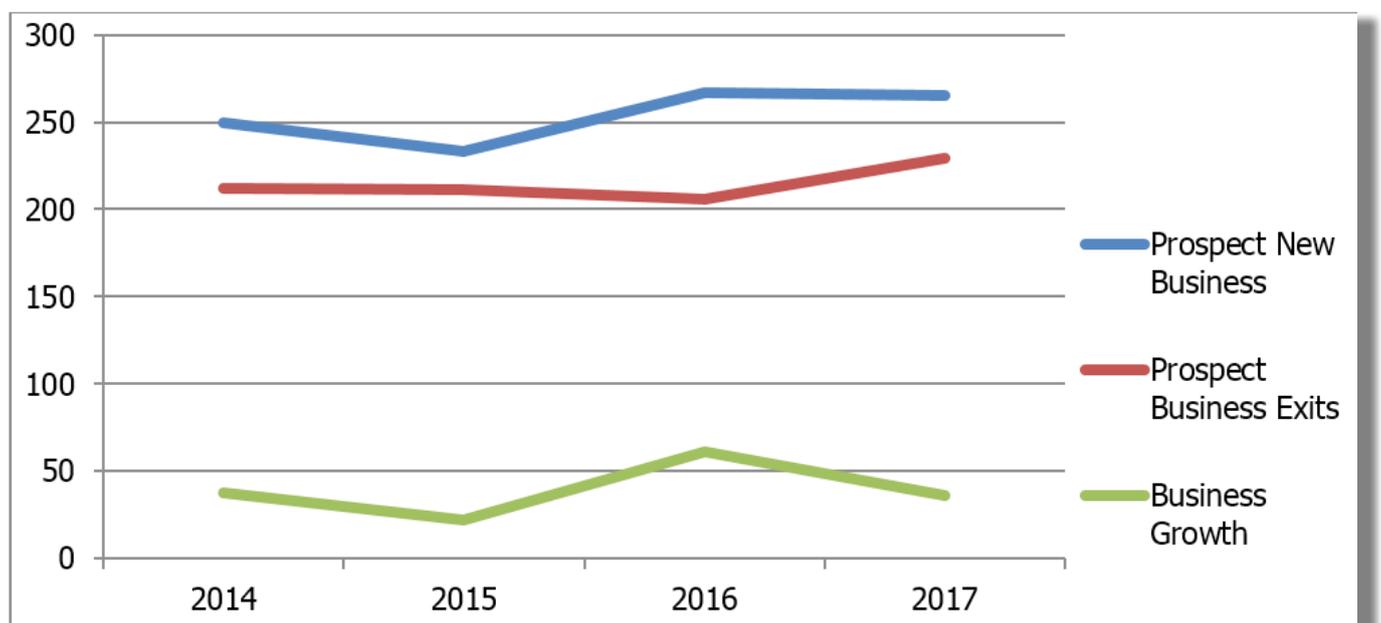
Village Heart Marketing Fund

City of Prospect has introduced a separate rate in Prospect Village Heart/High Street Policy Area in 2017/2018 with the aim of attracting visitors to Prospect's Village Heart. A rate of \$99 per property has been applied and it raised just under \$10,000 in this time. Local property and business owners were engaged through a Village Heart Marketing Fund Committee to decide on the best use of the marketing fund.

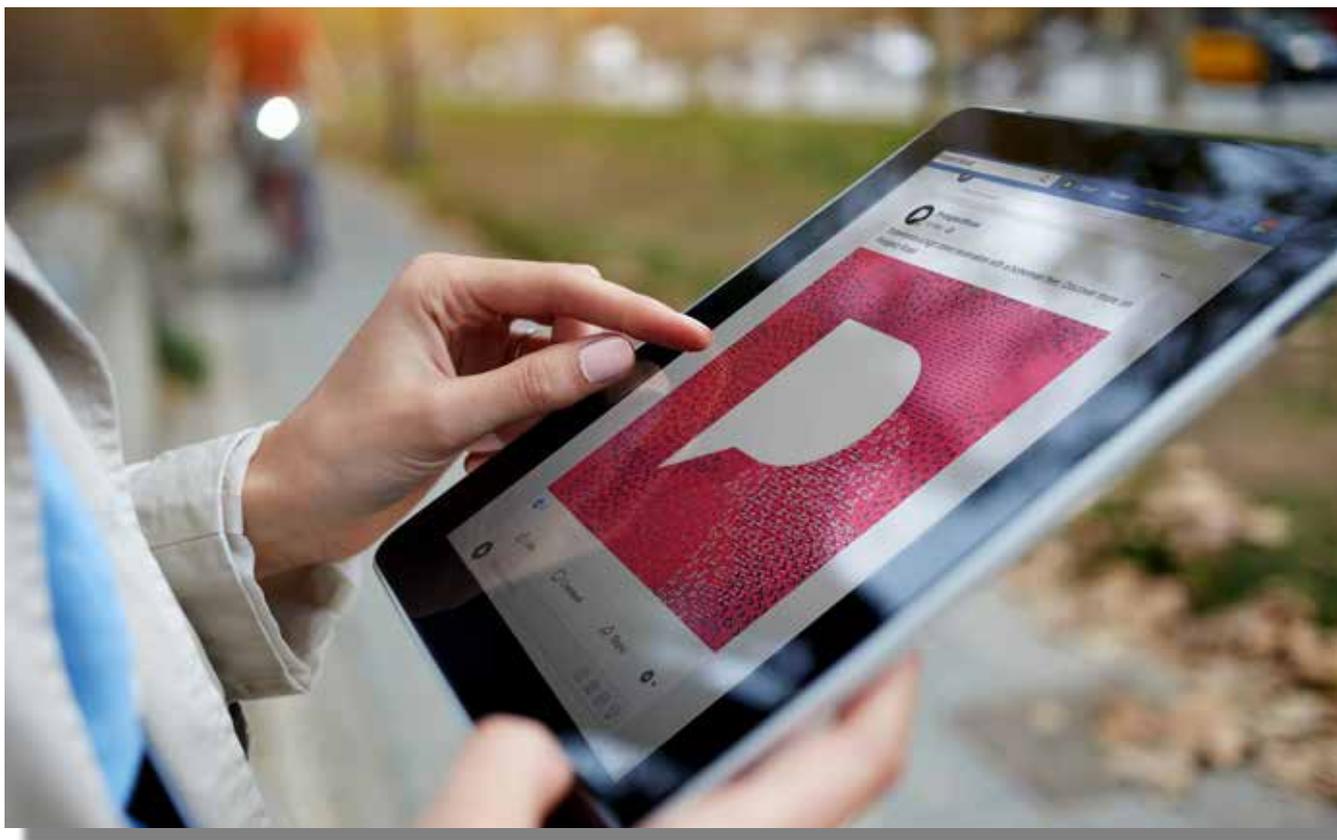
A destination marketing campaign was adopted by the Village Heart Marketing Fund Committee. A key element of the campaign was to develop a brand logo and tagline ('Prospect Road - Discover More') to promote the mainstreet as a destination.

To provide content for the campaign, eight videos were released from May to June 2018.

Business Growth in City of Prospect - Start-ups and Exits - 2014 - 2017



Our Prosperity



The videos were promoted on Facebook and Instagram and have had over 42,000 Facebook views and over 100,000 Facebook post impressions.

A report was provided to the Village Heart Marketing Fund Committee and Council on the effectiveness of the Village Heart Marketing Fund Implementation Plan and Prospect Road Destination Marketing Campaign.

Council endorsed its 2018/2019 Annual Business Plan and budget on Tuesday 26 June 2018. The plan extended the Village Heart Marketing Fund for another year, which will be administered through the Village Heart Marketing Fund Committee with support from City of Prospect administration.

Prospect Business Leaders

The Prospect Business Leaders group (PBL) was established in 2018. It will help advise the Council on directions for the new Economic Development Strategy and identify emerging issues or programs that Council should pursue to promote enterprise, innovation and grow local businesses. The PBL group

aims to grow, inform, engage, and promote local solutions for City of Prospect's business community.

MoU with University of Adelaide

In July 2017, the University of Adelaide launched a Smart City Consortium with City of Prospect as a founding member. City of Prospect has signed a Memorandum of Understanding with the University of Adelaide to develop smart city initiatives. This has resulted in two joint funding applications under the Commonwealth Smart Cities and Suburbs Program:

- Connected Cities (successful)
- Library of the Future (under consideration).

Connected Cities

'Connected Cities' is a collaborative project between the Cities of Prospect, Burnside, Port Adelaide-Enfield, Playford, Campbelltown and the University of Adelaide to install remote sensors connected to a Low Power Wide Area Network, in order to provide ongoing data about the

Our Prosperity

usage and maintenance of Council assets, including parks and main streets. The total project is valued at nearly \$300,000, with \$144,000 coming from the Commonwealth Smart Cities and Suburbs Program. City of Prospect is the lead agency and is about to engage a provider for a system that will create a network from the Adelaide Hills to Roseworthy. City of Prospect has committed \$35,000 to this Smart Cities and Suburbs Program project.

Library of the Future

As part of the Community Library and Innovation Centre (CLIC) project Council, in conjunction with the University of Adelaide, lodged a Library of the Future application under the Smart Cities and Suburbs Program, Stage 2. The submission seeks \$250,000 to enhance the library user experience for residents and establish a digital learning program. The program will seek to enhance the digital literacy and lifelong learning programs for residents as well as ensure the ongoing success of start-ups and businesses by developing digitally focused business orientated programs. It is anticipated that Council will be made aware of a funding decision in October or November 2018.

GigCity Project

City of Prospect and particularly the Prospect Road Innovation Precinct is now part of the State Government's GigCity network. The GigCity project will deliver ultra-high speed internet to businesses, with speeds between 1- 10 gigabits per second.

The long-term impact of the GigCity connection will be the attraction of higher order businesses to office space in the two anchor buildings of the Precinct: Cinema Complex and Council's CLIC building. It will also assist in attracting more occupants to our two co-working/serviced office spaces.

The addition of high speed/low cost data will be an essential ingredient to attracting defence, security, ICT and other commercial businesses to the precinct.

In June 2018, Council committed \$50,000 to the GigCity Project to extend the current pit and pipe network to 96 Prospect Road and the Minister for Industry and Skills has committed a further \$38,000 to the project. This network will be developed in late 2018.

The estimated economic impact of establishing the GigCity network and the development in the Prospect Road Innovation Precinct will add over \$30million to the region's Gross Regional Product over each of the coming four years, with an estimated 330 (FTE) new jobs per annum. Strong job growth has occurred in City of Prospect from 2011 to 2016, which can be linked to the Digital Economy Strategy and the impact of nbn™ fibre-to-the-premises that was rolled out across Prospect in 2015.

Our Prosperity

Main North Road and North East Road Investment Attraction

On Wednesday 27 June 2018, 35 business and property owners met to hear about the Main North Road Masterplan and what potential their property/business could have for development and private investment. Estate agents from Knight Frank were in attendance to guide any interested parties towards the best way forward.

A new Economic Strategy will be undertaken in 2018/2019. It will be developed in conjunction with local business and the Prospect Business Leaders group. It is proposed that this new Economic Strategy will continue to develop opportunities in City of Prospect for the benefits of local residents and the State of South Australia.

Communications Strategy

Website Revitalisation

In May 2017 City of Prospect engaged Adelaide web company atomix to undertake scoping for the redesign of City of Prospect's website. The redesign and revitalisation of the website project has six steps and was divided into two stages. The first stage's three phases - Discover, Define and Design - have been completed. Local web company atomix provided a detailed UX strategy document, wireframes and design for four templates/pages. All documentation was delivered by atomix in late-October 2017.

In early-2018 Adelaide-based company Algo Mas was engaged to undertake the delivery of the new website project. The new City of Prospect website will enable Council to lead both regionally and internationally in the Digital Economy space.

The project is scheduled to be delivered in late-2018.



Communications Strategy Launched

City of Prospect launched its Communications Strategy in 2017. Council set out to develop a communications strategy to improve the way in which we engage with our community. It was recognised that understanding our community, and having our community understand Council, is essential to delivering services that respond to the needs of the community and assists the organisation in achieving its goals.

A detailed communications strategy, supported by an implementation plan and brand guide, was developed to assist in improving the ways in which we communicate.

The communication strategy supports the delivery of Council's Strategic Plan to 2020 by increasing awareness of council's services and offerings, promoting greater understanding of the role and value of Council, encouraging engagement and feedback from the community, enhancing the brand reputation of City of Prospect as an organisation and supporting the positioning of City of Prospect as a place where smart people live, work, play and invest.

Prospect Digital Hub

Over the past twelve months the Digital Hub team has been busy forming partnerships with not-for-profit organisations such as the Alannah and Madeline Foundation, and the Good Things Foundation, to deliver online safety initiatives and enrich the digital literacy support offered to the community.

We have received eSmart Accreditation for our work in implementing the online safety framework, and have offered Online Safety information sessions aimed at adults, and carers of children and young people. These have been developed and delivered by the Digital Hub team, as well as a trainer who travelled from interstate, based with the Office of the eSafety Commissioner.

Collaboration across the organisation has seen the Digital Literacy coordinator partner with Network Prospect to deliver a session to a sell-out crowd at Café Komodo on Canva (a

drag-and-drop graphic design tool).

The Digital Hub has also established a Code Club, to inspire the next generation of innovators. Initially facilitated by the Digital Literacy Coordinator, assisted by a volunteer and using a block coding resource called Scratch, this has now become a term-long structured activity delivered by TechSpace Learning, and focusing on the programming of Arduino microprocessors.

The focus of the Digital Hub still remains empowering the older community in the use of their digital devices. This financial year almost 800 individuals have received a free 45 minute one-on-one training session from a volunteer - an average of 3.5 a day across the days these sessions are offered. Maintaining a high standard through continued volunteer training and recruitment will ensure that this remains the case into the future.

OUR SERVICES



Our Services

Financial Management

The focus of 2017/2018 budget was on the continuation of the replacing and renewing of existing infrastructure assets, while designing and commencing the construction of the new Community Hub, Library and Innovation Centre (CLIC).

Although Council continues to be largely dependent on residential rates income to fund its operations, Council is beginning to see growth in the rate revenue from the corridor roads and non-residential sector. This growth has been generated by the investment of recent years in the Prospect Road and Churchill Road masterplans. Development growth is being experienced in residential rate income as new developments are constructed following the changes in 2013 to the Inner Metro Development Plan. The changes allowed increased density of properties along the corridor roads of Main North, Prospect and Churchill.

Council has a Long Term Financial Plan to ensure its financial viability into the future. This plan documents key assumptions and the financial impact of the policy decisions over future years. In developing this Plan and the Annual Budget for 2017/2018, Council has continued to keep its overall rate increase at a 'modest' level, with the average residential rate increase for 2017/2018 being 2.75% plus Growth.

Council presented an operating deficit for the 2017/2018 year of approximately \$1.2m. This surplus represents 5.3% of the total adopted Operating Income for 2017/2018.

In 2017/2018 approximately \$9.0m was spent on capital expenditure. \$6.0m of this was spent on the rejuvenation or replacement of assets already owned by Council to continue to enhance the longevity of service provision for the community.

Council achieved one out of three key financial indicators targets and exceeded a second one of its key financial indicators, as set out in its Annual Business Plan. Indicators continue to track towards the target ranges identified in the Long Term Financial Plan

and are a positive reflection on the work of staff and Council Members during 2017/2018.

In the month of June in recent years, the Federal Government has paid amounts of untied Financial Assistance Grants, which are recognised on receipt, in advance of the year of allocation. Council received an advance payment of \$347,886 for the 2018/2019 year in June 2018.

2018/2019 Draft Annual Business Plan and Budget Consultation

Various forms of community consultation were provided regarding the Annual Business Plan 2018/2019, they were:

- Focus Group Forums (x2)
- Youth (13/25 years) Focus Group Forums (x2)
- Public Meeting held on 29 May 2018
- Website and other written submissions

The results of the consultation were reported to Council on 26 June 2018.

Our Services



Rates and Property Administration

Property values are used as a basis for determining what share of the total rate revenue individual ratepayers are to pay.

The property values used by the Council are independently set by the Valuer-General. Ratepayers can object to the valuation if they believe it is inaccurate. A total of 18 valuation objections were received by Council via the Valuer-General in respect of 2017/2018 rates levied.

As a result of property valuation increases and natural growth on the city's valuation, created by subdivisions and building approvals, taking into account of Council's rating strategy, Council's rate revenue increased from \$19m to \$19.7m in 2017/2018.

Council again acted as a collection agency for the Natural Resources Management Levy, which is used by the State Government to improve water quality in the catchment areas.

A number of opportunities for community consultation were provided during the

year for the community to provide input. The rating framework for 2017/2018 was presented and discussed as part of activities for the 2017/2018 Draft Annual Business Plan and Budget Consultation as detailed above.

Rates in our city are determined based on the capital value of the property - which includes both the value of the land and the value of any buildings or other structures. The overall capital value for all properties in our city is made up of 92% residential, 7% non-residential and the remaining 1% as vacant land.

Our Services

Information Technology

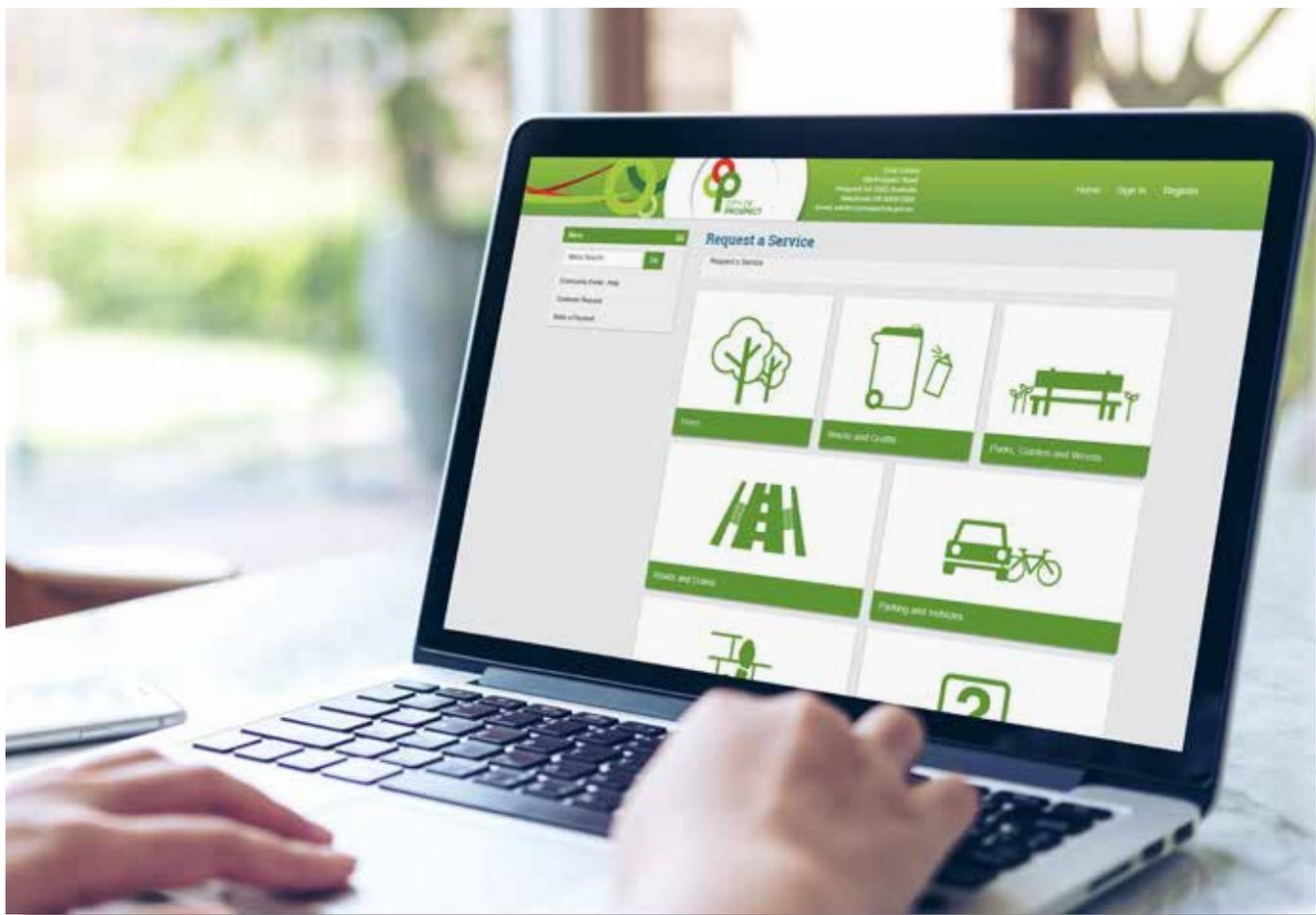
Council continues its commitment to maintain Information Technology (IT) and systems that enables its employees to perform their responsibilities efficiently as well as enabling customers to interact with Council electronically.

Various “behind the scenes” activities have been completed during the year, including software and hardware upgrades to ensure equipment, tools and systems are reliable and available for employees to perform their work and interact with the community.

Several projects were initiated and completed, including the introduction of a chat facility on Council’s website and the introduction of a new Community Portal. The Portal, accessed from Council’s website, is an upgrade of City of Prospect’s existing facility that is used to make payments and requests for services. Significant improvements have been made to this facility to help users

register and interact online with Council.

A significant challenge in 2017/2018 was the planning and moving of employees from the Civic Centre on Prospect Road to three transition sites. All computing equipment was relocated and new network services created to ensure Council was fully operational on the first business day at each site.



APPENDICES



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City of Prospect

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018



Appendices

City of Prospect

General Purpose Financial Statements
for the year ended 30 June 2018

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City of Prospect

General Purpose Financial Statements
for the year ended 30 June 2018

Certification of Financial Statements

We have been authorised by the Council 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 Council's financial position at 30 June 2018 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Cate Hart
CHIEF EXECUTIVE OFFICER



David O'Loughlin
MAYOR

Date: 15 October 2018

Appendices

City of Prospect

Statement of Comprehensive Income for the year ended 30 June 2018

\$ '000	Notes	2018	2017
Income			
Rates Revenues	2a	19,993	19,237
Statutory Charges	2b	583	504
User Charges	2c	311	249
Grants, Subsidies and Contributions	2g	2,233	1,856
Investment Income	2d	183	203
Reimbursements	2e	69	94
Other Income	2f	475	357
Net Gain - Equity Accounted Council Businesses	19	49	-
Total Income		23,896	22,500
Expenses			
Employee Costs	3a	7,995	7,561
Materials, Contracts & Other Expenses	3b	10,257	10,969
Depreciation, Amortisation & Impairment	3c	3,656	3,582
Finance Costs	3d	473	482
Net loss - Equity Accounted Council Businesses	19	-	2
Total Expenses		22,381	22,596
Operating Surplus / (Deficit)		1,515	(96)
Asset Disposal & Fair Value Adjustments	4	(2,810)	(19)
Amounts Received Specifically for New or Upgraded Assets	2g	1,081	134
Net Surplus / (Deficit) ¹		(214)	19
Other Comprehensive Income			
Nil			
Total Comprehensive Income		(214)	19

¹ Transferred to Statement of Changes in Equity

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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Appendices

City of Prospect

Statement of Financial Position as at 30 June 2018

\$ '000	Notes	2018	2017
ASSETS			
Current Assets			
Cash and Cash Equivalents	5a	6,724	1,445
Trade & Other Receivables	5b	1,963	2,203
Inventories	5c	7	2
Subtotal		8,694	3,650
Non-Current Assets Held for Sale	20	3,451	-
Total Current Assets		12,145	3,650
Non-Current Assets			
Financial Assets	6a	1,506	1,664
Equity Accounted Investments in Council Businesses	6b	93	44
Infrastructure, Property, Plant & Equipment	7a	161,094	162,841
Other Non-Current Assets	6c	2,817	2,286
Total Non-Current Assets		165,510	166,835
TOTAL ASSETS		177,655	170,485
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6a	3,507	1,864
Borrowings	6b	1,043	800
Provisions	6c	1,817	1,712
Total Current Liabilities		6,367	4,376
Non-Current Liabilities			
Borrowings	6b	11,846	6,393
Provisions	6c	49	109
Total Non-Current Liabilities		11,895	6,502
TOTAL LIABILITIES		18,262	10,878
Net Assets		159,393	159,607
EQUITY			
Accumulated Surplus		74,375	74,091
Asset Revaluation Reserves	9a	83,122	83,122
Other Reserves	9b	1,896	2,394
Total Council Equity		159,393	159,607

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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Appendices

City of Prospect

Statement of Changes in Equity for the year ended 30 June 2018

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
2018					
Balance at the end of previous reporting period		74,091	83,122	2,394	159,607
a. Net Surplus / (Deficit) for Year		(214)	-	-	(214)
Total Comprehensive Income		(214)	-	-	(214)
b. Transfers between Reserves		498	-	(498)	-
Balance at the end of period		74,375	83,122	1,896	159,393
2017					
Balance at the end of previous reporting period		75,837	83,133	631	159,601
a. Adjustments (Correction of Prior Period Errors)	24a	(2)	(11)	-	(13)
Restated Opening Balance		75,835	83,122	631	159,588
b. Net Surplus / (Deficit) for Year		19	-	-	19
Total Comprehensive Income		19	-	-	19
c. Transfers between Reserves		(1,763)	-	1,763	-
Balance at the end of period		74,091	83,122	2,394	159,607

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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Appendices

City of Prospect

Statement of Cash Flows for the year ended 30 June 2018

\$ '000	Notes	2018	2017
Cash Flows from Operating Activities			
<u>Receipts</u>			
Rates Receipts		20,190	19,259
Statutory Charges		583	504
User Charges		311	249
Grants, Subsidies and Contributions (operating purpose)		2,233	1,856
Investment Receipts		183	203
Reimbursements		69	94
Other Receipts		216	415
<u>Payments</u>			
Payments to Employees		(7,973)	(7,081)
Payments for Materials, Contracts & Other Expenses		(8,281)	(12,201)
Finance Payments		(473)	(482)
Net Cash provided by (or used in) Operating Activities	11b	7,058	2,816
Cash Flows from Investing Activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		1,081	134
Sale of Replaced Assets		171	250
Repayments of Loans by Community Groups		145	88
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(7,721)	(3,000)
Expenditure on New/Upgraded Assets		(1,151)	(1,317)
Net Cash provided by (or used in) Investing Activities		(7,475)	(3,845)
Cash Flows from Financing Activities			
<u>Receipts</u>			
Proceeds from Borrowings		6,496	-
<u>Payments</u>			
Repayments of Borrowings		(763)	(714)
Net Cash provided by (or used in) Financing Activities		5,733	(714)
Net Increase (Decrease) in Cash Held		5,316	(1,743)
plus: Cash & Cash Equivalents at beginning of period	11	1,408	3,151
Cash & Cash Equivalents at end of period	11	6,724	1,408

The above statement should be read in conjunction with the accompanying Notes and Significant Accounting Policies.

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City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

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n/a - not applicable

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements 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 Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated (15 October 2018).

1.2 Historical Cost Convention

Except as 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 Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council'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 these Notes.

1.4 Rounding

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

2 The Local Government Reporting Entity

City of Prospect is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 128 Prospect Road, Prospect, South Australia 5082. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

The principal activities and entities conducted other than in the Council's own name that have been included in these consolidated financial statements are:

1. Eastern Waste Management Inc, commonly known as East Waste (6.6% Ownership Interest, 14% Voting Power). Council joined this organisation on 1 October 2017.
2. Eastern Health Authority Inc (13% Ownership Interest, 20% Voting Power)

Council does not have any interests in other organisations beyond those listed above.

3 Income Recognition

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

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

	Cash Payment Received	Annual Allocation	Difference
2015/16	\$297,013	\$629,256	- \$332,243
2016/17	\$947,285	\$625,209	+ \$322,076
2017/18	\$788,746	\$740,664	+ \$28,082

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other 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 13.

5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

5.1 Assets Held for Resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Details of assets held for sale are disclosed in Note 20.

Council has not resolved to sell any properties for the non-payment of rates.

6 Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

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". 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. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds of \$1,000. 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.

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually and reflected in Note 7b.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, 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.

6.5 Impairment

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 Council were deprived thereof, are not subject to impairment testing.

Other 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 inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

7 Payables

7.1 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 within 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

8 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

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.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

10 Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

11 Leases

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

In respect of finance leases, where Council substantially carries all of 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 within the appropriate asset class and are amortised to expense over the period during which the Council 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.

12 Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claimed entitlement are classified as work in progress in inventory. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

13 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

14 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

- 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.

15 New accounting standards and UIG interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

City of Prospect has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

The standards are not expected to have a material impact upon Council's future financial statements are:

Effective for annual reporting periods beginning on or after 1 January 2017

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 *Financial Instruments*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*
- AASB 2016-6 *Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*
- AASB 2017-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 4*

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

- AASB 2017-1 *Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*
- AASB 2017-4 *Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments*
- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 1059 *Service Concession Arrangements: Grantors* (Appendix D)

Effective for annual reporting periods beginning on or after 1 January 2021

- AASB 17 *Insurance Contracts*
- AASB 17 *Insurance Contracts* (Appendix D)

16 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

17 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 2. Income

\$ '000	Notes	2018	2017
(a). Rates Revenues			
General Rates			
General Rates		19,774	19,046
Less: Mandatory Rebates		(392)	(385)
Less: Discretionary Rebates, Remissions & Write Offs		-	(1)
Total General Rates		19,382	18,660
Other Rates (Including Service Charges)			
Natural Resource Management Levy		525	489
Village Heart Separate Rate		10	-
Total Other Rates		535	489
Other Charges			
Penalties for Late Payment		51	91
Legal & Other Costs Recovered		35	3
Total Other Charges		86	94
Less: Discretionary Rebates, Remissions & Write Offs		(10)	(6)
Total Rates Revenues		19,993	19,237
(b). Statutory Charges			
Development Act Fees		93	82
Town Planning Fees		129	121
Animal Registration Fees & Fines		109	103
Parking Fines / Expiation Fees		217	155
Other Licences, Fees & Fines		-	4
Rate Searches		35	39
Total Statutory Charges		583	504
(c). User Charges			
Hall & Equipment Hire		29	42
Sundry		32	19
Function and Event Charges		46	24
Rents & Fees		90	62
Services to Aged & Disabled		37	46
Library Services		16	16
Prospect Magazine - Income		32	23
Milk Depot Rental Income		19	17
Bi Annual Prospect Portrait Prize - Income		6	-
Prospect Fair - Income		4	-
Total User Charges		311	249

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 2. Income (continued)

\$ '000	Notes	2018	2017
(d). Investment Income			
Interest on Investments			
- Local Government Finance Authority		59	71
- Loans to Community Groups		124	132
Total Investment Income		183	203
(e). Reimbursements			
Private Works		34	32
Joint Undertakings (General Inspection)		-	9
Development Assessment		-	17
Training Reimbursements		-	4
Fuel Tax Credit Reimbursement		6	8
Insurance Reimbursements		7	9
RSL contribution to Air Conditioner		14	-
Other		8	15
Total Reimbursements		69	94
(f). Other Income			
Sponsorship		36	44
Donations or Resources Contributed Received		9	10
Insurance Claims Other Income		-	8
Insurance Special Distribution		174	100
Workers Compensation Rebate		9	104
Car Park Development Fund Contribution		162	-
Other		85	91
Total Other Income		475	357

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 2. Income (continued)

\$ '000	Notes	2018	2017
(g). Grants, Subsidies, Contributions			
Amounts Received Specifically for New or Upgraded Assets			
- Memorial Gardens Grant		-	97
- Braund Road Bike Boulevard		-	37
- Alexandra Street Reconstruction		201	-
- Rose Street Reconstruction Contribution and Grant		245	-
- Connected Cities Grant Capital		35	-
- George Whittle Reserve Redevelopment		600	-
Total Amounts Received Specifically for New or Upgraded Assets		1,081	134
Other Grants, Subsidies and Contributions			
- General Purpose Grant		217	324
- Home and Community Care Grant		632	631
- Local Road Grant		204	301
- Public Library Services Grant		68	63
- Record Library Materials Grant		84	83
- Main North Central Concept Plan		-	97
- Digital Transformation		-	25
- Open Spaces		-	10
- Roads to Recovery		293	-
- North Park Lands Development Grant		200	-
- Connected Cities Grant and partner council contributions		187	-
Individually Significant Item - Additional Grants Commission Payment (refer below)		348	322
Total Other Grants, Subsidies and Contributions		2,233	1,856
Total Grants, Subsidies, Contributions		3,314	1,990
The functions to which these grants relate are shown in Note 12.			
(i) Sources of grants			
Commonwealth Government		514	623
State Government		2,698	1,356
Other		100	11
Total		3,314	1,990
(ii) Individually Significant Items			
Grant Commission (FAG) Grant Recognised as Income		348	322

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City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 3. Expenses

\$ '000	Notes	2018	2017
(a). Employee Costs			
Salaries and Wages		6,952	6,256
Employee Leave Expense		162	282
Superannuation - Defined Contribution Plan Contributions	18	202	158
Superannuation - Defined Benefit Plan Contributions	18	430	420
Workers' Compensation Insurance		149	369
Personal Accident & Sickness Insurance		100	76
Total Operating Employee Costs		7,995	7,561
Total Number of Employees (full time equivalent at end of reporting period)		85	85
(b). Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		23	20
Bad and Doubtful Debts		22	191
Elected Members' Expenses		251	279
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		134	79
Subtotal - Prescribed Expenses		430	569
(ii) Other Materials, Contracts and Expenses			
Contractors		10,212	7,086
Legal Expenses		138	156
Levies Paid to Government - NRM levy		525	489
Levies - Other		16	17
Sundry		110	41
Electricity & Gas		472	365
Water		300	220
Fuel		64	54
Hired Temporary Staff		692	710
Consultants		1,851	1,121
Waste Services		1,936	1,824
Insurance		241	268
Rates & Taxes (including FBT)		26	35
Bank Charges		43	40
Information Technology - Computing		429	445
Telephone		77	68
Subscriptions		87	78
Courses & Conferences		100	121
(continued on next page)			

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City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 3. Expenses (continued)

\$ '000	Notes	2018	2017
(b). Materials, Contracts and Other Expenses (continued)			
(ii) Other Materials, Contracts and Expenses (continued)			
Materials		1,154	1,234
Communications		105	77
Contributions & Donations		25	51
Travel & Accommodation		14	29
Postage		113	96
Meals & Entertainment		37	50
Motor Vehicle Registration		50	41
Refunds		2	1
Less: Capitalised and Distributed Costs		(8,992)	(4,317)
Subtotal - Other Material, Contracts & Expenses		9,827	10,400
Total Materials, Contracts and Other Expenses		10,257	10,969
(c). Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings & Other Structures		728	734
Infrastructure			
- Stormwater Drainage		385	385
- Roads		1,080	1,078
- Footpaths		532	529
- Traffic Control Devices		1	-
Plant & Equipment		383	305
Furniture & Fittings		135	175
Library Books		108	109
Open Space		304	267
Total Depreciation, Amortisation and Impairment		3,656	3,582
(d). Finance Costs			
Interest on Loans		473	482
Total Finance Costs		473	482

Appendices

City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	Notes	2018	2017
Infrastructure, Property, Plant & Equipment			
(i) Assets Renewed or Directly Replaced			
Proceeds from Disposal		171	250
Less: Carrying Amount of Assets Sold		<u>(1,314)</u>	<u>(269)</u>
Gain (Loss) on Disposal		(1,143)	(19)
(ii) Assets Surplus to Requirements			
Proceeds from Disposal		-	-
Less: Carrying Amount of Assets Sold		<u>(1,667)</u>	<u>-</u>
Gain (Loss) on Disposal		(1,667)	-
Net Gain (Loss) on Disposal or Revaluation of Assets		(2,810)	(19)

Note 5. Current Assets

(a). Cash & Cash Equivalents

Cash on Hand at Bank	279	21
Short Term Deposits & Bills, etc.	<u>6,445</u>	<u>1,424</u>
Total Cash & Cash Equivalents	6,724	1,445

(b). Trade & Other Receivables

Rates - General & Other	437	626
Council Rates Postponement Scheme	15	23
Accrued Revenues	17	248
Debtors - General	701	746
GST Recoupment	451	261
Prepayments	184	154
Loans to Community Organisations	<u>158</u>	<u>145</u>
Total Trade & Other Receivables	1,963	2,203

(c). Inventories

Trading Stock	<u>7</u>	<u>2</u>
Total Inventories	7	2

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City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 6. Non-Current Assets

\$ '000	Notes	2018	2017
(a). Financial Assets			
Receivables			
Loans to Community Organisations		1,506	1,664
Total Receivables		1,506	1,664
Total Financial Assets		1,506	1,664
(b). Equity Accounted Investments in Council Businesses			
Eastern Health Authority (EHA)	19	62	44
Eastern Waste Management Authority INC (East Waste)	19	31	-
Total Equity Accounted Investments in Council Businesses		93	44
(c). Other Non-Current Assets			
Capital Works-in-Progress		2,817	2,286
Total Other Non-Current Assets		2,817	2,286

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 7a (i). Infrastructure, Property, Plant & Equipment

	Fair Value Level	as at 30/6/2017				Asset Movements during the Reporting Period						as at 30/6/2018			
		At Fair Value	At Cost	Acc. Dep'n	Carrying Value	Asset Additions		W/DV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	This from/to "Held for Sale" category	At Fair Value	At Cost	Acc. Dep'n	Carrying Value
						New / Upgrade	Renewals								
Land	3	47,072	-	-	47,072	714	-	-	-	-	-	47,786	-	-	47,786
Land	2	5,650	-	-	5,650	-	-	(340)	-	-	(2,855)	2,454	-	-	2,454
Buildings & Other Structures	3	24,389	153	14,322	10,220	-	521	(566)	(547)	-	(956)	22,643	629	13,679	9,593
Buildings & Other Structures	2	3,205	66	875	2,396	-	-	(1,089)	(142)	46	(596)	772	-	156	616
Infrastructure															
- Stormwater Drainage		33,642	91	17,376	16,357	-	1,015	(385)	-	-	-	33,593	1,106	17,731	16,968
- Roads		81,037	1,399	32,447	49,979	-	3,270	(1,080)	-	-	-	80,354	3,367	32,141	51,580
- Traffic Control Devices		-	-	-	-	-	-	(1)	429	-	-	-	527	100	427
- Footpaths		30,446	1,461	6,798	25,111	-	1,741	(532)	-	-	-	29,216	3,202	6,846	25,572
Plant & Equipment		-	2,118	1,032	1,086	36	503	(383)	642	-	-	3,533	1,778	1,778	1,755
Furniture & Fittings		-	2,523	1,716	807	-	-	(135)	(270)	-	-	-	1,750	1,400	350
Library Books		-	650	324	326	90	-	(108)	-	-	-	-	741	433	308
Artworks		-	-	-	-	15	-	-	-	-	-	-	296	25	271
Open Space		-	6,591	2,744	3,937	296	140	-	(304)	(556)	-	-	6,701	3,287	3,414
Total Infrastructure, Property, Plant & Equipment		225,443	15,032	77,634	162,841	1,151	7,191	(3,656)	-	(3,451)	216,818	21,852	77,576	161,094	
Comparatives		225,667	13,410	74,589	164,478	981	1,233	(269)	(3,562)	-	225,443	15,032	77,634	162,841	

Note 7a (ii). Investment Property

Nil

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

\$ '000

Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on Valuations

Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Appendices

City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement. accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

The following non financial assets of Council are being utilised at other than their highest and best use:

- 1) Parcel of Land and Buildings at 218 Main North Road, Prospect
- 2) Recreation Reserve frontage - Wilson Reserve
- 3) Plant Nursery Land - Menzies Crescent
- 4) Recreation Reserve - Main North Road & Regency Road Reserve
- 5) Recreation Reserve - WT Smith Reserve, Gladstone Road, Prospect

For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Fair value hierarchy level 2 valuations: Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Appendices

City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Transition to AASB 13 - Fair Value Measurement (continued)

Fair value hierarchy level 3 valuations of land: Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and/or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets: There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is made to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of a greater or lesser amount.

Asset Classification	Useful Life
Plant Furniture & Equipment	
Office Equipment	5 years
Office Furniture	5 - 10 years
Building and Other Structures	
Buildings	20 - 80 years
Shed and Shelter	25 - 35 years
Toilet Blocks/Storerooms/Clubrooms	40 - 50 years
Civic Centre and Grandstand	80 years

Appendices

City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Estimated Useful Lives (continued)

Asset Classification	Useful Life
Infrastructure	
Roads - Surface	13 - 90 years
Roads - Base	65 - 273 years
Kerb & Gutter	70 years
Footpaths - Surface	15 - 80 years
Footpaths - Base	40 - 160 years
Stormwater Drainage	100 years
Pipes	100 years
Side Entry Pit Box Drains & Junction Boxes	80 years
Open Channel	70 years
Other Assets	
Library Books	5 years
Art Works	100 years
Other Non Current Assets	10 - 20 years
Outdoor Setting/Furniture	10 - 15 years
Irrigation	20 years

Land & Land Improvements

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land assets were revalued as at 1 July 2013 by David Maidment, B Bus Property (Valuation) AAPI, Maloney Field Services. Additions are recognised at cost.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116. 16(c), are reviewed annually (see Note 1).

Buildings & Other Structures

Buildings and other structures were revalued as at 1 July 2013 by David Maidment, B Bus Property (Valuation) AAPI, Maloney Field Services. Fair Value hierarchy is based on assessments of the Valuer.

Adoption of the valuations as at 1 July 2013 has seen a minor variance to annual depreciation expense Council experiences. Reductions experienced with the restatement of level 2 building assets at market value have largely been offset by the componentisation of newly constructed assets depreciated over a shorter life.

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City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 7b. Valuation of Infrastructure, Property, Plant & Equipment & Investment Property (continued)

\$ '000

Valuation of Assets (continued)

Infrastructure

Roads, Kerb and Gutter, Footpaths

Assets were valued by B C Tonkin & Associates as at 1 July 2015. All acquisitions made after the respective dates of valuation are recorded at cost.

The primary change through revaluation is the extension to useful lives based on historical data of consumption. The extension has led to a reduction in annual depreciation expected in the future. Revaluation of footpaths has included the adjustment of unit rates to include associated disposal costs of the expired asset. This has increased annual depreciation due to a higher base value. Footpath assets have also been componentised between surface and base.

Stormwater Drainage

Assets were valued by B C Tonkin & Associates as at 1 July 2015. All acquisitions made after the respective dates of valuation are recorded at cost.

Plant & Equipment

These assets are recognised on the cost basis.

Furniture & Fittings

These assets are recognised on the cost basis.

All other Assets

These assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk and written out when fully depreciated.

Note 8. Liabilities

\$ '000	Notes	2018 Current	2018 Non Current	2017 Current	2017 Non Current
(a). Trade and Other Payables					
Goods & Services		2,754	-	23	-
Payments Received in Advance		-	-	345	-
Accrued Expenses - Employee Entitlements		290	-	313	-
Accrued Expenses - Other		422	-	1,144	-
Other		41	-	39	-
Total Trade and Other Payables		3,507	-	1,864	-

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City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 8. Liabilities (continued)

\$ '000	Notes	2018		2017	
		Current	Non Current	Current	Non Current
(b). Borrowings					
Bank		-	-	37	-
Loans		1,043	11,846	763	6,393
Total Borrowings		1,043	11,846	800	6,393

All interest bearing liabilities are secured over the future revenues of the Council

(c). Provisions

Employee Entitlements (including oncosts) - Long Service Leave	1,151	49	1,009	109
Employee Entitlements (including oncosts) - Annual Leave	666	-	703	-
Total Provisions	1,817	49	1,712	109

Note 9. Reserves

\$ '000	1/7/2017	Increments (Decrements)	Transfers	Impairments	30/6/2018
(a). Asset Revaluation Reserve					
Infrastructure					
- Stormwater Drainage	2,949	-	-	-	2,949
- Roads	21,340	-	-	-	21,340
- Footpaths	11,448	-	-	-	11,448
Land and Buildings	47,191	-	-	-	47,191
JV's / Associates - Other Comprehensive Income	194	-	-	-	194
Total Asset Revaluation Reserve	83,122	-	-	-	83,122
Comparatives	83,122	-	-	-	83,122

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 9. Reserves (continued)

\$ '000	1/7/2017	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2018
(b). Other Reserves					
Car Park Development Reserve	257	159	-	-	416
Carry Forward Reserve	2,079	-	(722)	-	1,357
Development Reserve	58	65	-	-	123
Total Other Reserves	2,394	224	(722)	-	1,896
Comparatives	631	1,763	-	-	2,394

PURPOSES OF RESERVES

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Car Park Development Reserve

The car park development reserve is used for the development of future car parking facilities.

Carry Forward Reserve

The carry forward reserve temporarily holds the unspent capital and grant funded project budgets from the 2017-2018 Budget. This surplus will be included in the 2018-2019 Budget through Budget Review 1 and will be used to finalise the incomplete projects of 2017-2018.

Development Reserve

The development reserve is used for future development or redevelopment of open space facilities.

Note 10. Assets Subject to Restrictions

Council does not hold any assets subject to restrictions

Appendices

City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2018	2017
(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 Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	6,724	1,445
Less: Short-Term Borrowings	8	-	(37)
Balances per Statement of Cash Flows		6,724	1,408

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

Net Surplus/(Deficit)		(214)	19
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		3,656	3,582
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(49)	2
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,081)	(134)
Net (Gain) Loss on Disposals		2,810	19
		5,122	3,488
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		253	16
Net (Increase)/Decrease in Inventories		(5)	-
Net Increase/(Decrease) in Trade & Other Payables		1,643	(884)
Net Increase/(Decrease) in Other Provisions		45	196
Net Cash provided by (or used in) operations		7,058	2,816

(c). Financing Arrangements

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

Corporate Credit Cards	25	27
LGFA Cash Advance Debenture Facility	5,500	1,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Council also has immediate access to a short-term draw-down facility and variable interest rate borrowings under a cash advance facility, both from the Local Government Finance Authority of SA.

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017	Actual 2018	Actual 2017
\$ '000										
Planning and Community	1,428	1,350	6,697	6,100	(5,269)	(4,750)	508	777	41,902	40,916
Infrastructure, Assets and Environment	1,087	1,350	14,092	15,138	(13,005)	(13,788)	982	408	99,721	98,881
Corporate Services	21,300	19,773	585	452	20,715	19,321	521	646	26,104	25,573
Business and Economic Development	32	27	1,007	904	(975)	(877)	222	25	9,789	5,115
Total Functions/Activities	23,847	22,500	22,381	22,594	1,466	(94)	2,233	1,856	177,655	170,485

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, net gain (loss) from joint ventures & associated entities, amounts received specifically for new or upgraded assets and physical resources received free of charge.

Appendices

City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 12b. Components of Functions

\$ '000

The activities relating to Council functions are as follows:

PLANNING AND COMMUNITY

- City Planning
- Development Assessment
- Heritage
- Community Development (includes Community and Youth Services, Home Assist)
- Recreation and Sports
- Library
- Community Transport
- Community Arts

INFRASTRUCTURE, ASSETS AND ENVIRONMENT

- Environmental Sustainability
- Environmental Health
- Waste Management (Domestic, Green and Recycling)
- Community Safety (includes Parking and Dog Control & General Inspections)
- Traffic Management
- Streets and Footpaths
- Stormwater Drainage
- Open Spaces
- Street Trees and Nature Strips
- Street Cleaning and Public Toilets
- Fleet Management
- Depot Operations
- Street Lighting

CORPORATE SERVICES

- Governance
- Rates Administration
- Employee Relations and Training
- Customer Service & Administration Services
- Financial Management
- Information Management
- Elected Members
- Human Resources

BUSINESS AND ECONOMIC DEVELOPMENT

- Business & Economic Initiatives
- Marketing

Appendices

City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 13. Financial Instruments

\$ '000

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 between 1.50% and 2.15% (2017: 1.5% and 2.0%). Short term deposits have an average maturity of 22 days and an average interest rate of 1.5% (2017: 6 days and 1.5%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables

Rates & Associated Charges

(including legals & penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

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.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 6.75% (2017: 7%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables

Fees & Other 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.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$ '000

Recognised Financial Instruments

Receivables

Other Levels of Government

Accounting Policy:

Carried at nominal value.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

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 Council.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities

Interest Bearing Borrowings

Accounting Policy:

Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 3.67% and 7.0% (2017: 4.15% and 7.0%).

Carrying Amount:

Approximates fair value.

Liabilities

Finance Leases

Accounting Policy:

Accounted for in accordance with AASB 117.

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2018					
Financial Assets					
Cash & Equivalents	6,724	-	-	6,724	6,724
Receivables	1,153	-	-	1,153	1,152
Other Financial Assets	155	736	774	1,665	1,599
Total Financial Assets	8,032	736	774	9,542	9,475
Financial Liabilities					
Payables	3,396	-	-	3,396	2,795
Current Borrowings	1,735	-	-	1,735	1,043
Non-Current Borrowings	-	6,429	9,179	15,607	11,846
Total Financial Liabilities	5,131	6,429	9,179	20,738	15,684
2017					
Financial Assets					
Cash & Equivalents	1,445	-	-	1,445	1,445
Receivables	1,007	-	-	1,007	1,007
Other Financial Assets	142	458	1,190	1,790	1,708
Total Financial Assets	2,594	458	1,190	4,242	4,160
Financial Liabilities					
Payables	407	-	-	407	407
Current Borrowings	1,206	-	-	1,206	800
Non-Current Borrowings	-	4,037	4,288	8,324	6,393
Total Financial Liabilities	1,613	4,037	4,288	9,937	7,600

The following interest rates were applicable to Council's Borrowings at balance date:

	30 June 2018		30 June 2017	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft		-	3.75%	37
Fixed Interest Rates	5.77%	12,889	6.38%	7,193
		<u>12,889</u>		<u>7,230</u>

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 Council.

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 13. Financial Instruments (continued)

\$ '000

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 Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and 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 Council'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 Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Appendices

City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 14. Commitments for Expenditure

\$ '000	Notes	2018	2017
(a). Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Land & Buildings		1,998	682
Infrastructure		675	1,476
Other		5	295
		<u>2,678</u>	<u>2,453</u>
These expenditures are payable:			
Not later than one year		2,678	2,453
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		<u>2,678</u>	<u>2,453</u>
(b). Other Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		102	125
Waste Management Services		229	717
Employee Remuneration Contracts		9,533	5,590
		<u>9,864</u>	<u>6,432</u>
These expenditures are payable:			
Not later than one year		2,249	2,722
Later than one year and not later than 5 years		7,615	3,710
Later than 5 years		-	-
		<u>9,864</u>	<u>6,432</u>

(c). Finance Lease Commitments

Council has no Finance Leases.

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 15. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2018	2018	2017	2016

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus	1,515	6%	(0%)	0%
Total Operating Income	23,896			

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	8,069	34%	25%	24%
Total Operating Income	23,896			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

Adjusted Operating Surplus Ratio		6%	(2%)	2%
---	--	----	------	----

3. Asset Sustainability Ratio

Net Asset Renewals	7,721	221%	86%	116%
Infrastructure & Asset Management Plan required expenditure	3,493			

Net asset renewals expenditure is defined as net capital expenditure on the renewal and replacement of existing assets, and excludes new capital expenditure on the acquisition of additional assets.

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City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 15. Financial Indicators - Graphs (continued)

<p>1. Operating Surplus Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>0%</td> </tr> <tr> <td>2017</td> <td>0%</td> </tr> <tr> <td>2018</td> <td>6%</td> </tr> </tbody> </table>	Year	Ratio %	2016	0%	2017	0%	2018	6%	<p>Purpose of Operating Surplus Ratio</p> <p>This indicator is to determine the percentage the operating revenue varies from operating expenditure</p>	<p>Commentary on 2017/18 Result</p> <p>2017/18 Ratio 6%</p> <p>During 2017-2018, Council received contributions to the car park reserve and projects that will incur expenditure in future years. These amounts are reflected in the Operating Surplus of 2017-2018. Council's Target Range for the Operating Surplus Ratio is -1% - 5%.</p>
Year	Ratio %									
2016	0%									
2017	0%									
2018	6%									
<p>2. Net Financial Liabilities Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>24%</td> </tr> <tr> <td>2017</td> <td>25%</td> </tr> <tr> <td>2018</td> <td>34%</td> </tr> </tbody> </table>	Year	Ratio %	2016	24%	2017	25%	2018	34%	<p>Purpose of Net Financial Liabilities Ratio</p> <p>This indicator shows the significance of the net amount owed to others, compared to operating revenue</p>	<p>Commentary on 2017/18 Result</p> <p>2017/18 Ratio 34%</p> <p>Council undertook new borrowings during 2017-2018 in preparation to the construction of the Community Hub Library and Innovation Centre (CLIC), completion of undergrounding of Powerlines and upgrades to Alexandra Street. Council's target range for the Net Financial Liabilities Ratio is 10% - 90%.</p>
Year	Ratio %									
2016	24%									
2017	25%									
2018	34%									
<p>Adjusted Operating Surplus Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>2%</td> </tr> <tr> <td>2017</td> <td>-2%</td> </tr> <tr> <td>2018</td> <td>6%</td> </tr> </tbody> </table>	Year	Ratio %	2016	2%	2017	-2%	2018	6%	<p>Purpose of Adjusted Operating Surplus Ratio</p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure</p>	<p>Commentary on 2017/18 Result</p> <p>2017/18 Ratio 6%</p> <p>The adjustment in Operating Surplus Ratio was minimal for 2017-2018 as it was the second consecutive year that Council had received an early payment. Should the early payment not be received, Council's cashflow from the grant will be corrected. Council does not have an adjusted target range and continues to use the range of -1% - 5%.</p>
Year	Ratio %									
2016	2%									
2017	-2%									
2018	6%									
<p>3. Asset Sustainability Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>116%</td> </tr> <tr> <td>2017</td> <td>86%</td> </tr> <tr> <td>2018</td> <td>221%</td> </tr> </tbody> </table>	Year	Ratio %	2016	116%	2017	86%	2018	221%	<p>Purpose of Asset Sustainability Ratio</p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way</p>	<p>Commentary on 2017/18 Result</p> <p>2017/18 Ratio 221%</p> <p>Council continues to invest in the renewal of its assets. Council completed the majority of its work program for 2017-2018 as well as the three large incomplete projects from 2016-2017. Council's target range for the asset sustainability ratio is 100%-120%.</p>
Year	Ratio %									
2016	116%									
2017	86%									
2018	221%									

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City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 16. Uniform Presentation of Finances

\$ '000	2018	2017
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	23,896	22,500
<i>less</i> Expenses	(22,381)	(22,596)
Operating Surplus / (Deficit)	1,515	(96)
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(7,721)	(3,000)
<i>add back</i> Depreciation, Amortisation and Impairment	3,656	3,582
<i>add back</i> Proceeds from Sale of Replaced Assets	171	250
Subtotal	(3,894)	832
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (Including Investment Property & Real Estate Developments)	(1,151)	(1,317)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	1,081	134
<i>add back</i> Proceeds from Sale of Surplus Assets (Including Investment Property & and Real Estate Developments)	-	-
Subtotal	(70)	(1,183)
Net Lending / (Borrowing) for Financial Year	(2,449)	(447)

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City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 17. Operating Leases

\$ '000	2018	2017
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Lease Payment Commitments of Council

Council has entered into non-cancellable operating leases for various items of various items of computer equipment.

Contingent rental payments exist in relation to the lease of IT equipment. No contingent rentals were paid during the current or previous reporting periods.

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

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease return or acquire the equipment leased

No lease contains any escalation clause

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

Not later than one year	38	38
Later than one year and not later than 5 years	23	61
Later than 5 years	-	-
	<u>61</u>	<u>99</u>

Appendices

City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 18. Superannuation

\$ '000

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2017/18; 9.50% in 2016/17). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme 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. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2016/17) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2017. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Council 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 net assets of the scheme, and no further liability attaches to the Council.

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City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 19. Interests in Other Entities

\$ '000

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

	Council's Share of Net Income		Council's Share of Net Assets	
	2018	2017	2018	2017
Joint Ventures	49	(2)	93	44
Total	49	(2)	93	44

(i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

(a) Carrying Amounts

Name of Entity	Principal Activity	2018	2017
Eastern Waste Management Authority (East Waste)	Waste Collection & Disposal	31	-
Eastern Health Authority (EHA)	Health Services	62	44
Total Carrying Amounts - Joint Ventures & Associates		93	44

Eastern Waste Management Authority (East Waste)

Eastern Waste Management Authority, a regional subsidiary (the subsidiary) was established pursuant to Section 43 of the Local Government Act 1999, by a number of constituent councils comprising Adelaide Hills, Burnside, Campbelltown, Mitcham, Norwood Payneham & St Peters, Prospect and the Town of Walkerville.

Prospect joined the organisation on 1 October 2017, in order to deliver Council's waste collection services as well as recyclables and organics collection and processing.

Council's membership in the organisation brings efficiencies in the delivery of the service across multiple communities

Eastern Health Authority (EHA)

City of Prospect is one of five member Councils of the Eastern Health Authority Inc (EHA). The other member Councils are City of Burnside, Campbelltown City Council, City of Norwood, Payneham & St Peters & the Corporation of the Town of Walkerville. During the report period, City of Prospect owned 13% of the equity in EHA but did not control either the financial or operating policies of the entity. EHA is managed by a board of directors comprised of two representatives from each of the five member Councils. Each director has one full and equal voting right on the Board. The principal activity of the authority is to provide health services to Councils. As at the 30 June 2017, the net assets of the subsidiary were as disclosed below.

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City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 19. Interests in Other Entities (continued)

\$ '000

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2018	2017	2018	2017	2018	2017
	Eastern Waste Management Authority (East Waste)	7%	0%	7%	0%	14%
Eastern Health Authority (EHA)	13%	14%	13%	14%	20%	14%

(c) Movement in Investment in Joint Venture or Associate

	Eastern Waste Management Authority (East Waste)		Eastern Health Authority (EHA)	
	2018	2017	2018	2017
Opening Balance	-	-	44	46
Share in Operating Result	31	-	18	(2)
Council's Equity Share in the Joint Venture or Associate	31	-	62	44

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position	Eastern Waste Management Authority (East Waste)		Eastern Health Authority (EHA)	
	2018	2017	2018	2017
Cash and Cash Equivalents	1,376	1,984	876	664
Trade and Other Receivables	1,127	412	122	129
Non-Current Assets	6,165	6,046	342	388
Total Assets	8,668	8,442	1,340	1,181
Current Trade and Other Payables	821	826	197	138
Borrowings	2,007	1,701	64	61
Current Provisions	530	491	325	306
Non-Current Borrowings	4,774	4,741	251	315
Non-Current Provisions	63	72	38	35
Total Liabilities	8,195	7,831	875	855
Net Assets	473	611	465	326

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City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 19. Interests in Other Entities (continued)

\$ '000

(d) Summarised Financial Information of the Equity Accounted Business (continued)

Statement of Comprehensive Income	Eastern Waste Management Authority (East Waste)		Eastern Health Authority (EHA)	
	2018	2017	2018	2017
Council Contributions	12,689	13,068	1,680	1,641
Statutory Charges	-	-	151	155
User Charges	-	-	392	294
Grants, Subsidies & Contributions	15	40	271	271
Investment Income	19	30	13	12
Other Income	413	408	21	12
Total Income	13,136	13,546	2,528	2,385
Employee Costs	5,605	5,164	1,581	1,623
Materials, Contracts & Other Expenses	5,776	6,007	747	700
Depreciation, Amortisation and Impairment	1,767	1,724	46	55
Finance Costs	321	332	16	19
Total Expenses	13,469	13,227	2,390	2,397
Other Revenue / Expense Items	10	20	-	-
Operating Result	(323)	339	138	(12)

(e). Share of Joint Operations Expenditure Commitments

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

	2018	2017
(i) Capital Expenditures Payable		
Not later than one year	1,819	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	1,819	-
(ii) Operating Expenditures Payable		
Not later than one year	299	45
Later than one year and not later than 5 years	881	47
Later than 5 years	603	-
	1,783	92

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City of Prospect

Notes to and forming part of the Financial Statements for the year ended 30 June 2018

Note 20. Non-Current Assets Held for Sale & Discontinued Operations

\$ '000	2018	2017
(i). Non Current Assets & Disposal Group Assets		
- Civic Centre	596	-
- Depot	2,855	-
Total Non Current Assets & Disposal Group Assets	3,451	-

Council has resolved to Sale portions of land at:

- 132-134 Prospect Road, Prospect SA 5082; and
- 218 Main North Road, Prospect SA 5082.

Settlement of the sale contracts for both sites are scheduled to occur prior to 30 June 2019

Note 21. 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 is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. LAND UNDER ROADS

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 88 km of road reserves of average width 9 metres.

2. POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

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

Council 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 Council may have existed at reporting date.

3. LEGAL MATTERS

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of 3 appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

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City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2018, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 15/10/18.

Note 23. Related Party Transactions

\$ '000	2018	2017
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Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, 15 persons were paid the following total compensation:

The compensation paid to Key Management Personnel comprises:

Allowances	202	199
Employee Costs	843	750
Termination Benefits	105	-
Total	1,150	949

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

Contributions for Fringe Benefits Tax purposes	24	20
Total	24	20

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City of Prospect

Notes to and forming part of the Financial Statements
for the year ended 30 June 2018

Note 24. Equity - Retained Earnings and Revaluation Reserves Adjustments

\$ '000	2018	2017
(a). Correction of Error/s relating to a Previous Reporting Period		
In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.		
These amounted to the following Equity Adjustments:		
- Accumulated Surplus	-	(2)
- Asset Revaluation Reserve	-	(11)
(relating to adjustments for the 30/6/16 reporting year end and prior periods)		
Total Prior Period Adjustments - Prior Period Errors	-	(13)

Galpins

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of the City of Prospect

Opinion

We have audited the accompanying financial report of the City of Prospect (the Council), which comprises the statement of financial position as at 30 June 2018, 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 Council Certificate of the City of Prospect.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council 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.

Council's Responsibility for the Financial Report

Council 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 Council 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, Council is responsible for assessing the Council'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 Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Appendices

Auditor's Responsibility for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council'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 Council'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 Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease 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
Partner

17 October 2018

Galpins

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROLS

To the Members of the City of Prospect

Independent Assurance report on the Internal Controls of the City of Prospect

Opinion

We have audited the compliance of the City of Prospect (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council 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 2017 to 30 June 2018 have been conducted properly and in accordance with law.

In our opinion, the City of Prospect has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council 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 Council have been conducted properly and in accordance with law for the period 1 July 2017 to 30 June 2018.

Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial 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 Council 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 2017 to 30 June 2018. 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 Council's Responsibility for Internal controls

The Council 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 apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Appendices

Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the 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 Financial 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 Council 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 2017 to 30 June 2018. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Limitations of Controls

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

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

Limitation of Use

This report has been prepared for the members of the Council 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 Council, or for any purpose other than which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA Registered Company Auditor
Partner

17 October 2018

Appendices

City of Prospect

General Purpose Financial Statements for the year ended 30 June 2018

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Prospect for the year ended 30 June 2018, the Council's Auditor, Galpins has maintained its independence in accordance with the requirements of 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(3) *Local Government (Financial Management) Regulations 2011*.



Cate Hart
CHIEF EXECUTIVE OFFICER



Corinne Garrett
PRESIDING MEMBER, AUDIT COMMITTEE

Date: 15 October 2018

Appendices

City of Prospect

General Purpose Financial Statements
for the year ended 30 June 2018

Statement by Auditor

I confirm that, for the audit of the financial statements of City of Prospect for the year ended 30 June 2018, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Tim Muhlhauser
Galpins

Dated this 15th day of October 2018.

Appendices



Annual Report 2017/18



Message from the Chairperson



Public health safety and protection is a core responsibility of Local Government, and Eastern Health Authority (EHA), on behalf of its five Constituent Councils - Burnside, Campbelltown, Prospect, Norwood Payneham and St Peters and Walkerville - delivers this very important service to and for those communities.

Maintaining public health safety is an important function of EHA and staff are diligent in the monitoring of standards in high risk manufactured water systems, swimming pools and personal grooming and body-art premises. The licensing and registration of Supported Residential Facilities, that are home to many of the most vulnerable people in our community, are also a responsibility of EHA.

Eating out at cafes and restaurants and socialising at markets and events is a favourite pastime and has resulted in an increase in new food businesses and food vans. EHA is assiduous in the monitoring and enforcement of food safety standards. An important part of our role is to educate food businesses so that they are aware of the associated risks and required food safety measures. However, mandatory registration and training for all food businesses would be a welcome improvement in managing food safety in South Australia. These measures would greatly assist in improving food business food safety knowledge and compliance.

There has been an increase in the number of boarding and squalor investigations. These investigations are complex and sensitive and require a co-ordinated approach by Government and non-Government agencies to address the issues and ensure residents are provided with the right care from key agencies.

As a prominent Local Government immunisation provider in South Australia, EHA has continued to promote the benefits of vaccination to all groups in the community, including work sites and families outside the Constituent Council areas. EHA has continued to work with SA Health and the University of Adelaide in the Meningococcal B Vaccine Herd Immunity Study. In 2017 the study was offered to 19 High Schools in the Constituent Council areas. The study will measure if the vaccine provides individual protection and if it reduces the risk of spread of the bacteria from person to person. This is a very important consideration as South Australia currently experiences the highest rate of Meningococcal B in Australia. The State Government has recently announced the provision of the quadrivalent flu vaccine free of charge for children under 5 years of age. Given the number of flu cases last year this is a welcome initiative.

EHA collaborates with key Government and non-Government agencies in all areas of environmental health and these agencies have shown great confidence in EHA's approach to the investigation and management of public health matters.

I thank the CEO and staff for their dedication. It has been a pleasure to work with the staff and the Board of Management, and I thank them all for their support and commitment.

Sue Whittington
Chairperson

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About Eastern Health Authority



Annual Report 2017/18

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Eastern Health Authority (EHA) has a proud history of promoting and enforcing public health standards in Adelaide's eastern and inner northern suburbs.

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Continuing in the tradition of the East Torrens Council Board, which operated from 1899, the present day regional subsidiary protects the health and wellbeing of about 160,000 residents plus visitors. EHA is an excellent example of council shared service delivery.

Established under the *Local Government Act (1999)*, EHA works across our Constituent Council areas to improve public and environmental health standards.

City of Burnside

Campbelltown City Council

City of Norwood Payneham St Peters (NPSP)

City of Prospect

Corporation of the Town of Walkerville

With a single focus and highly specialised and experienced staff, EHA is well-equipped to deal with the increasing diversity and complexity of public and environmental health.

During 2017-18 EHA discharged the environmental health responsibilities of its five Constituent Councils under the *South Australian (SA) Public Health Act 2011*, *Food Act 2001*, and *Supported Residential Facilities Act 1992*.

Services include the provision of immunisation services, hygiene and sanitation control, licensing and monitoring of supported residential facilities and monitoring of food safety standards, including inspection of food premises. Immunisation services are provided to the City of Unley on a user-pays basis.

Chief Executive Officer's Report



Michael Livori
Chief Executive Officer

In 2017-18 Eastam Health Authority (EHA) continued to protect the health of the residents of our constituent councils by providing an industry leading public health protection program. I continue to be extremely proud of the work that EHA staff undertake in ensuring that appropriate public health standards are maintained in our area. The importance of the role we undertake can often not be fully appreciated due to the many 'invisible outcomes' of our work. The *Legionella* outbreak that didn't occur, the vaccine preventable disease you didn't get or the food poisoning you may have avoided are some of the examples of our 'invisible' public health protection service.

Immunisation is one of the most successful and cost effective public health protection initiatives. A marketing audit of our immunisation services was undertaken during the year and a marketing strategy and communication plan will be developed in 2019. In the last year we have seen an 18% increase in the number of people attending our immunisation clinics. Our online booking and appointment reminder system for public clinics which went live recently is a first in the industry. After initial feedback we refined the system and its use has continually increased as our clients become familiar with it.

Our School Based Immunisation program saw 59 visits being made to 19 high schools and the delivery of over 17,000 vaccines to high school students. Vaccination rates at our schools are 5% greater than the state average which is a credit to the staff who deliver this program. We continue to provide a competitive work based influenza immunisation programme to businesses which protects both the health of their staff and the business itself by reducing absenteeism. We provided over 4,200 vaccines to 98 businesses and rolled out an online booking system for our clients.

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I continue to be extremely proud of the work that EHA staff undertake in ensuring that appropriate public health standards are maintained in our area. The importance of the role we undertake can often not be fully appreciated due to the many 'invisible outcomes' of our work.

The booking system provides businesses with availability information, an instant quote for service and manages the booking process for their staff.

The importance of the monitoring of standards in Food Businesses is reflected in the fact that over 4 million, or approximately one in five of all of us will be affected by foodborne gastroenteritis each year. There are approximately 60 deaths and 30,000 hospitalisations attributed to foodborne illness annually. Australia currently has one of the highest rates of salmonella infection in the developed world, with rates more than 3 times the average of other developed countries.

At a National level an Australian foodborne illness Reduction Strategy 2018-2021, promoting a 'Food Safety Culture' from paddock to plate has been developed. We hope to see positive initiatives such as mandatory food safety training, food business registration and the expansion of the range of businesses requiring Food Safety Plans to be rolled out as part of the strategy.

At a local level we continue to promote a 'Food safety culture' within food businesses by providing information and education during the 1,470 inspections conducted at our 1,277 food businesses. Where necessary appropriate enforcement mechanisms are applied on a graduated and proportionate basis. 119 formal 'Improvement Notices' were issued to 92 food premises. While it was pleasing that the numbers of expired offences required to be issued reduced by over 50%, it was disappointing that it was still necessary to issue a significant number of Prohibition Notices which required closure of all or part of a food premise due to the significant health risk posed to the public.

Supported Residential Facilities (SRF) provide accommodation and personal care for people who require low-level assistance, accommodation and support to live a fulfilling life in a home-like environment. The introduction of the National Disability Insurance Scheme on the SRF sector is currently being considered by the State Government. The Department of Human Services (DHS) is undertaking a review which includes the legislation governing SRFs. The NDIS Quality and Safeguarding Commission will oversee services for NDIS participants and with the majority of SRF's being accredited as disability providers, local government's role is likely to change significantly in the future.

In November 2018 Local Council elections will be held. I would like to thank the current Board Members for their commitment to Eastern Health Authority over the last Local Government term of 4 years. Board Members have shown a genuine interest in Public Health and understand that the work we do is important to the health of our community, but often unrecognised. The Board's enthusiasm and support for the work EHA undertakes on behalf of our constituent councils is very much appreciated by all EHA staff.

In conclusion I would like to thank EHA's professional and committed staff for providing the highest quality health protection service to our constituent council's collective communities and making EHA such a wonderful organisation to lead.



Governance



Appendices

Board of Management 2018

EHA is a body corporate, governed by a Board of Management comprised of two elected members from each Constituent Council. The Board met eight times (seven meetings and one workshop) during the year to consider EHA's business.

Table 1 -
Number of Board of Management meetings attended by individual Board Members

Board Member	Attendance
Cr S Whittington	8
Cr G Knoblauch	8
Cr A Monceaux	5
Cr P Cornish	8
Cr J Kennedy	7
Cr M Ryan	4
Cr K Barnett	8
Cr T Evans	5
Cr M Bishop	5
Cr D Stratiffe	6

Appendices

Board of Management as at 30 June 2018

City of Norwood Payneham & St Peters



Cr Sue Whittington
(Chain)



Cr Garry Knoblauch



Cr Marylou Bishop



Cr David Steddie

City of Burnside



Cr Anne Monceaux
(Deputy Chair)



Cr Peter Corbett



Cr Kristina Barnett



Cr Talle Evans

Campbelltown City Council



Cr Manjika Ryan



Cr John Kennedy

Appendices

Finance Audit Committee

In accordance with the requirements of the *Local Government Act 1999*, EHA has established an Audit Committee.

Functions of the Committee include:

Liaising with external auditors, reviewing annual financial statements, reviewing the adequacy of accounting, reporting and other financial management systems.

Members of EHA's Audit Committee are Lisa Scinto (Presiding Member), Claudia Goldsmith (Independent Member) and Cr Tais Evans (Board Appointed Member). The committee held three meetings during the reporting period.

The Committee met on four occasions during the year. The Committee's work included considering the audited financial statements and External Audit recommendations and reviewing numerous financial and governance policies.

Annual Business Plan

EHA develops an Annual Business Plan to establish strategic directions and measures to assess its performance. The core activities are undertaken to deliver the objectives of the plan as detailed in this report.

Structure and Staffing

EHA comprises three functional areas – environmental health, immunisation and administration. The administration team, led by the Chief Executive Officer, supports the activities of the environmental health and immunisation teams. The Team Leader - Environmental Health and Team Leader - Administration and Immunisation have responsibilities for achieving the Annual Business Plan objectives relevant to their functional area.

Staffing as at 30 June 2018 comprised a total of 29 employees (18.2 FTE).

Financial Statements

The Audited Financial Statements for the year ending 30 June 2018 are provided on page 36. They show an Operating Surplus of \$138,552.



Immunisation



City of Prospect Report 2017/18

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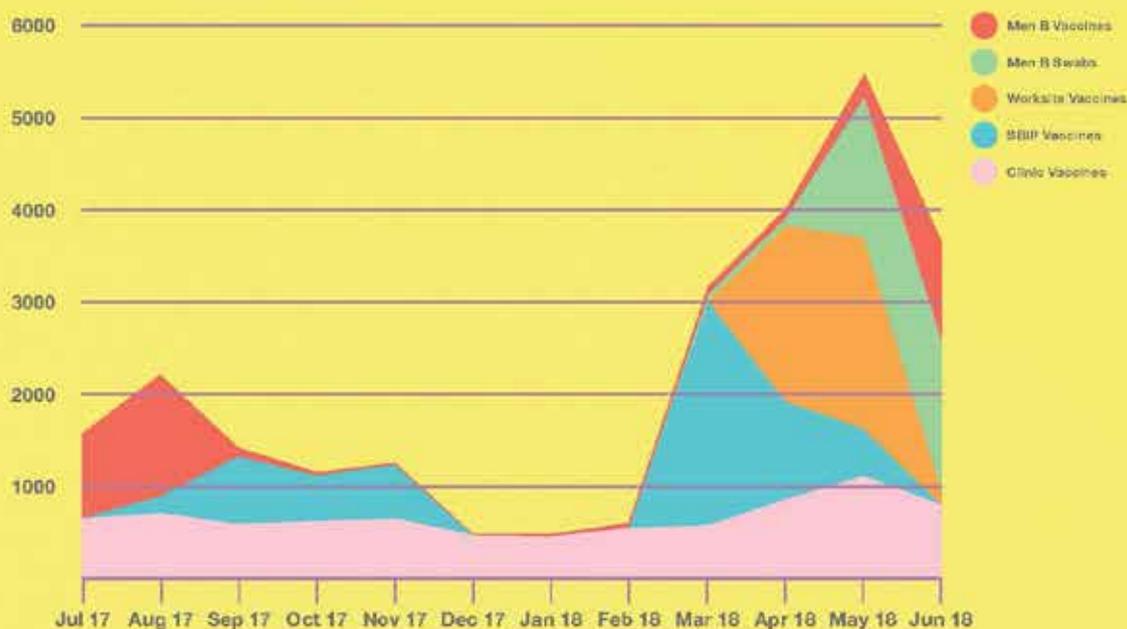
Immunisation is a safe and effective way of preventing the spread of infectious disease in the community.

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The immunisation team provides a specialised and convenient immunisation service to the residents of its Constituent Councils. Services by EHA are delivered through Public Clinic, School and Workplace Immunisation programs.

As demonstrated in Graph 1, demand for those services significantly increased between May and June 2018 due to the expansion of the Annual Funded Influenza Program and the Meningococcal B Vaccine Herd Immunity Study.

Graph 1 – A graph illustrating the combined demand for all immunisation services over the last year



EHA Annual Report 17/18

Public Immunisation Clinics

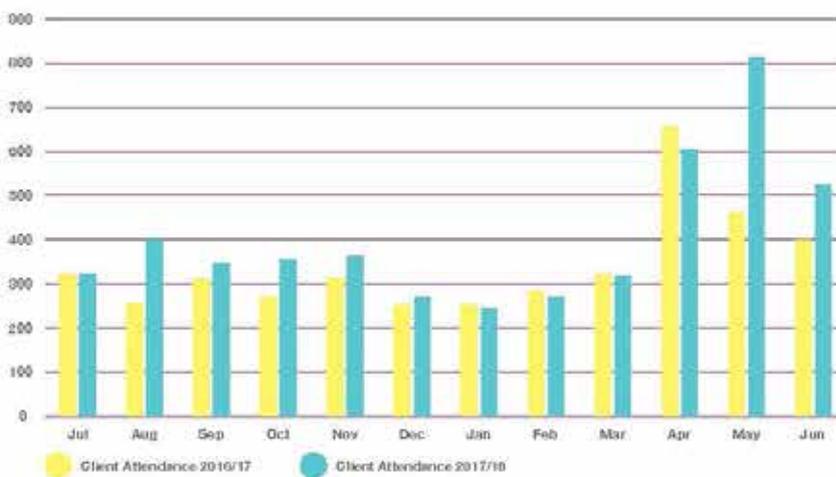
EHA provides public clinics to residents of its Constituent Councils at six locations, one being a client council. The range of clinic venues, days and times provided ensures convenient options are available for our residents.

A total of 4,865 clients were provided with 8,185 vaccinations. This was an increase of 730 clients (18%) in comparison to 2016-17 (Graph 2). This increase was due to the supply and availability of the meningococcal B vaccine, Bexsero and an increase in the number of Influenza vaccines administered in public clinics.

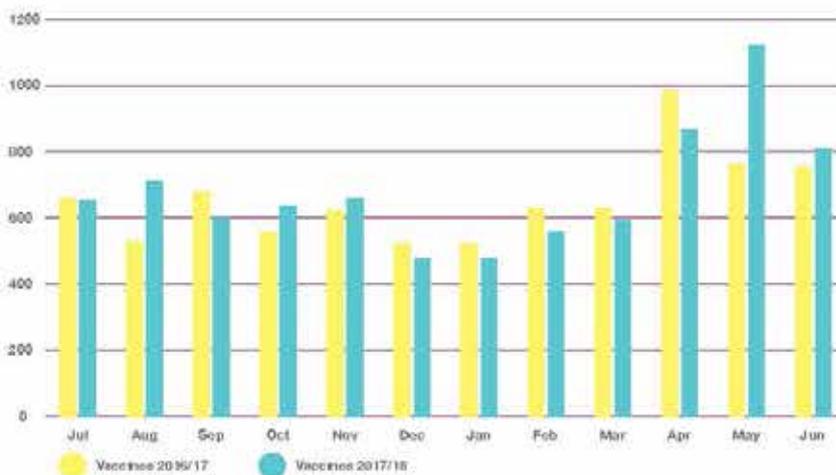
The online appointment system on the website continues to be well used. A total of 933 confirmed bookings were made using the online booking system with the peak months for bookings being from April to June 2018. Improvements to the system were uploaded to the system in May 2018 after a review by EHA staff.

EHA continues to assist families within our Constituent Councils with assessment of immunisation records. EHA assisted 89 families and 123 children with assessing and updating their immunisation history on the Australian Immunisation Register.

A total of 1,123 influenza vaccines were administered to clients in public immunisation clinics. This is a 45% increase (346 vaccines) in comparison with 2016-17. This increase was due to the expansion of the Funded Influenza program (SA) which offers free influenza vaccines to children aged 6 months to less than 5 years of age and additional vaccines to people aged 65 years and over.



Graph 2 – A graph illustrating client attendance at public immunisation clinics for the last two years



Graph 3 – A graph illustrating the number of vaccines delivered at public clinics for the last two years

Appendices

Table 2 shows where Constituent Councils' residents chose to be vaccinated. It demonstrates that many residents chose the site that best suits their needs and that this was not necessarily in their own council area.

A clinic operating at City of Prospect was relocated in January 2018 to our St Peters venue due to the redevelopment of the Prospect Civic Centre. A large percentage of Prospect residents (74%) attended the clinic held at St Peters, while the remaining 26% attended alternative venues.

EHA provides public clinics to residents of its Constituent Councils at six locations.

Table 2 – The number of clients per council area and their choice of clinic venue

Where Clients come from (Council Area)	Number of Clients from Council Area	Where Clients attend (Clinic Venue by %)						Total %
		Burnside	Campbelltown	NPSP	Prospect	Walkerville	Unley	
Burnside	868	32%	3%	52%	0%	3%	8%	100%
Campbelltown	1013	4%	31%	59%	0%	2%	4%	100%
NPSP	1441	4%	3%	87%	0%	2%	3%	100%
Prospect	373	3%	2%	74%	8%	8%	5%	100%
Walkerville	270	1%	6%	53%	1%	32%	7%	100%
Unley	508	7%	1%	31%	0%	2%	59%	100%
Other	217	2%	14%	0%	1%	2%	42%	100%
Total Number of Clients	4,885							

Appendices



School Immunisation Program (SIP) for 2017 Calendar year

During 2017, 59 visits were made to 19 high schools where a total of 8,514 vaccines were administered to Year 8 students. There were no changes to the National Immunisation Program for Adolescents in 2017 when compared to 2016 and vaccines delivered were almost identical.

The 2017 SIP to Year 8 students involved administering:

three doses of HPV vaccine

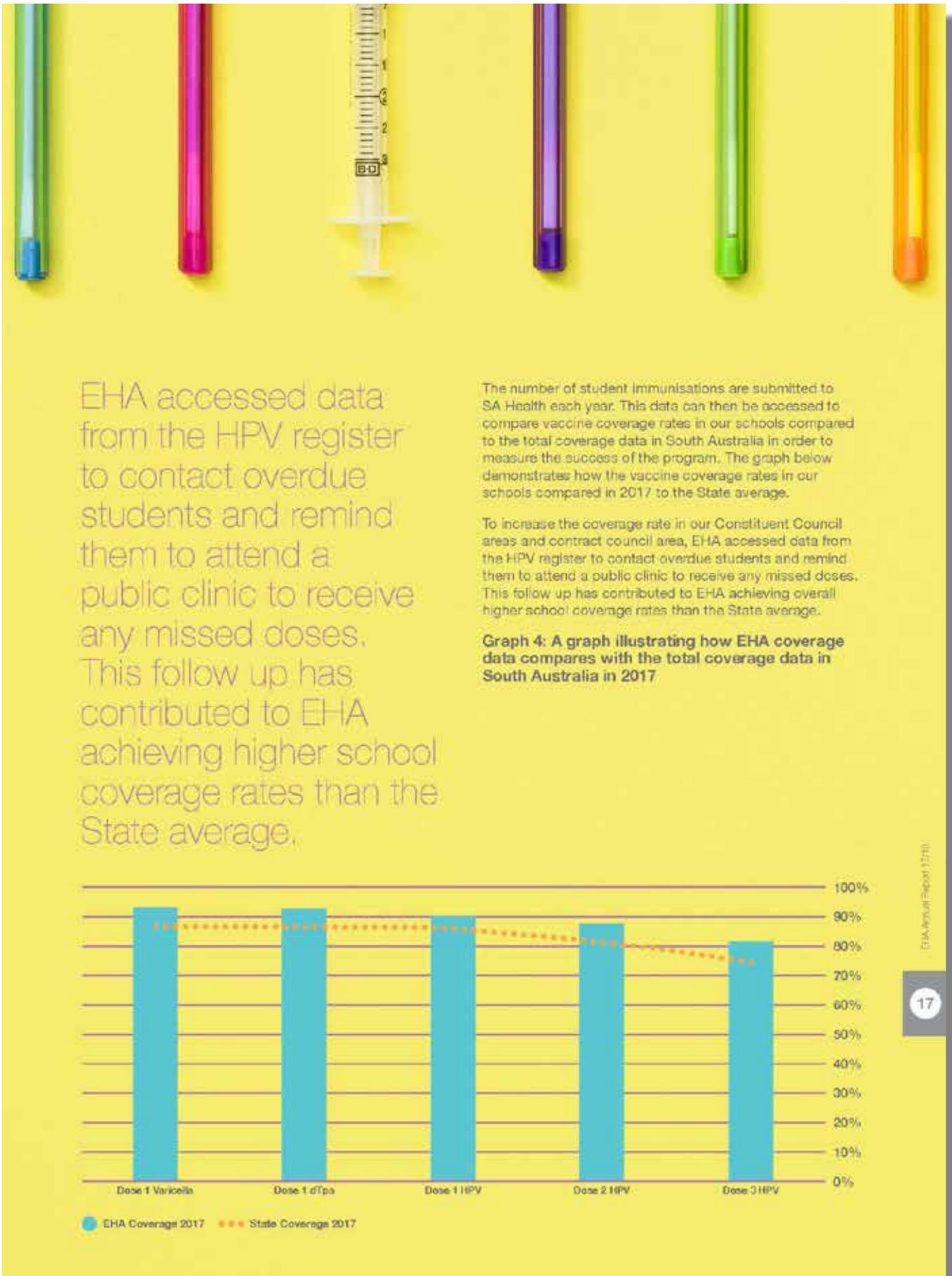
one dose of Varicella (chicken pox) vaccine

one dose of dTpa vaccine

Table 3 – A two year comparison of total vaccine types administered for the SIP for each Council area

Council Area	Total 2016	Total 2017
Burnside	2,512	2,834
Campbelltown	2,004	1,919
NPSP	2,356	2,443
Prospect	669	626
Walkerville	341	221
Unley	771	769
Total	8,583	8,514

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EHA Annual Report 17/18

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Meningococcal B Vaccine Herd Immunity Study

EHA continued to work in partnership with SA Health and the University of Adelaide to deliver the two year study named 'B Part of It'. The purpose of the study is to collect data to find out whether there are herd immunity benefits as a result of giving the meningococcal B vaccination to students in the South Australian school community.

From July 2017 to June 2018 a total of 36 visits were made to 18 high schools. A total of 3,820 vaccinations were administered and 2,194 throat swabs were taken from participating students.

Table 4: The total swabs and vaccines administered in 2017-18 at school visits

Council Area	Total Swabs	Total Vaccines
Burnside	607	731
Campbelltown	930	834
NPSP	205	1,295
Prospect	320	313
Walkerville *	0	450
Unley	132	197
Total	2,194	3,820

*Note - Swabs for Walkerville Council area school were taken in 2016-17 year.

In addition, the University of Adelaide invited EHA to participate in an extension to the study. This allowed Year 12 students who had left school to receive two free doses of the meningococcal B vaccine and provide a throat swab.

From January to June 2018, EHA administered and additional 359 meningococcal B vaccines and collected 234 throat swabs from school leaver students at public clinics.

On completion of the State-wide study, students will have the opportunity to be vaccinated with two doses of the meningococcal B vaccine and to contribute to the outcomes of the study through the analysis of the data collected from the throat swabs.

From July 2017 to June 2018 a total of 36 visits were made to 18 high schools. A total of 3,820 vaccinations were administered and 2,194 throat swabs were taken from participating students.

Worksite Immunisation Program

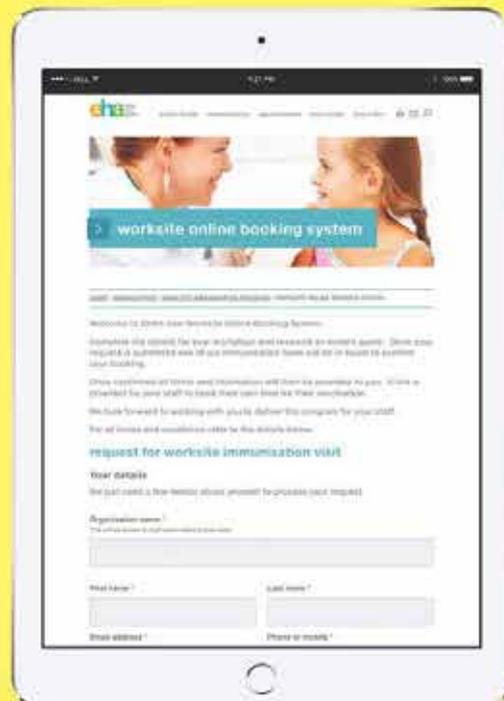
EHA provides an efficient and competitive service for workplaces to protect staff from the highly infectious influenza virus. A worksite program enables schools, childcare centres, government departments and private businesses to have their staff vaccinated on site by experienced nurses at a convenient time.

In December 2017, EHA launched an online booking system for worksite bookings. Ninety-one workplaces used this convenient service to book and manage their worksite program. The automated system allowed businesses to receive an instant quote for the booking based on approximate numbers of staff and to book a date and time convenient to the business.

All documentation needed to arrange the program is provided as part of the automated process. A link is sent to individual staff members to book their preferred appointment time. A survey of businesses who used this service noted that it was a time saving feature of the system.

A total of 98 worksite visits were conducted, with 4,218 vaccines delivered which was comparable to the previous year.

In December 2017, EHA launched an online booking system for worksite bookings. Ninety-one workplaces used this convenient service to book and manage their worksite program.



Public & Environmental Health



ENV Annual Report 1/1/15

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Environmental Health is the branch of public health that focuses on the interrelationships between people and their environment, promotes human health and well-being, and fosters healthy and safe communities.

website: NEHA.org/EnvironmentalHealth

Appendices

The SA Public Health Act 2011 (the Act) and Regulations are mechanisms employed by EHA to fulfil its duty of care on behalf of the Constituent Councils with the following public health issues: prevention and management of domestic squalor and hoarding; surveillance of swimming pools, spa pools, high risk manufacturing water systems (cooling towers and warm water systems); assessment of personal care and body art premises; approval and inspection of waste control systems and prevention and control of notifiable diseases.

Graph 5 shows the proportion of time estimated to be spent in various areas administered under the SA Public Health Act 2011 during 2017-18. As shown in Graph 5 the greatest proportion of activities was committed to the investigation of public health complaints.



Graph 5 - A graph illustrating the proportion of EHO activities to administer the SA Public Health Act 2011 during 2017-18.

- Investigation of public health complaints - 52%
- High Risk Manufacture Water Systems - Legionella Control - 18%
- Management of recreational water - public pools / spas - 23%
- Personal Care and Body Art - 3%
- Approval and monitoring of waste water control systems - 1%
- Compliance - 3%



Complaints and Referrals

EHA received 182 public health related complaints/referrals from the public or State Government agencies.

Table 5 – A three year comparison of the type of public health complaints received

	2015-16	2016-17	2017-18
Notifiable Disease	35	37	12
Sanitation	60	56	38
Vector Control	121	110	108
Waste Control	4	0	2
Hazardous Substances	3	4	9
Other	28	21	13
Total	251	228	182

Vector control continues to account for a large proportion of public health complaints (Table 5). The number of vector control complaints investigated was comparative to the previous year. A high proportion of vector control complaints (84%) related to overgrown vegetation, accumulated refuse or poor poultry keeping that did not constitute 'harm to health' under the SA *Public Health Act 2011*. Often Environmental Health Officers (EHOs) are unable to obtain substantial evidence to identify the primary source of harborage and information is issued to neighbouring homes. This approach is effective in notifying neighbouring residents of potential concerns.

The number of hazardous waste complaints requiring investigation doubled when compared to the previous year. These complaints involved the investigation of six asbestos and Category C Clandestine Drug Laboratory notifications at three separate residential properties.

All residential properties identified to be operating Category C Clandestine Drug Laboratories were issued Compliance Notices under section 92(1) of the SA *Public Health Act 2011*. The notices specified the requirements to undertake the necessary testing and cleaning to ensure that any public health risk was mitigated.

A joint investigation with the Environmental Protection Agency (EPA) and SafeWork SA was undertaken after it was reported that a roof made of asbestos containing material had been cleaned with a high-pressure hose. EHA issued an Emergency Notice under the SA *Public Health Act 2011* requiring the facility to close immediately pending further investigation. The EPA served an Environmental Protection Order requiring assessment and remediation of the exterior areas affected by contamination and SafeWork SA issued Notices requiring assessment and remediation of indoor areas. The premises reopened once the requirements the Order and Notices were met.

There were 36 sanitation complaints received and investigated, a significant decrease when compared to the previous two years (Table 6). Despite the decrease, the complexity and time to resolve sensitive matters involving severe domestic squalor and hoarding has significantly increased.

To consistently and objectively investigate these matters the 'SA Health's Foot in a Door - Stepping towards solutions to resolve incidents of severe domestic squalor in SA' Guidelines was used to assess the condition of the properties.

Three domestic squalor and one hoarding matter were determined to be a breach of the General Duty under the SA *Public Health Act 2011*. One Emergency Notice was issued under Section 92 of the SA *Public Health Act 2011*, involving a serious state of domestic squalor at a boarding house. EHA also exercised its power under the SA *Public Health Act 2011* and took action to remove the severe hoarding and squalor conditions at one property following non-compliance with the Notice.

A multi-disciplinary approach in all these cases was taken by EHA and other Government and non-Government agencies. This approach not only ensured the requirements within the Notices were met but the person also received the required support and care.

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The number of hazardous waste complaints requiring investigation doubled when compared to the previous year. These complaints involved the investigation of six asbestos and Category C Clandestine Drug Laboratory notifications at three separate residential properties.

Appendices

EHA continues to lead the Eastern Hoarding and Squalor Group (the Group). The Group continued into its sixth successful year and met four times. This collaborative forum for EHOs and representatives from Government and non-Government agencies allows for proactive discussion and information sharing on squalor and hoarding, as well as services and resources available to help resolve these issues.

Table 6 – A three year comparison of the total number of sanitation complaints and severe domestic squalor and hoarding complaints

	2015-16	2016-17	2017-18
Total number of Sanitation Complaints	60	56	38
Severe Domestic Squalor	9	15	6
Hoarding	12	13	6

Table 7 – A three year comparison of the number of enforcement action taken under the SA Public Health Act 2011

	2015-16	2016-17	2017-18
Preliminary Notice	1	3	1
General Duty Notice	3	4	4
Emergency Notice	1	2	2
Action on Default	0	0	1
Total Number of Notices issued	5	9	10

The SA Public Health Act 2011 prescribes a list of diseases that are notifiable (Table 8). Notification of these diseases allows for surveillance and investigation to be undertaken to protect the community from the risk of infectious disease.

In Australia, *Campylobacter* is the most commonly notified cause of gastroenteritis, with foodborne illness caused by

Salmonella significantly increasing over the past 20 years. In the past 20 years, there have been an estimated 56,200 cases of Salmonellosis (2,100 hospitalisations and 15 deaths) with 72% of these considered to be foodborne ('Australia's Foodborne Illness Reduction Strategy 2018-2021').

Table 8 – The number of reported notifiable diseases for 2017-18

	2017-18
<i>Campylobacter</i>	262
<i>Salmonella</i>	107
<i>Legionellosis</i>	0
<i>Cryptosporidiosis</i>	24
Hepatitis A	3
Rotavirus	113

Salmonella and *Campylobacter* continue to be the most frequently reported food borne disease within EHA's five Constituent Councils (Table 8). The reporting period saw 262 confirmed cases of *Campylobacter* and 107 confirmed cases of *Salmonella* (Table 8). Despite the high number of notifications of *Salmonella*, no cases were linked to food businesses within EHA that required investigation. This was a significant reduction compared to the 15 cases involving four food businesses the previous year.

SA Health also required the investigation of three child care and two aged care facilities in relation to gastroenteritis outbreaks. Officers ensured that appropriate infection control measures were implemented and that food processing practices were compliant with the Food Safety Standards.

During the year SA Health CDCB were notified of 23 confirmed cases of *Cryptosporidiosis* within EHA. No cases were associated with the public swimming pools within EHA and did not require further investigation.

Monitoring and Surveillance

A total of 43 high-risk manufactured water systems (HRMWS) were registered at 20 sites within EHA under the SA Public Health (*Legionella*) Regulations 2013.

All cooling tower systems were inspected once during the reporting period, with a total of 22 routine inspections undertaken at 13 sites (Table 9). No follow-up inspections or enforcement actions were required at any cooling tower sites.

All warm water systems were inspected at least once throughout year with a total of 40 routine inspections undertaken at seven warm water sites (Table 9). Three facilities elevated inspection frequencies resulted in a 29% increase in the number of routine warm water inspections when compared to the previous year (Table 9). One facility was issued with a Compliance Notice under the SA Public Health Act 2011 for failing to comply with the Regulations, specifically relating to failure to undertake system decontaminations every six months. Based on previous warnings of this non-compliance, the facility was subsequently issued with an Expiation Notice for two offences under the SA Public Health (*Legionella*) Regulations 2013.

Water samples were taken from all warm water systems and cooling towers sites during routine inspections. Testing of the samples resulted in 31 detections of *Legionella* (Table 9). Five of the six warm water sites received at least one detection of *Legionella*. The large number of detections compared to the previous year was in the main attributed to one site. This site has large number of warm water systems and had 25 detections.

Authorised Officers worked closely with the six facilities that reported detections of *Legionella* to ensure the systems were shut down and decontaminations were promptly undertaken as required by the Regulations. Additional follow up action was taken by EHA in response to ongoing detections of *Legionella* from the warm water systems at two sites. These facilities were issued with Notices to Secure Compliance with the General Duty under the SA Public Health Act 2011 requiring the implementation of Legionella Risk Management Plans (LRMP) in accordance with best practice guidelines from enHealth Australia.

The purpose of the LRMP is to assist facilities to conduct a comprehensive hazard identification audit of their water system infrastructure and to implement suitable control measures and verification to ensure the control measures are effective.

Since the implementation of the LRMP, subsequent water sampling conducted by EHA and also independently by the facilities have returned no detections of *Legionella* throughout the warm water systems.

No *Legionella* disease notifications that required investigation were received during the year. This is a significant decline when compared to the previous two years.

Table 9 – A three year comparison of the number of registered high risk manufactured water systems and the number of routine and follow-up inspections undertaken and *Legionella* high count test results.

	2015-16	2016-17	2017-18
Number of sites	22	20	20
Total number HRMWS registered	46	43	43
Number of system inspections	58	48	62
Number of follow-ups	1	5	2
Notices issued to HRMWS	0	0	4
Expiation Notices issued to HRMWS	0	1	1
Detections of <i>Legionella</i>	16	21	31
Investigation of <i>Legionella</i> disease notifications from CDCB	4	5	0

No Legionella disease notifications that required investigation were received during the year. This is a significant decline when compared to the previous two years.

Appendices

Public Swimming Pools and Spas

During 2017-18 all swimming, spa and hydrotherapy pools were assessed against the standards prescribed in the SA *Public Health (General) Regulations 2013*.

Fifty eight routine inspections at 38 swimming pool and spa sites were conducted (Table 10). Inspections were conducted at least once for all outdoor pools and twice for indoor pools during the year. A large portion of scheduled inspections for indoor pools were undertaken at the end of the 2016-17 reporting year. As a result, the number of required indoor pool scheduled inspections decreased during 2017-18. A total of nine swimming pool and spa sites required follow-ups, two more than the previous year, with five follow-up inspections required at one pool site (Table 10).

Temporary closures of four swimming pool and spa sites were required during the year. The number of closures was consistent with the previous two years (Table 10). Two sites closed voluntarily; one to rectify inadequate disinfection levels and the other excessive chlorination levels. At another two sites recurring non-compliance relating to inadequate chlorine levels resulted in a Compliance Notice being issued under Section 92 of the SA *Public Health Act 2011*. The pool operators were instructed to close the pools to the public and undertake the necessary corrective actions. Multiple follow-up inspections were undertaken to confirm compliance with the Notices prior to the pool reopening for public use.

Two complaints related to the cleanliness of changerooms and patrons failing to shower prior to entering the pool. Investigation of the complaints identified the change rooms and amenities were well maintained and the water quality was within the parameters of the General Regulations.

Table 10 – A three year comparison of the number of routine and follow-up inspections conducted at spas, swimming, and hydrotherapy pools, and the number of *Cryptosporidiosis* notifications received

	2015-16	2016-17	2017-18
Number of Sites	27	28	28
Number of Pools/Spas	39	45	44
Inspections of Pools/Spas	52	65	58
Follow-ups of Pools/Spas	18	25	24
Notices issued to Pools/Spa	1	2	2
Pool Closures	3	4	4
Complaints	1	2	2
<i>Cryptosporidiosis</i> Complaints	5	1	1

Personal Care and Body Art (PCBA)

Two new tattoo premises opened within EHA (Table 11). All 12 tattoo premises involving high risk skin penetration practices were assessed against the standards prescribed in the SA *Public Health (General) Regulations 2013*.

The use of single-use needles by acupuncturists has reduced the risk of infection. Subsequently, inspection frequencies for these PCBA was decreased to 18-month inspection frequencies. All acupuncture premises are scheduled for inspection during 2018-19.

Table 11 – A three year comparison of the number of notified tattoo premises

	2015-16	2016-17	2017-18
Number of Tattoo Premises	7	10	12

Waste Control Systems

A small area within EHA's catchment is not connected to SA Water Sewer or a Community Wastewater Management Scheme, requiring the installation of an approved onsite waste water system.

During the year EHA received four waste control system applications. The systems were assessed in accordance with the requirements of the SA *Public Health (Wastewater) Regulations 2013*. One application included a greywater diversion system. Details of the plan were found not to meet the requirement of the Code and the application was not granted approval.

Three inspections were undertaken to determine progress of approved wastewater works and conduct assessments in accordance with the requirements of conditions of approval.

One complaint was received during the year of an unapproved system. The investigation is ongoing.

Food Safety



Environmental Health

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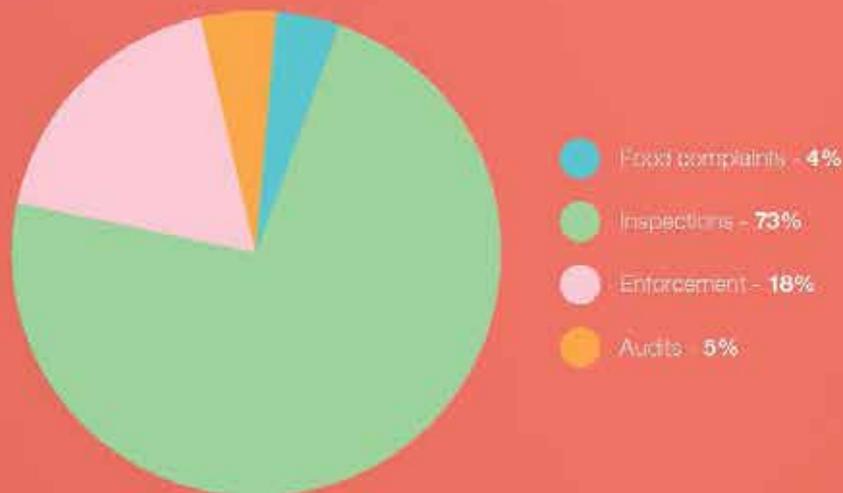
EHA administers the *Food Act 2001* in conjunction with the Food Safety Standards to protect the public from food-borne illness and associated risks.

Appendices

illnesses caused by the sale or consumption of unsafe food are preventable through education and intervention from EHO's during regular inspections and audits, investigation of complaints and where required, enforcement.

Graph 6 shows the proportion of time spent in various areas to administer the Food Act 2001 during 2017-18. As shown in the graph, 73% of EHO's activities was committed to scheduled and follow-up inspections of food businesses. These inspections enable EHOs to identify non-compliance, ensure safe processing practices are in place, and where required provide education and advice.

Graph 6 – A graph illustrating the proportion activities undertaken by EHO's to administer the Food Act 2001 during 2017-18.



Food Safety Inspections, Complaints, Audits and Enforcement

As at 30 June 2018, a total of 1,282 known food premises were operating within LHA's jurisdiction, a small increase when compared to the previous year. Takeaways, cafes and restaurants continue to be the predominant types of food business.

A total of 167 businesses closed and 180 food business notifications advising of a new food business or change of ownership were lodged with EHA. Notifications of new food businesses and closures required the continual updating of the food business register.

Food businesses are classified on the basis of food safety risk, using the South Australian Food Business Risk Classification (FBRC) profiling framework (the Framework). The FBRC allows for the monitoring and enforcement to be aligned with the inherent food safety risk of the business, taking into account the business' performance during inspections.

A minimum and maximum inspection frequency range is applied to each risk classification. The frequency range allows for inspections to either be increased or decreased depending on whether or not compliance is satisfactory during the inspection.

As shown in Table 12, the majority of food businesses are risk classified as Priority 1, with takeaways and restaurants being the main types of businesses within this classification.

Priority 4 food businesses selling chef etable and pre-packaged food are considered 'low risk' and are only inspected if there has been a change in activity or a complaint has been received.

Priority 1, 2 and 3 businesses that required to be inspected totalled 1,078. During the year 1,470 inspections were undertaken at these businesses (table 13).

	P1	P2	P3	P4	Total
Number of food businesses – 2015-16	642	348	79	192	1,261
Number of food businesses – 2016-17	642	320	119	201	1,282
Number of food businesses – 2017-18	629	337	112	199	1,277

Table 12 – Number of food businesses, food inspections and follow-up inspections as per risk classification

Type of Inspection	2015-16	2016-17	2017-18
Routine	600	862	703
Follow up	578	570	657
Complaint	111	78	81
Pre-opening/Fit-out	21	20	31
Food Stalls at Special Events	97	90	8
Total	1,497	1,620	1,470

Table 13 – A three year comparison of the number of routine, follow-up and fit-out inspections undertaken and complaints received

Appendices

EHA's food safety monitoring practice is to conduct thorough routine inspections and follow-up inspections to ensure non-compliances are rectified and appropriate food safety standards are maintained. Routine and follow-up inspections are opportunities for an EHO to provide advice and information and for businesses to demonstrate improved systems or processes to ensure food safety practices are implemented daily and permanently.

Table 14 – A three year comparison of the percentage number of follow up inspections conducted based on the number of routine inspections

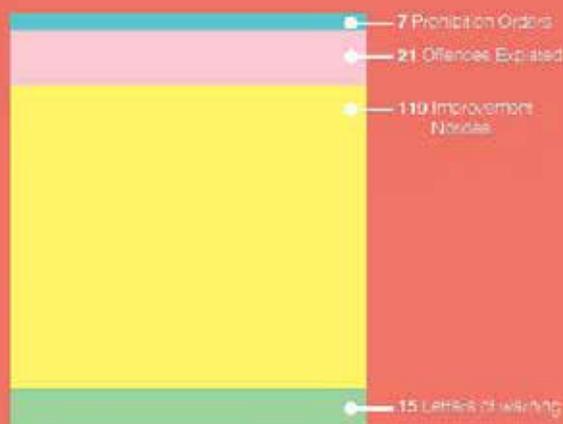
	2015-16	2016-17	2017-18
Routine inspections	690	862	793
Total number of follow-up inspections	678	666	667
Number of businesses requiring a follow-up inspection	377	354	360
% of routine inspections requiring a follow-up inspection	54%	41%	45%

A total number of 793 routine inspections were conducted during the year (Table 14). This decrease was attributed to fewer available Authorised Officers during the year. While there was a decrease in the number of routine inspections conducted, there was an increase in the percentage of food businesses (45%) requiring a follow-up inspection. This is reflective of the commitment to ensure non-compliances are rectified within an appropriate timeframe.

If repeated non-compliance continues, EHA's enforcement policy requires a graduated and proportionate response to be applied to either recurring or very serious food safety breaches.

Graph 7 demonstrates the graduated responses to enforcement. Legal action may be taken to repeat offenders in the form of written warnings, Improvement Notices, Prohibition Orders, Explanations or Prosecutions.

Graph 7 – A graph illustrating the graduated response to enforcement under the Food Act 2001



Appendices



The majority of food businesses requiring legal action are P1 high risk businesses (Table 15). Enforcement action is however not limited to high risk businesses with warning letters and Improvement Notices also issued to moderate risk P2 food businesses (Table 15). Very serious food safety breaches also resulted in Prohibition Orders being served to seven high risk P1 businesses, which included restaurants and take-away food businesses.

Table 15 – A two year comparison of enforcement action taken as per risk classification

Warning Letter	P1	P2	P3	Total
2015-16	13	4	0	17
2016-17	11	1	0	12
2017-18	12	3	0	15

Improvement Notices	P1	P2	P3	Total
2015-16	76	17	0	93
2016-17	127	12	0	139
2017-18	108	11	0	119

Offences Expiated	P1	P2	P3	Total
2015-16	23	0	0	23
2016-17	41	2	0	43
2017-18	21	0	0	21

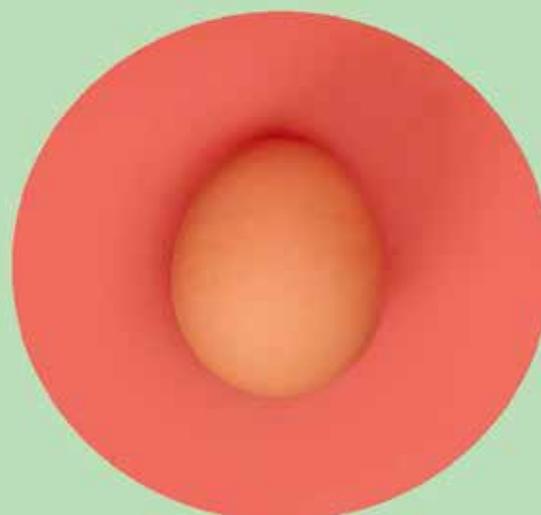
Prohibition Orders	P1	P2	P3	Total
2015-16	2	1	0	3
2016-17	9	1	0	10
2017-18	7	0	0	7

Improvement Notices continue to account for the majority of enforcement action taken, with a total of 119 Improvement Notices issued to 92 food businesses (Table 16). A total of 20 businesses received more than one Improvement Notice during the year.

Table 16 – A three year comparison of the percentage number of Improvement Notices issued based on the number of routine inspections

	2015-16	2016-17	2017-18
Routine inspections	690	862	793
Total number of Improvement Notices issued	93	139	119
Number of businesses issued with Improvement Notices	76	92	92
Number of businesses issued with multiple Improvement Notices	18	15	20
% of routine inspections resulting in the issue of an Improvement Notice	11%	11%	15%

While there was a decrease in the number of Improvement Notices issued, there was an increase in the percentage of routine inspections resulting in the issue of an Improvement Notice (Table 16).



Appendices



In 2017-18, \$43,500 in fines were issued to 13 businesses for 21 offences committed under the *Food Act 2001* (Table 17). This represents a 51% reduction in the number of Expiation Offences required to be issued when compared to the previous year. It should be noted that the percentage of inspections resulting in the issue of an Expiation Notice was only 1.3%.

Table 17 - A three year comparison of the number of Expiation Notices issued, total number of expiable offences and expiable income received

	2015-16	2016-17	2017-18
Total number of Expiation Notices issued	14	20	13
Total number of Offences Expiated	23	43	21
Total amount	\$38,050	\$64,452	\$43,500

Table 18 - A three year comparison of the percentage of Expiation Notices issued per routine inspection

	2015-16	2016-17	2017-18
Routine inspections	690	862	793
Number of businesses issued with Expiation Notices	14	13	12
Expiation Notices as % of inspections	2.0%	1.5%	1.3%

Seven Prohibition Orders were issued, three less than the previous year (Table 19). The Prohibition Orders were issued due to significant vermin and cockroach activity, extremely poor standards of cleanliness and unsafe food processing practices.

Table 19 - A three year comparison of the number of Prohibition Orders issued

	2015-16	2016-17	2017-18
Routine inspections	690	862	793
Number of businesses issued with Prohibition Orders	3	10	7
Prohibition Orders as % of inspections	0.43%	1.2%	0.9%

EHA inspected 66 food stalls at seven major special events held within the Constituent Councils (Table 13). Food handlers were assessed on their application of food safety and hygiene practices. EHOs also considered the structure and fit out of each stall to ensure food was stored, prepared and displayed appropriately and safely.

As previously reported the demand for packaged ready-to-heat meals has increased, with restaurants and caterers responding to this demand by expanding their businesses to include locally sourced convenience meals.

Cook chill processing is complex and high risk and requires food handlers to have adequate skills and knowledge, as well as suitable equipment and structural facilities. Authorised Officers continue to monitor and identify food businesses undertaking this high risk process to ensure their knowledge and practices are appropriate.

EHA's proactive approach continues to raise the awareness of the risks associated with cook chill manufacturing to food businesses in our five Constituent Councils.

EHA and SA Health were invited to attend the Environmental Health Australia National Conference in October 2017 to provide a joint presentation relating to food businesses undertaking cook chill food processing. The presentation highlighted the technical and complex nature of this type of processing, with EHA providing two case studies relating to food businesses within our Constituent Council area.

Appendices

Audits

Food businesses serving food to vulnerable populations, including hospitals, aged care facilities, child care centres and delivered meal organisations are captured under Food Safety Standard 3.3.1. This Standard requires food businesses to comply with Food Safety Standard 3.2.1, and the implementation of a documented and audited Food Safety Program.

As shown in Table 20, a total of 60 scheduled food safety audits and five follow-up audits were conducted within EHA's jurisdiction during the year. There was an increase in the number of audits conducted outside of EHA's jurisdiction when compared to the previous year.

Complaints

As shown in Table 21, EHA received a total of 83 food related complaints. These figures are comparable with the previous two years (Table 21).

Historically, alleged food poisoning accounts for a significant portion of food complaints. However, as shown in Table 21, there has been a continual decline in the number of complaints related to alleged food poisoning.

Poor personal hygiene or poor food handling practices accounted for a significant proportion (25%) of food complaints received during 2017-18 (Table 22). This increase may be attributed to the public's increased awareness of safe food practices, as more information is made readily available through websites and promoted via activities such as Food Safety Week.

Historically, alleged food poisoning accounts for a significant portion of food complaints. However, as shown in Table 21, there has been a continual decline in the number of complaints related to alleged food poisoning.



Appendices

	2015-16		2016-17		2017-18	
	EHA	Other Council Areas	EHA	Other Council Areas	EHA	Other Council Areas
No. of Audits	31	37	55	33	60	37
No. of Follow-up Audits	10	2	3	1	5	1

Table 20 - A three year comparison of the number of audits and follow-up audits conducted in our five Constituent Councils and other Council areas

Table 21 - A three year comparison of the number of food complaints received

Type of Complaints Received	Total number of complaints received 2015-16	Total number of complaints received 2016-17	Total number of complaints received 2017-18
Food unsuitable/unsafe due to foreign matter	12	10	10
Food unsuitable/unsafe due to microbial contamination/growth	7	7	9
Food unsuitable/unsafe due to presence of unapproved or excessive chemical residues	2	1	0
Alleged food poisoning	24	20	14
Unclean premises	10	5	5
Poor personal hygiene or poor food handling practices	20	15	21
Vermin/insects/pests observed in premises	5	6	5
Refuse storage	11	11	9
Labelling issues	5	1	1
Other	2	4	8
Total	98	80	83

Health Care & Community Services



Environmental Health

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Environmental Health is the branch of public health that focuses on the interrelationships between people and their environment, promotes human health and well-being, and fosters healthy and safe communities.

video: NEMU Environmental Health

Appendices

Supported Residential Facilities

EHA is the licensing authority for all Supported Residential Facilities (SRF) within the Constituent Councils. A total of six facilities are licensed, with three Pension Only and three retirement Village /Dual License Facilities (Table 22).

During the year the number of SRFs licensed by EHA decreased from eight to six facilities. The decrease is attributed to two dual licensed facilities no longer meeting the criteria of an SRF.

Table 22 – A three year comparison of the number of SRF facilities licensed by EHA

2015-16	2016-17	2017-18
12	8	6

Licensing, Monitoring and Complaints

EHOs conducted 11 unannounced routine audits and six follow-up visits during 2017-18. An additional 10 inspections were required at one facility during an investigation.

The criteria assessed to determine compliance with the *Supported Residential Facilities Act 1992*, the *Supported Residential Facilities Regulations 2009* and the *Supported Residential Facilities Guidelines and Standards 2011*, included the following:

adequacy of documentation and suitability of service plans

level of staffing and appropriate qualifications

nutritional quality and variety of the food provided to the residents

solvency of the business

public liability insurance

structural condition of the premises

financial management

general amenity and cleanliness of the facility

medication management

privacy, dignity and respect of residents

evidence of an up to date Visitors' Book

The majority of non-compliances identified in the unannounced audits related to hygiene, structural maintenance and documentation management, particularly with regard to inadequate and inconsistent resident contracts. There were a limited number of non-conformances related to standards of care, including nutrition, medication management and control of personal finances.

Each facility was inspected for compliance with essential fire safety requirements by the respective Building Fire Safety Committee. Fire safety reports were provided to EHA as part of the licensing renewal process. Non-conformances highlighted in the fire safety report from one Constituent Council were communicated to EHA. This facility will continue to be monitored.

Non-conformances identified at the unannounced audits throughout the year were collated and reviewed prior to the re-licensing of the facilities. Where long term action was required or there were significant or persistent issues, conditions were imposed on the facility's licence for 2018-19.

Three facilities were issued licences for one year with no conditions. Two facilities were issued licences for one year with conditions. Conditions related to staffing levels, cleaning, maintenance and hygiene issues. These conditions will continue to be monitored and managed during subsequent audits throughout the year. One facility's Licence was extended with a short-term licence with conditions applied.

There were no complaints received during the year, a decline when compared to the previous two years (Table 23).

Table 23– A three year comparison of the number of SRF complaints received

2015-16	2016-17	2017-18
3	3	0

SRF Licence Transfer/New Licence

During 2017-18, one SRF licence transfer was received, processed and approved. The licence transfer application was the result of the sale of that business.

One application for a new supported residential facility was received during the year. Due to a recent change in the SRF legislation, Eastern Health Authority was unable to approve the licence application. The Minister for Social Inclusion revoked and replaced previous exemptions in relation to facilities of a specified class, which captured this particular application. A meeting was held with the applicant's representatives to advise of the implications of the legislative change. As a result, the facility was deemed ineligible to be licensed under the *Supported Residential Facilities Act 1992*.

SRF Facility Manager and Acting Manager approvals

Three manager applications and two acting manager applications were received during the year. The manager and acting manager applications were approved by EHA's Chief Executive Officer under delegated authority.

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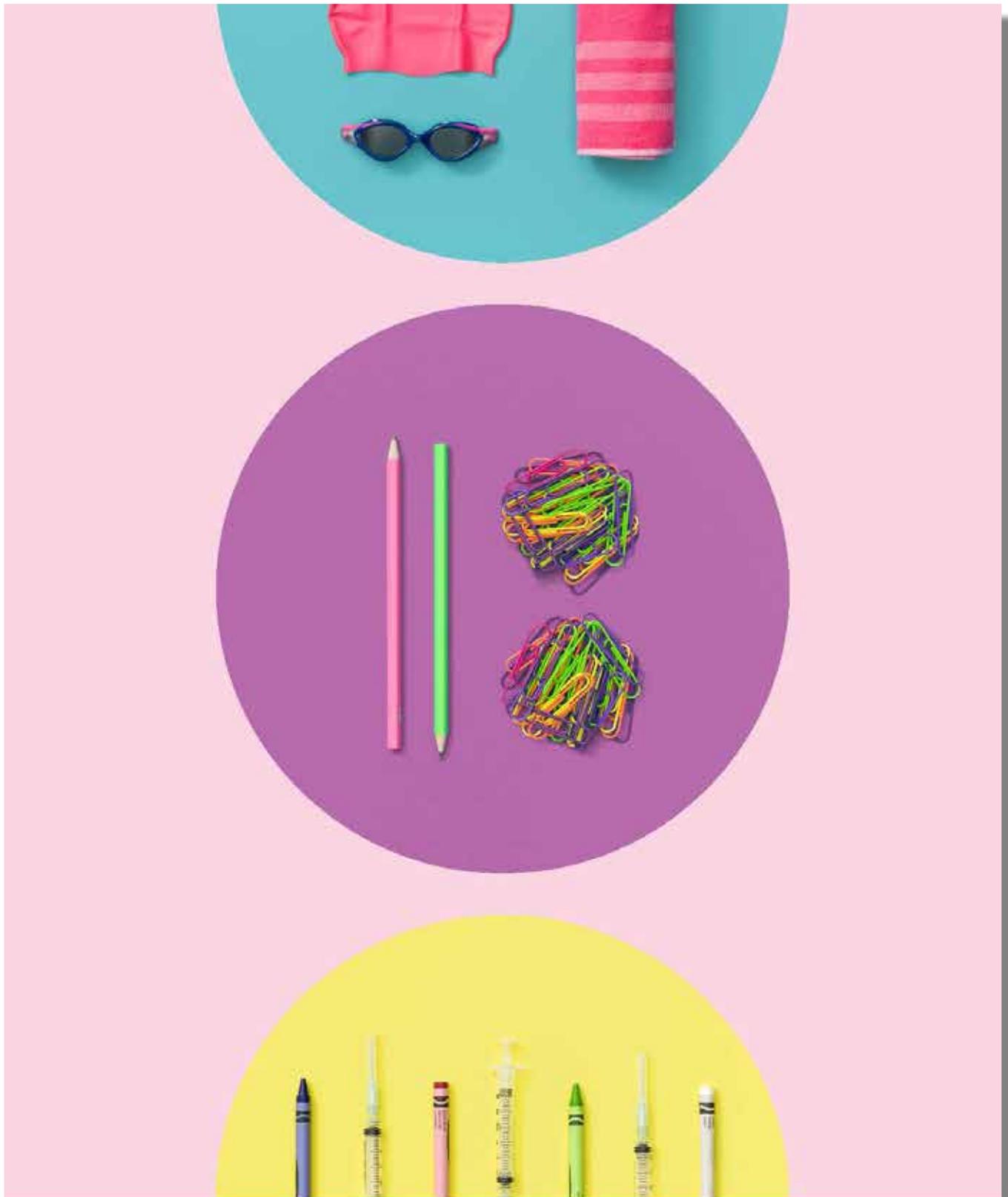
Summary Financial Statement for the year ending 30 June 2018

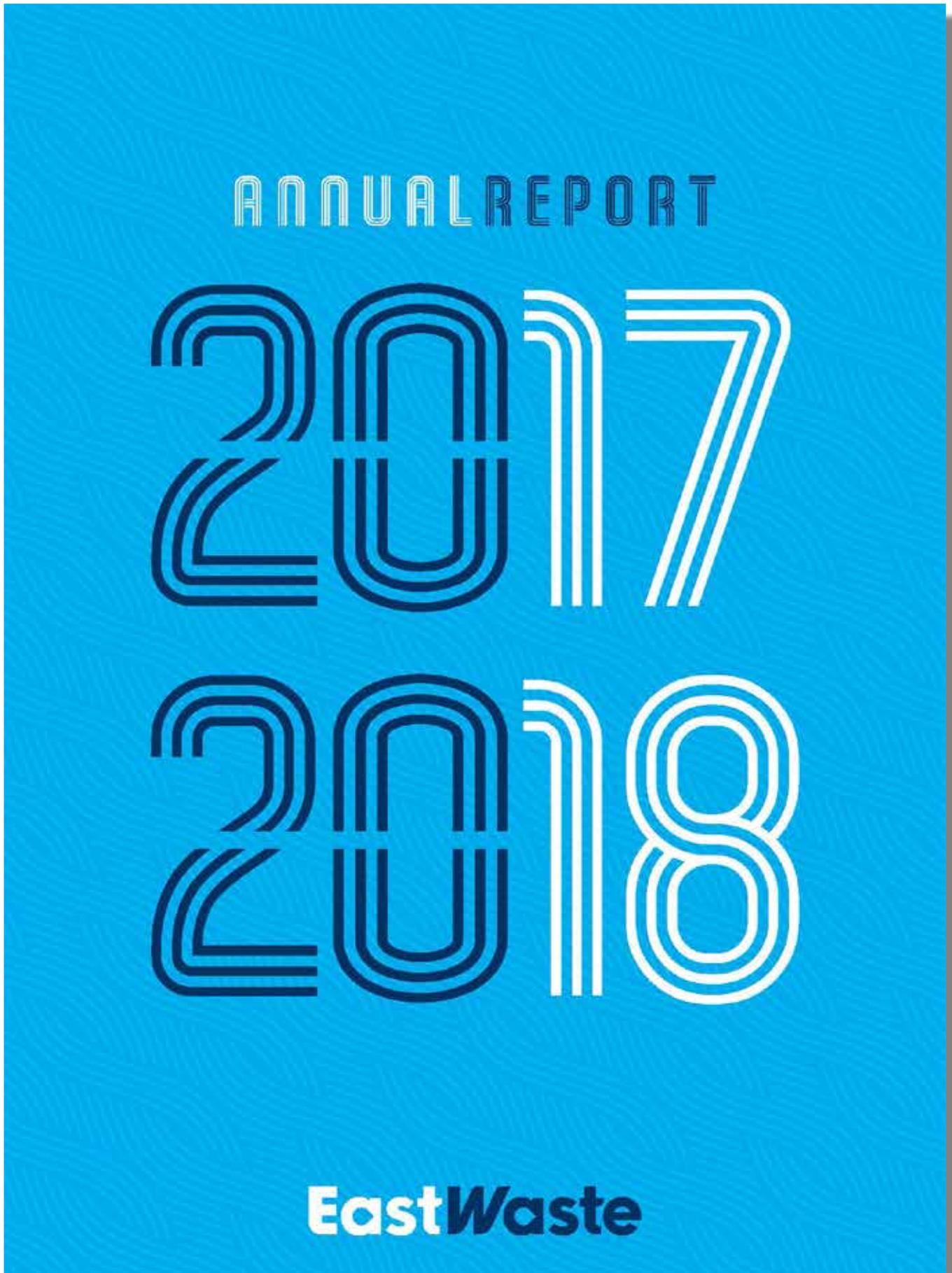
	2017	2018
INCOME		
Council Contributions	1,641,055	1,630,870
Statutory charges	155,402	150,594
User charges	294,343	302,185
Grants, subsidies and contributions	270,990	270,980
Investment income	11,590	12,923
Other income	11,767	20,553
TOTAL INCOME	2,385,245	2,528,105
EXPENSES		
Employee Costs	1,623,390	1,581,162
Materials, contracts & other expenses	699,827	748,550
Depreciation, amortisation & impairment	55,286	46,014
Finance costs	18,756	15,827
TOTAL EXPENSES	2,397,259	2,389,553
OPERATING SURPLUS (DEFICIT)		
Asset disposal & fair value adjustments	-	-
NET SURPLUS/(DEFICIT)	(12,014)	138,552
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME	(12,014)	138,552
CURRENT ASSETS		
Cash and cash equivalents	664,107	876,554
Trade and Other Receivables	129,625	122,329
TOTAL CURRENT ASSETS	793,732	998,883
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	387,928	341,914
TOTAL NON-CURRENT ASSETS	387,928	341,914
TOTAL ASSETS	1,181,660	1,340,797
CURRENT LIABILITIES		
Trade & Other Payables	198,358	197,990
Borrowings	61,440	64,993
Provisions	305,844	325,421
Liabilities relating to Non-current Assets held for Sale	-	-
TOTAL CURRENT LIABILITIES	565,642	588,404
NON-CURRENT LIABILITIES		
Borrowings	315,135	250,742
Provisions	95,264	38,690
TOTAL NON-CURRENT LIABILITIES	410,399	289,432
TOTAL LIABILITIES	976,041	877,836
NET ASSETS	205,619	462,961
EQUITY		
Accumulated Surplus	205,619	462,961
TOTAL EQUITY	205,619	462,961

Appendices



Appendices





Appendices



WELCOME

TO THE
CITY OF PROSPECT

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

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EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

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2017-2018 THE YEAR IN REVIEW

22,528 3,346

TONNES OF RECYCLING
DIVERTED FROM
LANDFILL

TONNES OF
HARD WASTE
COLLECTED



A TOTAL OF

104,564

KERBSIDE TONNES COLLECTED



4.5

TONNES OF E-WASTE
COLLECTED FROM
3 MEMBER COUNCILS

32,885

TONNES OF ORGANIC WASTE
DIVERTED FROM
LANDFILL

4

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

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2017-2018 THE YEAR IN REVIEW

5,500

RESIDENTS RECEIVING
'SPOTLIGHT ON WASTE'
NOTIFICATIONS EACH WEEK

3,220

PEOPLE REACHED IN
FACE TO FACE EDUCATION
WORKSHOPS & DISPLAYS



OVER

220,000

BINS COLLECTED EVERY WEEK



ZERO

FEE INCREASE TO OUR
MEMBER COUNCILS FOR
EAST WASTE SERVICES

19,500

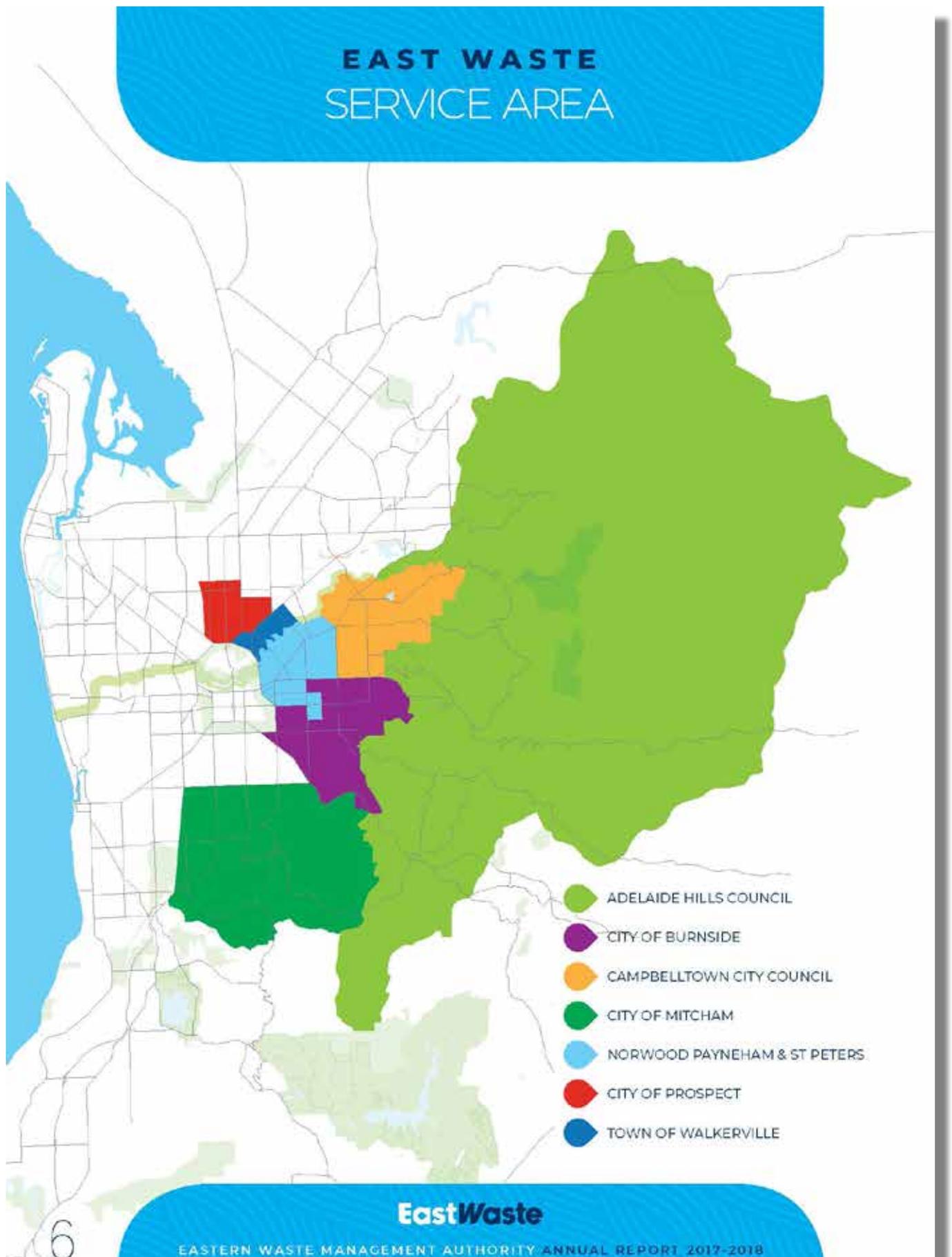
PEOPLE REACHED PER
MONTH VIA EAST WASTE
SOCIAL MEDIA PLATFORMS

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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

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EAST WASTE CHAIRPERSON'S REPORT

I write this report at a time of great public interest in the resource recovery industry. The impact of the China Sword Recycling decision has resulted in some short term challenges to the recyclables industry, but has also opened up some exciting opportunities.

As a waste and resource recovery collection business, East Waste has not been immune from the impacts of the China Sword decision, however I am pleased to report that East Waste has been proactive in its response to the short-term challenges presented and continues to show leadership in ensuring on-going viability of the recycling process, details of which I provide further in my report.

It is with great pleasure that I am able to provide the following highlights achieved by East Waste throughout the 2017/18 financial year. East Waste's General Manager Rob Gregory will detail further achievements and successes in his 2017/18 report.

City of Prospect

As of 1 October 2017, East Waste welcomed the City of Prospect as a Member Council. City of Prospect's addition has seen East Waste's membership grow to seven (7) Member Councils and East Waste providing a full suite of services to City of Prospect. City of Prospect is a highly engaged Council who has added great value to the already strong membership of East Waste.

Led by Ms Cate Hart, CEO, as its inaugural East Waste Board Member, Ms Hart has been an active and valued contributor not only to the Board, but the overall East Waste business.

I would like to take this opportunity to thank Ms Hart, the staff and Elected Members of City of Prospect for their professionalism and willingness to work with East Waste to ensure their transition to East Waste as a Member Council was a successful one. I, together with



Mr Brian Cunningham
Independent Chairperson

the Board and East Waste look forward to continuing our successful partnership long into the future and maximising the benefits a subsidiary model offers.

Financial Performance

The 2017/18 financial year has presented a number of financial challenges to East Waste, particularly with respect to the China Sword decision and significant increases in global fuel prices.

Throughout 2017/18, East Waste not only returned an operating surplus of \$408,000 to Member Councils but managed to do so with a 'nil fee increase' being applied. City of Prospect's membership commencing 1 October 2017, resulted in budget variations being applied at BR2 and BR3, to ensure East Waste continued to meet its commitment of providing a safe, high quality, low cost, waste and resource recovery service.

A 30% increase in global fuel prices throughout the year has seen an increase, and therefore impact on East Waste's expenditure. This impact, together with a return of an operating surplus

EAST WASTE CHAIRPERSON'S REPORT



to Member Councils has resulted in East Waste realising an overall net deficit of \$332,000 for the 2017/18 financial year.

If considered with the operating surplus of \$338,000 realised in the 2016/17 financial year, East Waste has operated to a 'break even' result over the past two years.

Noting the volatility of the fuel market and the increase in service offerings provided by East Waste for 2017/18, this is an encouraging outcome in the current economic conditions.

China Sword

Thanks to media coverage over the past 12 months, public interest in the waste and resource recovery sector has never been higher. The interest has generally been positive, with the public genuinely interested and invested in the ongoing reuse and recycling of products.

Interest has stemmed from China's decision in July 2017 to severely restrict recyclable products

from across the world being traded through their borders. This ban was fully effective from March 2018 and has seen the recycling commodity market impacted significantly.

For the past many years the world has sold their co-mingled recycling to China, which China then used to make new products, particularly cardboard for packaging.

China has now made the decision to be self-sufficient and develop their own circular economy, which while a positive step for their country, has resulted in the remainder of the world trying to sell their recyclables to a smaller global market. This competition has seen a significant decrease in commodity prices.

Whilst there are challenges presently, it is important to note that recycling is still very much a viable option and a practice that will continue long into the future.

It is important that collectively we continue to

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EAST WASTE CHAIRPERSON'S REPORT



reinforce that message to our communities and retain their confidence that recycling is critical and that the communities we serve will benefit most from continuing to recycle.

Whilst there are some short-term pricing impacts on local governments across Australia, this decision has resulted in positive and robust discussions as to how Australia can reuse and re-purpose both commercial and residential recyclables. It is pleasing to see government, industry and public engaged as to how we move forward from this point and there is great confidence that the future domestic recycling industry will be a strong one.

East Waste collected approximately 23,000 tonnes of recyclables across the 2017/18 financial year. This quantum of tonnes collected brings with it a level of responsibility as to the final destination of the material. East Waste has led the way in engaging with its Member Councils,

the State Government, the recycling industry and relevant stakeholders.

East Waste has been seen as strong voice at this time, and its ongoing leadership has provided a level of comfort and reassurance to Member Councils that continuing to dispose of recyclables is critical to the ongoing sustainability of our environment.

East Waste continues to be actively engaged in the shaping of the longer term vision of the South Australian recycling industry.

Education Focus

Interested stakeholders of East Waste would be aware of our commitment and investment in the "Why waste it?" education campaign, which is aimed at educating and promoting responsible behaviour around reducing waste and improving recycling, with the ultimate aim of reducing waste being sent to landfill.

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BUS SHELTER POSTERS
OVER 5 CAMPAIGNS PROMOTING
RECYCLING & COMPOSTING

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EAST WASTE CHAIRPERSON'S REPORT

East Waste's education focus has gained considerable interest from all stakeholders, from residents through to the State Government, particularly since the China Sword decision. Of note has been the increased use of East Waste's whichbin.com.au website, which provides a detailed A-Z guide, assisting the community in knowing what items go in 'Which Bin' and how to divert many resources from landfill.

You will note littered throughout the Annual Report, education statistics and information which outlines the positive interest in East Waste's education campaign.

Thanks

I would now like to take this opportunity to say "thank you" to the East Waste Board, East Waste's General Manager Rob Gregory and East Waste staff.

To the East Waste Board, I thank you all for your valuable contributions to another successful year for East Waste. This year has presented some challenges, which have required a significant amount of your time and energy. Notwithstanding this increased commitment, all Directors of the East Waste Board continue to provide the utmost support and guidance not only to myself, but to the General Manager and his team.

To Rob Gregory; what a welcome it has been for you into the world of a General Manager within the waste and resource recovery industry. Rob has made an auspicious start in a most difficult time and our Board has been very pleased with the way he has risen to the occasion in a short space of time and under trying external pressures.

Rob's commencement of tenure coincided with the China Sword decision, which quickly saw him being presented with significant operational, political and governance challenges.

I am pleased to say that Rob has not only responded to the challenges, but has led the way in so many respects. Rob's leadership qualities, together with his stakeholder management capabilities, has ensured that he and his team have delivered and will continue to deliver to all Member Councils. I look forward to working with Rob again throughout the 2018/19 Financial Year.

To the East Waste staff, I, together with the East Waste Board again say thank you for a successful and productive year.

The inclusion of City of Prospect as a Member Council, together with another year of an increase in services being provided to Member Councils, continues to challenge you to respond. You have responded well and continue to commit to providing an efficient and effective service to all Member Councils.

I commend the 2017/18 East Waste Annual Report to you.

Brian Cunningham
Chairperson

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2,000

ACTIVE USERS OF THE
WHICH BIN WEBSITE
PER MONTH

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

EAST WASTE GENERAL MANAGER'S REPORT

What a busy and exciting year it has been for East Waste.

Together we have:

- Welcomed the City of Prospect as a new Member Council to East Waste
- Increased our service offerings to Member Councils
- Proactively responded to the China Sword decision
- Expanded our "Why waste it?" education campaign
- Consolidated the overall strength of our business



Mr Rob Gregory
General Manager

City of Prospect

East Waste warmly welcomed City of Prospect as a Member Council, effective 1 October 2017. East Waste provides a full suite of services to City of Prospect, and the transition of these services to East Waste has been a positive one.

This transition and quick consolidation of services can be attributed to the dedicated staff of East Waste and City of Prospect, who worked closely together to ensure residents' waste collection needs continued 'business as usual'.

I would like to take this opportunity to thank CEO & East Waste Board Member Cate Hart and her hard-working team for their contribution to making their first year as a Member of East Waste a successful one. As with all our Councils, I look forward to working with the City of Prospect for a long time to come.

Increased Service Offerings

East Waste has for the past few years been committed to a continuous improvement pathway, which includes a sustainable focus on quality service delivery that is efficient, professional and consistent.

This focus has allowed East Waste to offer increased service delivery options to our Member Councils.

The 2017/18 Financial Year has been no different and East Waste has been pleased to consolidate the following new service offerings to Member Councils:

- 'At-call' Hard Waste Collection Service to City of Norwood, Payneham & St Peters residents
- Street & Park Litter Bin Collection Services to Campbelltown City Council
- Additional Bin Management Services to Adelaide Hills Council
- Full suite of services to City of Prospect

East Waste looks forward to continuing to provide these services to our Member Councils.

China Sword

Whilst East Waste is a waste and resource collection business, it has not been immune from the China Sword decision, details of which have been reported in the Chairperson's Report. East Waste has an environmental, social and corporate responsibility to ensure that collected kerbside recyclables (23,000 tonnes in 2017/18) are disposed of and repurposed in accordance with community expectations.

The China Sword decision has impacted world commodity prices for recyclable streams, however this does not mean that established practices of recycling need to cease, in fact,

EAST WASTE GENERAL MANAGER'S REPORT

Kerbside Tonnages Collected 2017 - 2018



Member Council	Recyclables	Organics	Waste
Adelaide Hills Council	3,421	3,738	7,530
City of Burnside	3,989	6,423	8,002
Campbelltown City Council	3,973	6,282	9,822
City of Mitcham ¹	5,978	8,953	12,363
City of Norwood, Payneham & St Peters	3,269	4,386	6,917
City of Prospect ²	1,261	2,035	2,997
Town of Walkerville	637	1,068	1,520



¹ City of Mitcham manages its own residential waste collection.

² City of Prospect joined East Waste as a Member Council, commencing 1 October 2017, therefore collection data shown is for nine (9) months only.

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EAST WASTE GENERAL MANAGER'S REPORT



it is quite the opposite. Australian recycling contractors have been impacted with immediate cost pressures due to the decision, which in turn meant that these increased costs have been passed through to Local Governments across all of Australia.

Whilst there are some short-term financial impacts for East Waste's Member Councils, it is important to note that the China Sword decision has created widespread discussion within industry and government, resulting in innovative local solutions being considered for the repurpose and reuse of recyclables. This creates many opportunities and exciting times.

East Waste has been at the forefront of these discussions, which include short and long term solutions. The take home message for all residents and members of the public is that your recycling habits should not change, and where possible, improved, as the wonderful benefits

of recycling significantly outweigh the option of sending products to landfill.

In response to the China Sword decision, East Waste has been very pro-active in engaging its Member Councils, and continuing the strong education message to all residents. The East Waste Board established a Recycling Review Technical Working Committee to assist East Waste in navigating the immediate challenges presented in the recycling market.

Significant time and investment has been made in this Committee to ensure East Waste's Member Councils are well informed and remain confident with the ongoing kerbside collection of recyclables

I echo the sentiments of East Waste's Chairperson, who states "East Waste continues to be actively engaged in the shaping of the longer term vision of the recycling industry."

EastWaste

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22,528

TONNES OF RECYCLING
DIVERTED FROM LANDFILL
DURING 2017-2018

EastWaste

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EAST WASTE GENERAL MANAGER'S REPORT



Consolidation of the East Waste Business

East Waste continues to perform well in an ever-changing economic environment. I am pleased to report that despite increased financial pressures beyond our control, East Waste has been fiscally astute and responsible in providing its services to Member Councils.

A 'break even' result across the past two financial years (17/18 and 16/17) is a real testament to the now established and embedded internal controls, processes and capabilities of East Waste. East Waste strives to provide quality service delivery that is consistent, efficient and professional and is a statement we (East Waste) apply across all facets of our business.

Whilst there is always room for improvement, I am committed to ensuring we consistently apply this level of service delivery to our Member Councils.

Thanks

I would like to thank the East Waste team for their commitment and dedication to their work, in what has been a challenging and busy year. My first year as General Manager has been an enjoyable one, which in no small part has been the welcome and support received.

To my Chairperson, Mr Brian Cunningham and the East Waste Board, I thank you for your valued guidance, contribution and support in my first year as General Manager.

I look forward to working with Member Councils, the Board and staff to deliver the requirements of the 2018/19 adopted Annual Plan and Budget.

Rob Gregory
General Manager

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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

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EAST WASTE GOVERNANCE

East Waste is administered by a Board in accordance with the requirements of the Local Government Act 1999, the East Waste Charter, and various other legislative requirements. The membership of the Board comprises of eight directors – one director appointed by each of the Member Councils, and one independent person who acts as Chair.

The Board appoints a General Manager who is responsible for implementing the decisions made by the Board, and running the day-to-day operations of East Waste. The Board held seven

formal meetings over the 2017 – 2018 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
Mr Brian Cunningham (Chair)	7 of 7
Cr Linda Green (Adelaide Hills Council)	6 of 7
Cr Grant Piggott (City of Burnside)	6 of 7
Mr Paul Di Iulio (Campbelltown City Council)	7 of 7
Cr Karen Hockley (City of Mitcham)	6 of 7
Mr Mario Barone (City of Norwood, Payneham & St Peters)	6 of 7
Cr Gianni Busato (Corporation of the Town of Walkerville)	7 of 7
Ms Cate Hart (City of Prospect) Appointed September 2017, effective October 2017	5 of 6

DEPUTY DIRECTOR ATTENDANCE	
Mr Lachlan Miller (Adelaide Hills Council)	1 of 7
Mr Simon Bradley (City of Prospect) Appointed September 2017, effective October 2017	1 of 6

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EAST WASTE GOVERNANCE

Audit and Risk Management Committee

In accordance with the requirements of the Local Government Act 1999, East Waste has an established Audit and Risk Management Committee (the Audit Committee).

The principal objective of the Audit Committee is to ensure that the East Waste Board meets its legislative and probity requirements as required

by the Local Government Act 1999 and other relevant legislation, standards and codes.

The Audit Committee held five formal meetings over the 2017 – 2018 financial year.

The following table details Audit Committee Member attendance.

AUDIT & RISK MANAGEMENT COMMITTEE MEMBER	MEETINGS
Mr Brian Cunningham (Chair)	5 of 5
Mr Mario Barone (City of Norwood, Payneham & St Peters)	5 of 5
Cr Grant Piggott (City of Burnside) Term completed December 2017	2 of 2
Cr Karen Hockley (City of Mitcham)	
Appointed to Audit Committee November 2017, effective January 2018	3 of 3
Mr Leigh Hall (Independent Member)	5 of 5
Mr Tim Muhlhausler (Independent Member)	4 of 5

The Audited Financial Statements for the year ending 30 June 2018 are provided at page 20.

Recycling Review Technical Working Committee

As per information provided in the Chairperson's Report and General Manager's Report, the China Sword issue has impacted Local Governments across all of Australia.

To assist in navigating the challenges and complexities that have arisen out of the China Sword decision, the East Waste Board established a Recycling Review Technical Working Committee (the Committee) in accordance with Clause 78 of the East Waste Charter.

Membership of the Committee is as follows:

RECYCLING REVIEW TECHNICAL WORKING COMMITTEE

Cr Karen Hockley (Chair)
Cr Grant Piggott (City of Burnside)
Mr Paul Di Iulio (Campbelltown City Council)
Mr Jeff Tate (Independent Member)
Mr Rob Gregory (East Waste)
Mr Shane Raymond (East Waste)

Since its establishment in April 2018, the Committee held three formal meetings in the 2017 - 2018 financial year.

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CERTIFICATION OF FINANCIAL STATEMENTS



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

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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
INCOME			
User charges	2	12,689	13,068
Investment income	2	19	30
Grants, subsidies and contributions		15	40
Other	2	413	408
Total Income		13,136	13,546
EXPENSES			
Employee costs	3	5,605	5,164
Materials, contracts & other expenses	3	5,776	6,007
Finance costs		321	332
Depreciation, amortisation & impairment	3	1,767	1,724
Total Expenses		13,469	13,227
OPERATING SURPLUS / (DEFICIT)		(333)	319
transfer to Equity Statement			
Asset disposal & fair value adjustments	4	10	20
Amounts received specifically for new/upgraded assets		-	-
NET SURPLUS / (DEFICIT)		(323)	339
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(323)	339

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

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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
INCOME			
Current Assets			
Cash and cash equivalents	5	1,376	1,984
Trade & other receivables	5	1,127	412
Total Current Assets		2,503	2,396
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	6,165	6,046
Total Assets		8,668	8,442
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	821	826
Provisions	7	530	491
Borrowings	7	2,007	1,701
Total Current Liabilities		3,358	3,018
Non-current Liabilities			
Borrowings	7	4,774	4,741
Provisions	7	63	72
Total Non-current Liabilities		4,837	4,813
Total Liabilities		8,195	7,831
NET ASSETS		473	611
EQUITY			
Accumulated Surplus		473	611
TOTAL EQUITY		473	611

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

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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
2018		
Balance at end of previous reporting period	611	611
Net Surplus/ (Deficit) for Year	(323)	(323)
Other Comprehensive Income		
Contributed Equity	185	185
Distributions to Member Councils	-	-
Balance at end of period	473	473
2017		
Balance at end of previous reporting period	150	150
Net Surplus/ (Deficit) for Year	339	339
Other Comprehensive Income		
Contributed Equity	122	122
Distributions to Member Councils	-	-
Balance at end of period	611	611

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

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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

STATEMENT OF CASH FLOWS AS AT 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Operating receipts		12,400	13,465
Investment receipts		20	28
<i>Payments</i>			
Employee costs		(5,548)	(5,279)
Materials, contracts & other expenses		(5,808)	(7,063)
Finance payments		(320)	(320)
Net Cash provided by (or used in) Operating Activities	8	744	831
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts</i>			
Sale of replaced assets	4	11	104
Sale of surplus assets	4	-	-
<i>Payments</i>			
Expenditure on renewal/replacement of assets	6	(1,887)	(2,522)
Expenditure on new/upgraded assets		-	-
Distributions to member councils		-	-
Net Cash provided by (or used in) Investing Activities		(1,876)	(2,418)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts</i>			
Capital contribution by member councils		185	122
Proceeds from Borrowings		1,971	1,926
<i>Payments</i>			
Repayments of Borrowings		(1,632)	(1,275)
Net Cash provided by (or used in) Financing Activities		524	773
Net Increase (Decrease) in cash held		(608)	(814)
Cash & cash equivalents at beginning of period	8	1,984	2,798
Cash & cash equivalents at end of period	8	1,376	1,984

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

EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Mitcham, City of Norwood, Payneham & St Peters, City of Prospect and the Corporation of the Town of Walkerville. The seven Member Councils have an equity share and the Board comprises a Director from each Council and an Independent Chair appointed by the absolute majority of the Member Councils.

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 Australian Accounting Standards which 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) for the first time this year.

2 The Local Government Reporting Entity

Eastern Waste Management Authority Inc. operates as a regional subsidiary pursuant to Section 43 of the Local Government Act 1999 and Section 25 of the Local Government Implementation Act 1999.

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.

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32,885

TONNES OF ORGANIC WASTE
DIVERTED FROM LANDFILL
DURING 2017 - 2018

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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 9.

5 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.

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 the 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.

5.3 Depreciation of Non-Current Assets

Property, plant and equipment assets 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 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 & Equipment	5 - 10 years
Buildings & Other Structures	5 - 20 years

5.4 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.

EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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 on costs) 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 on costs) 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.

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 does not make payment for untaken sick leave.

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 (9.5% in 2017/18; 9.5% in 2016/17). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial.

The most recent full actuarial investigation conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salary link liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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 Leases

Lease arrangements have been accounted for in accordance with 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.

9 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.

10 Comparative Information

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

Comparative information in the Statement of Cash Flows have been amended to reclassify capital contributions by Member Councils from Investing Activities to Financing Activities. There is no impact on the previously reported financial performance or position of the Authority as a result of this change.

11 Critical Accounting Estimates and Judgements

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority

Appendices



OVER

220,000

KERBSIDE BINS COLLECTED
EVERY WEEK FOR OUR
SEVEN MEMBER COUNCILS

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

12 New Accounting Standards

In the current year, the Authority adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Authority's accounting policies.

Certain new accounting standards have been published that are not mandatory for the 30 June 2018 reporting period and have not been used in preparing these reports.

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

13 Highbury Landfill Authority Inc.

The Authority, originally known as the East Torrens Municipal Destructor Trust, was established on 19 July 1928 (the name change took place in 1993). As at 1 July 2004, the Authority comprised of 3 Member Councils, being the City of Norwood, Payneham & St Peters, City of Burnside and the Corporation of the Town of Walkerville.

On 5 August 2004, the City of Norwood, Payneham & St Peters, the City of Burnside and the Corporation of the Town of Walkerville established the Highbury Landfill Authority Inc. Its purpose included the facilitation of the closure and the post closure of the Highbury Landfill site, as well as managing the joint interests and liability of the Councils in relation to the closure of the site.

On 31 December 2004 the property known as the Highbury Landfill site was transferred from East Waste to Highbury Landfill Authority Inc.

On 1 January 2005, the Authority's Charter was amended to include the three new Member Councils – the City of Mitcham, the City of Campbelltown and the Adelaide Hills Council.

On 1 January 2005 a loan was created between the Authority and the Highbury Landfill Authority that represented the net value of assets in East Waste prior to 1 January 2005. This was an At Call Loan and interest had been capitalised until the loan was called in by the Highbury Landfill Authority in November 2008. The loan amount was \$873,000 and the Authority borrowed the money from the National Australia Bank with an Interest Only Loan. This loan has now been re-financed through the Local Government Finance Authority, to be repaid in 10 years.

The Board of the Authority resolved in February 2010 to charge Member Councils the loan repayments for this loan in their equity percentages as set out in the January 2006 Charter.

14 Recyclable Processing Activities

The Authority has not been, nor will it be in the future, financially impacted by the changes in overseas market conditions as a result of the China Sword Policy and changes in overseas recycled materials commodities market conditions. Under current arrangements held with Member Councils, the Authority passes on all income derived and recovers all costs incurred in managing waste management contracts on behalf of Member Councils.

Appendices

EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2 - INCOME

	Notes	2018 \$'000	2017 \$'000
USER CHARGES			
Household Refuse		4,547	4,173
Administration		239	215
Green Organics		3,700	3,531
Recyclables		3,213	3,178
Hardwaste		773	651
Litter		358	305
Waste Disposal		116	1,015
Recycle Rebate		306	815
Recycle Rebate - Member Councils		(306)	(815)
Recycle Processing Income		151	-
Member Council Waste Collection Rebate		(408)	-
		12,689	13,068
INVESTMENT INCOME			
Interest on investments		19	30
Local Government Finance Authority		19	30
OTHER INCOME			
Bin Supply		106	164
Replacement Bins		271	137
Sundry		36	107
		413	408

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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3 - EXPENSES

	Notes	2018 \$'000	2017 \$'000
EMPLOYEE COSTS			
Salaries and Wages		4,120	3,922
Employee leave expense		38	(114)
Superannuation		330	308
Wages Casual Agency		787	718
Workers' Compensation Insurance		166	200
Other		164	130
Total Operating Employee Costs		5,605	5,164
<i>Total Number of Employees (Full Time Equivalent as at reporting date)</i>		50	51
MATERIALS, CONTRACTS & OTHER EXPENSES			
Auditor's Remuneration		9	9
Board Expenses		28	25
Lease costs		316	240
Subtotal - Prescribed Expenses		353	274
Other Materials, Contracts & Expenses			
Advertising & Promotion		10	68
Disposal Fees		1,506	2,247
Electricity		41	34
Fuel, Gas & Oil		971	764
GPS Expenses		63	64
Insurance		101	21
Legal Expenses		70	27
Maintenance		1,736	1,516
Parts, Accessories & Consumables		84	63
Printing, Stationery & Postage		65	44
Professional Services		276	319
Recycle Processing Costs		151	-
Registration & Insurance - Trucks		126	272
Sundry		176	258
Telephone		47	36
Subtotal - Other Materials, Contracts & Expenses		5,423	5,733
		5,776	6,007
DEPRECIATION			
Buildings & Other Structures		-	7
Plant, Machinery & Equipment		1,767	1,717
		1,767	1,724

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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4 - ASSET DISPOSAL

	Notes	2018 \$'000	2017 \$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		11	104
Less: Carrying amount of assets sold		1	84
Gain (Loss) on disposal		10	20

NOTE 5 - CURRENT ASSETS

	Notes	2018 \$'000	2017 \$'000
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		1,250	1,477
Deposits at Call		126	507
		1,376	1,984
TRADE & OTHER RECEIVABLES			
Debtors - general		1,098	396
Accrued Income		-	2
Prepayments		29	14
		1,127	412

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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2018 \$'000	2017 \$'000
Buildings & Other Structures - At Cost		73	73
Accumulated Depreciation		(48)	(40)
		30	38
Plant, Machinery & Equipment		14,448	12,571
Accumulated Depreciation		(8,314)	(6,563)
		6,134	6,008
Work in Progress (WIP)		1	-
Total Property, Plant & Equipment		6,165	6,046

	2017 \$'000	CARRYING AMOUNT MOVEMENT DURING YEAR \$'000				2018 \$'000
	Carrying Amount	Additions		Disposals	Depreciation	Carrying Amount
		New/ Upgrade	Renewal			
Buildings & Other Structures	38	-	-	-	(8)	30
Plant, Machinery & Equipment	6,008	1,886	-	(1)	(1,759)	6,134
Work in Progress	-	1	-	-	-	1
Total Property, Plant & Equipment	6,046	1,887	-	(1)	(1,767)	6,165
<i>2017 Totals</i>	<i>5,332</i>	<i>-</i>	<i>2,522</i>	<i>(84)</i>	<i>(1,724)</i>	<i>6,046</i>

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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7 - LIABILITIES

Notes	2018 \$'000		2017 \$'000	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	697	-	703	-
Accrued expenses - other	124	-	123	-
	821	-	826	-
BORROWINGS				
Loans	2,007	4,774	1,701	4,741
	2,007	4,774	1,701	4,741
PROVISIONS				
Annual Leave	223	-	183	-
Long Service Leave	307	63	308	72
	530	63	491	72

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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 8 - RECONCILIATION TO 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	2018 \$'000	2017 \$'000
Total cash & equivalent assets	5	1,376	1,984
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		1,376	1,984

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

Net Surplus (Deficit)		(323)	339
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,767	1,724
Net increase (decrease) in unpaid employee benefits		38	(65)
Net increase (decrease) accrued interest charges		2	10
(Gain) / Loss on Disposal		(10)	(20)
		1,474	1,988
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(716)	(51)
Net increase (decrease) in trade & other payables		(6)	(1,056)
Net increase (decrease) in other provisions		(8)	(50)
Net Cash provided by (or used in) operations		744	831

(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	-	-

Total Non-Cash Financing and Investing Activities

-	-
---	---

(d) Financing Arrangements

Corporate Credit Cards	15	15
Cash Advance Debenture Facility	1,000	1,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 9 - 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 on Call do not have a maturity period and have an average interest rates of 1.5% (2017: 1.25%).

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 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.

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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 9 - FINANCIAL INSTRUMENTS (CONT)

Liquidity Analysis

2018	Floating Interest Rate	Fixed Interest ≤ 1 year	Fixed Interest > 1 year ≤ 5 years	Fixed Interest > 5 years	Non-Interest Bearing	Total
<i>Financial Assets</i>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value through P&L						
Cash Assets	1,250	126	-	-	-	1,376
Loans & Receivables						
Receivables	-	-	-	-	1,098	1,127
Total	1,250	126	-	-	1,098	2,503
<i>Financial Liabilities</i>						
Payables	-	-	-	-	697	821
Current Borrowings	-	2,007	-	-	-	2,007
Non-Current Borrowings	-	-	3,153	1,621	-	4,774
Total	-	2,007	3,153	1,621	697	7,602
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,250	(1,881)	(3,153)	(1,621)	401	(5,099)
2017	Floating Interest Rate	Fixed Interest ≤ 1 year	Fixed Interest > 1 year ≤ 5 years	Fixed Interest > 5 years	Non-Interest Bearing	Total
<i>Financial Assets</i>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value through P&L						
Cash Assets	1,477	507	-	-	-	1,984
Loans & Receivables						
Receivables	-	-	-	-	396	396
Total	1,477	507	-	-	396	2,380
<i>Financial Liabilities</i>						
Payables	-	-	-	-	703	703
Current Borrowings	-	1,701	-	-	-	1,701
Non-Current Borrowings	-	-	3,350	1,391	-	4,741
Total	-	1,701	3,350	1,391	703	7,145
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,477	(1,194)	(3,350)	(1,391)	(307)	(4,765)

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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 10 - COMMITMENTS FOR EXPENDITURE

Notes	2018 \$'000	2017 \$'000
Expenditure Commitments		
Other expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	9	9
Truck Fleet Replacement	1,810	1,814
	<u>1,819</u>	<u>1,823</u>
These expenditures are payable:		
Not later than one year	1,819	1,823
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>1,819</u>	<u>1,823</u>

NOTE 11 - OPERATING LEASES

Lease payment commitments of Authority

No contingent rentals were paid during the current or previous reporting periods. No lease imposes any additional restrictions on the 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:

Not later than one year	252	252
Later than one year and not later than 5 years	834	807
Later than 5 years	603	889
	<u>1,689</u>	<u>1,948</u>

NOTE 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events after Balance Date that require to be disclosed.

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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 13 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other prescribed officers as defined under Section 112 of the *Local Government Act 1999*. In all, 4 persons were paid the following total compensation:

	2018 \$'000	2017 \$'000
Salaries, allowances & other short term benefits	405	370
Long term benefits	-	30
TOTAL	405	400

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
Adelaide Hills Council	2,912	57	Provision of kerbside waste collection and hardwaste
City of Burnside	2,231	47	Provision of kerbside waste collection and hardwaste
City of Mitcham	2,069	81	Provision of kerbside waste collection and hardwaste
City of Norwood, Payneham & St Peters	2,078	556	Provision of kerbside waste collection and hardwaste
City of Prospect	873	284	Provision of kerbside waste collection and hardwaste
Corporation of the City of Campbelltown	2,505	62	Provision of kerbside waste collection and hardwaste
Corporation of the Town of Walkerville	469	8	Provision of kerbside waste collection and hardwaste

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

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

Appendices

EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

CERTIFICATION OF AUDITOR INDEPENDENCE

EASTERN WASTE MANAGEMENT AUTHORITY INC

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Eastern Waste Management Authority Inc. for the year ended 30 June 2018, the Authority's Auditor Bentleys, has maintained its independence in accordance with the requirements of 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(3) *Local Government (Financial Management) Regulations 2011*.

 Rob Gregory EXECUTIVE OFFICER	 Brian Cunningham PRESIDING MEMBER AUDIT COMMITTEE
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Date: 20/09/18.....

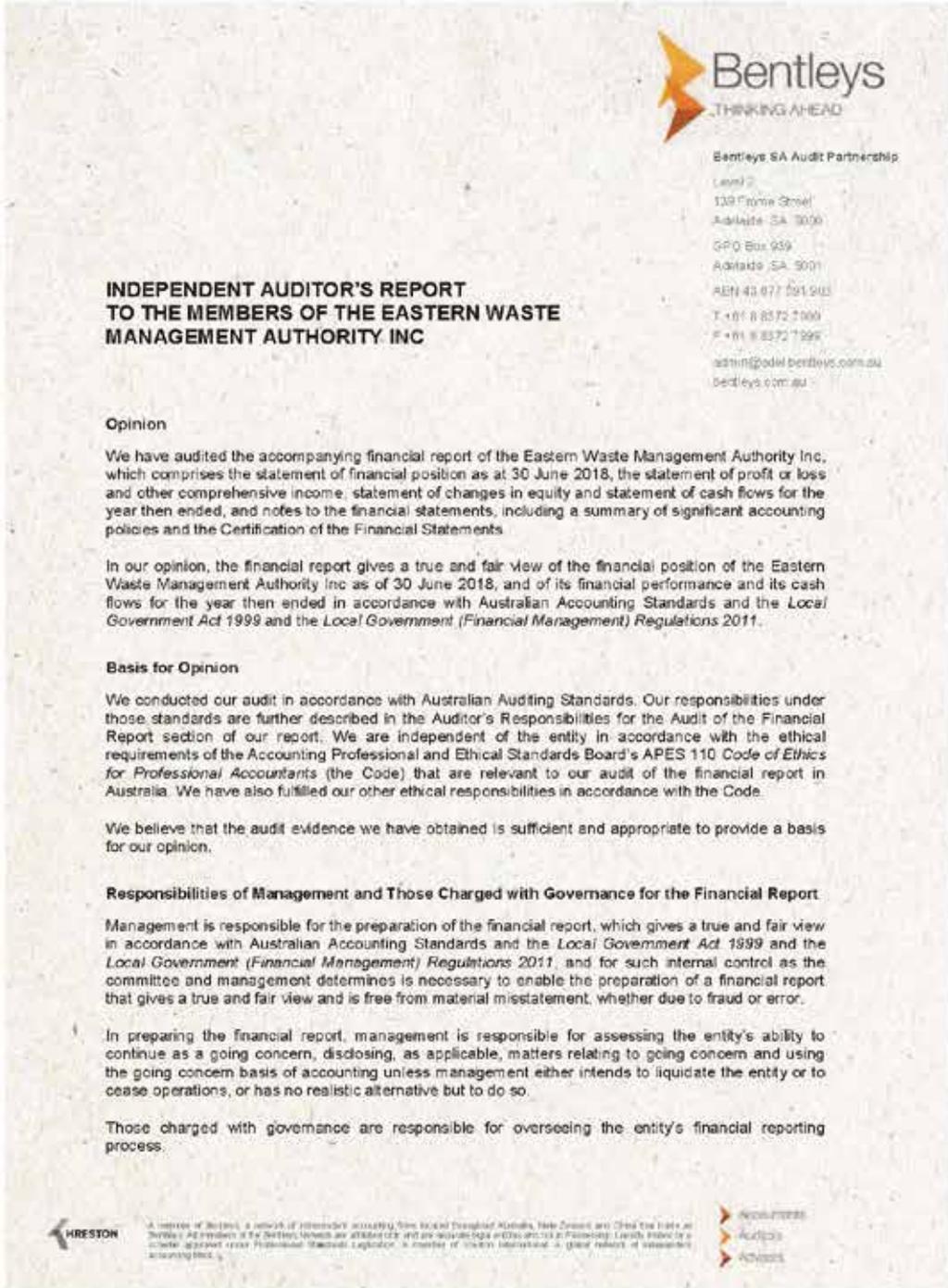
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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018



EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018

INDEPENDENT AUDITOR'S REPORT



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EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENTS 2017-2018



Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

BENTLEYS SA AUDIT PARTNERSHIP

A handwritten signature in black ink, appearing to read 'D. Papa', written over a light-colored background.

DAVID PAPA
PARTNER

Dated at Adelaide this 21st day of September 2018

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

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OVER

19,300

PEOPLE REACHED PER MONTH
VIA EAST WASTE SOCIAL MEDIA
PLATFORMS

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018



At East Waste we are all about ...

“Providing a safe, high quality, low cost, waste and resource recovery collection service that responds to our community’s needs, while using innovation and technology to drive efficiencies, reduce cost, and have a minimal impact on the receiving environment”.

At East Waste we are moving towards ...

“Providing flexible and responsive waste and resource recovery collection services that focus on safety, high order recycling, elevated service levels, less vehicle movements, and lower emissions”.

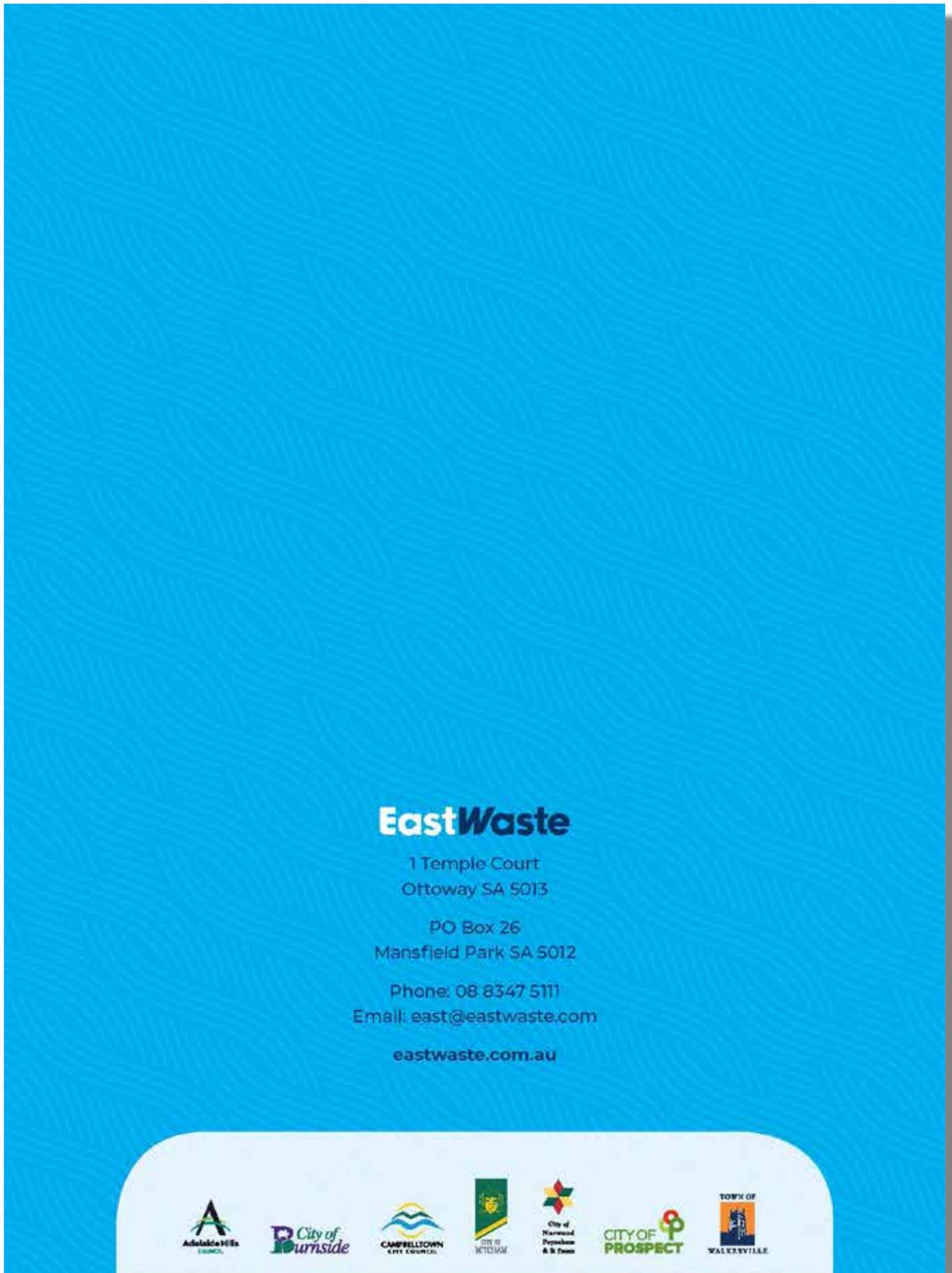
At East Waste we contribute to our Member Council communities by ...

“Providing a responsive and proactive waste and resource recovery collection service that enhances streetscape amenity and assists in promoting a healthy lifestyle”.



EastWaste

Appendices



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Mansfield Park SA 5012

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Appendices

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