

# Annual Report

## 2018 - 2019



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# INTRODUCTION



# Mayor's Reflections

Work continued on the delivery of the Community Hub, Library and Innovation Centre (CLIC) on Prospect Road, which integrates the heritage-listed Town Hall and will usher in a new era of services and facilities for the community when it opens in October 2019 – exciting times ahead! Our largest project to date, it was far from the only activity funded by council this year.

## Roads, Footpaths and Parks

- Council completed redevelopment of the popular George Whittle Reserve including new custom designed Skate Park, multi-use court, artwork, static fitness equipment, solar powered waste compaction bins (the first by an Eastern Region Alliance Council) and improved shelter and BBQ facilities for all ages and families.
- Completed redevelopment and doubled the size of Stan Watson Reserve including new play space, vegetation, artwork and improved stormwater management via installation of a generator, ensuring that the pump station will activate to mitigate flooding.
- Completed the final stage of Prospect Road powerline undergrounding (between Regency Road and Angwin Avenue) and commenced the streetscape upgrade and beautification.
- Completed final stage of Hampstead Road powerline undergrounding.
- Over 300 new street trees have been planted throughout the City.
- 88 White Cedar trees were removed and replanted with species as per the '21st Century Street tree Manual'
- Completed a number of road reseal and rejuvenations including Rosetta St, Pym St, Bridges St, McInnes Ave, Roseberry Lane, roundabout at Galway Ave / McInnes Ave and Galway Ave / Collingrove Ave and reconstructed the roundabout at D'Erlanger Ave / Harvey St.
- Upgraded 24 pedestrian kerb ramps to DDA compliance.
- Held a popular public bike forum.
- Removed asbestos from Broadview Oval / Yarnta Tutu yarta clubroom change rooms.



- Replaced air-conditioning at Nailsworth Community Hall.
- And to demonstrate the quality of the work our council team produce we won the Excellence in Design and/or Construction of a Public Works project – Civil under \$1 million at the 2019 IPWEA (Institute of Public Works Engineering Australasia) Excellence Awards for Broadview Oval / Yarnta Tutu yarta Precinct Fitness Track project.
- To help us with future projects we secured \$950,000 grant funding for delivery of open space projects at Charles Cane / Parndo yerta Reserve and Broadview Oval / Yarnta Tutu yarta.

## Business and Innovation

After extensive consultation and in partnership with the Town of Walkerville, implemented a joint Investment Attraction Strategy for Main North Road and North East Roads. It is hoped these strategies and a new **Economic Development Strategy**, developed with the support of the Prospect Business Leaders will focus effort to support new development opportunities, capital growth and local employment over coming years.

The **Village Heart Marketing Fund** was created in 2017. With this small amount of funds and active engagement of businesses in the Village Heart, eight videos were created to promote Prospect Road to the wider metropolitan community. This campaign resulted in huge amount of Facebook views and impressions and a

# Mayor's Reflections

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Mainstreet marketing award at the end of its first year.

City of Prospect has been included in the **Smart 21** Intelligent Communities in the world by the Intelligent Community Forum (ICF) in 2019. This is the sixth time Prospect has been included in Top 21 Communities list in the last eight years. The ICF has its global headquarters in New York. Prospect is one of three Australian Cities that were included. City of Prospect also won **Australian Smart City of the Year** in May 2019.

**Connected Cities** - City of Prospect has led a consortium of five councils and the University of Adelaide in to develop a metropolitan-wide low powered sensor network, to help with the management of both St Helens Park and Memorial Gardens. This network on the global open 'Things Network' with coverage which spreads across Eastern, Western and Northern Adelaide covering at least 35% of the metropolitan area. Since its completion 12 other Adelaide Councils are also looking to follow Prospect's lead and join this global platform.

**GigCity network** has now come to Prospect, attracting new businesses to Prospect and will complement existing internet service providers and the NBN. The GigCity project has made Prospect a hyper-connected precinct - the most digitally connected and highest serviced mainstreet in the state.

## Events and Community

For the second year we welcomed the **Prospect Spring Fair** to Broadview Oval / Yarnta Tutu yarta on Saturday 27 October 2018. The refreshed footprint included extending stall holder numbers to over 100, and included two entertainment stages, dog racing, fair rides, sports zone, car boot sale, children's activities and of course extensive opportunity for community groups and organisations to participate. Our attendances grew again in 2018 and we welcomed over 7000 people through the gates - a new record!

The 2019 **Twilight Sessions**, occurred every Friday night in February, one of Prospect's event treasures. The 24th annual event presented four nights of live music and entertainment all in the very popular relaxed

picnic atmosphere at the Prospect Memorial Gardens, and almost perfect weather every week.

**Prospect Gallery** delivered a wonderful program of exhibitions again in 2018/19 and this included an outstanding new schools exhibition, as well as the renowned Community Show and of course excellent individual based ones as well. We also made the decision to launch to the Gallery into an exciting new era with a renaming, and from October 2019 the Prospect Gallery will move to the new location on Prospect Road and be known as the Newmarch Gallery.

**Prospect Community Choir**, one of our newest groups, was established following an article appearing within Prospect Magazine and attracting an enthusiastic response, with a subsequent public meeting attended by over thirty residents. The group regularly attracts over 40 participants who are looking forward to move into Payinthe and enjoy the great acoustics of the Town Hall performance space.

**Our Newest Residents** continued to be supported by our weekly 'English as a Second Language' group who met regularly to practice English conversation skills and better understand the nuances of Australian culture.

## Council's Reconciliation Action Plan

continues to be delivered with dual naming of Prospect Oval / Payinthe yarta and Broadview Sports precinct/ Yarnta Tutu yarta whilst street names within the new housing development on Churchill Road has used Kurna names.

A unanimous decision by Council to name the new Prospect Road facility 'Payinthe', meaning 'Good Prospects' was followed-up with by the commissioning of an Aboriginal mural in the Children's area (Kardi Wardli) and the use of Kurna names for some of the of rooms within the facility.

NAIDOC Week was again acknowledged with a number of activities provided at the Thomas Street Centre and attended by students from five local Schools who enjoyed indigenous storytelling and songs together with art & craft activities in celebration of Aboriginal and Torres Strait Islander culture.

# Mayor's Reflections

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**Community Service Awards** acknowledge and celebrate significant voluntary contributions that make City of Prospect such a great place to live, work and recreate. The awards promote not only individuals, but also Community Groups and Sport Clubs.

Presentation of Community Service Awards was a feature of Council's annual Volunteer Recognition event held during National Volunteer Week in May 2019.

Council commended a range of individuals, community groups and sporting clubs and granted 2019 Community Service Awards to:

- U3A Prospect
- Prospect and Enfield Kindergym
- Robert Carver
- Susila Planiaffan
- Peter Lindon
- Jeff Cluse
- Bruce Deny
- Sophia Neocleous
- Rosemarie Hanauer
- Andy Ruggiero
- Jenny Smith
- Jenny Rossiter
- Timothy Papps

**2019 Citizen of the Year Awards**, held in conjunction with the Australia Day Council of South Australia were awarded to:

**Community Event of the Year** recipient was the Great Adelaide Ukulele Picnic which is now an established annual event at its new home in Prospect's St Helens Park. Held in December it unites the growing South Australian ukulele community of over 400 participants.

**Young Citizen of the Year** was granted to Darcy Maney who is a dynamic young professional who is also a very community spirited person with a passion for volunteering, enthusiastically giving her time and expertise to City of Prospect community events and at key events throughout Adelaide.

**Citizen of the Year** was bestowed upon David Kilner, a well-known Prospect resident who has over many years provided many hours of voluntary work, generously sharing

his expertise and passion for local history and playing a key role in the production of many publications on our local history.

## Financial Results

On balance, a measured financial outcome was achieved for the city with revenue lifting to \$24.57M and expenditure of \$24.72M, providing a net operating surplus of \$841k, which is in line with council's forecast.

Council achieved 2 out of 3 key financial targets and exceeded the third one, as set out in its Annual Business Plan. Indicators continue to be on track with the target ranges identified in the Long Term Financial Plan and are a positive reflection on the work of staff and elected members during 2018/2019.

The proportion of our revenue sourced from external grants was approximately \$2.3M, less than 10% of our operating revenue but vital to the success servicing of our community. Of this \$947k was received from the Commonwealth via the State Grants Commission, and \$650k from the State Government's community care program, which is also part funded by the Federal Government.

We are always grateful for the assistance from other levels of government in serving our shared constituency and building an even better city.

## Leadership

As a council of elected members, seeking to represent and further the aspirations of our community, we are always thankful for the efforts of our staff and CEO in their delivery of the services and projects we budget for each year. We simply couldn't do it without them.

After leading the team for three years, CEO Cate Hart resigned to take up an executive position in State Government, a terrific recognition of her skills and passion for the community and the environment. We thank her for everything she was able to achieve whilst with us and wish her well for the future whilst we embark on finding the next CEO to continue our journey.

## David O'Loughlin

*Mayor, City of Prospect*

# OUR COUNCIL



# Our Council

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## Council Members



MAYOR DAVID O'LOUGHLIN  
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## North Ward



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## West Ward



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CR MATT LARWOOD  
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## Central Ward



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CR STEVEN RYPP  
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## Council Members 2014-18



CR TALIS EVANS



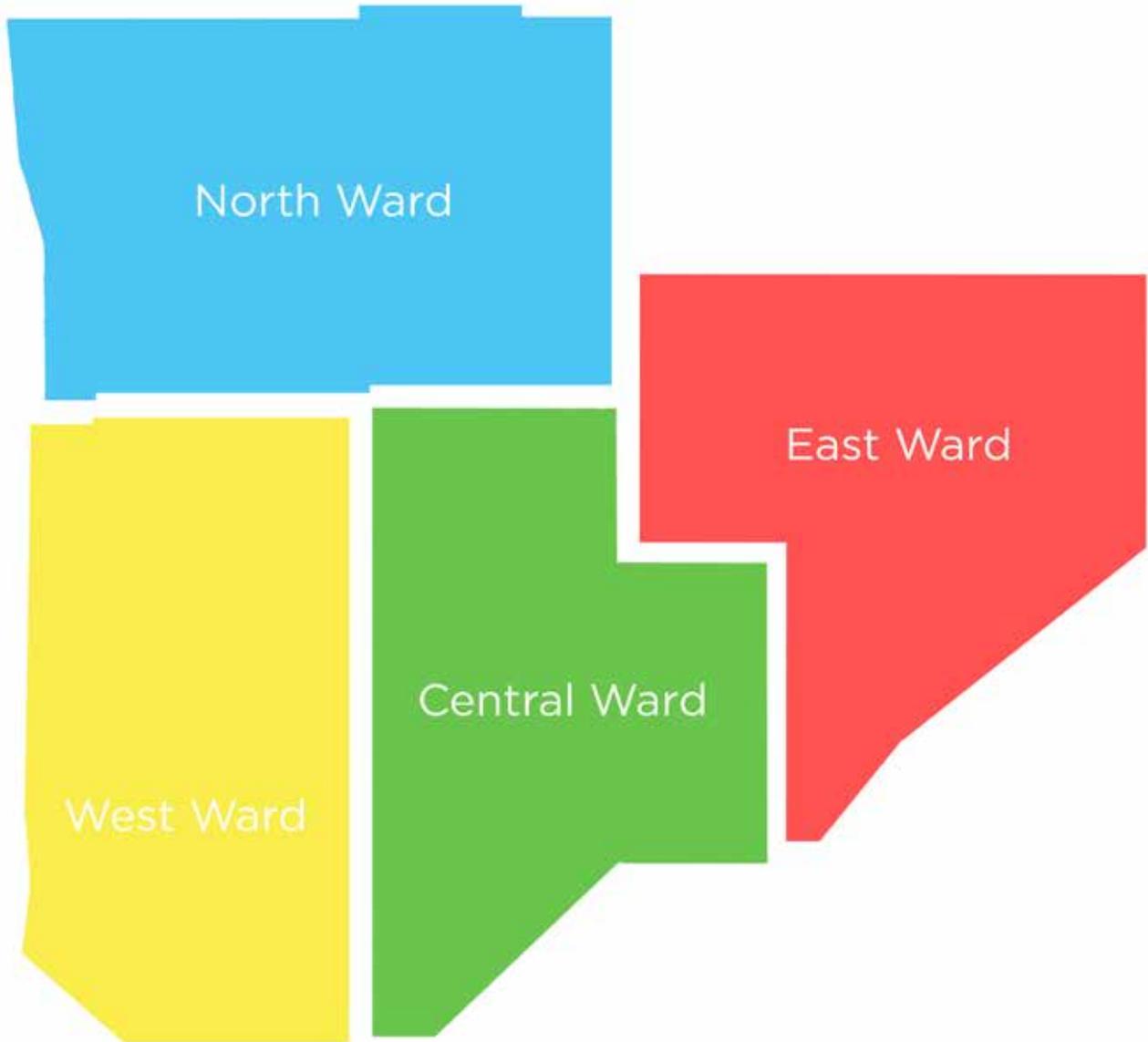
CR MARK STANDEN



CR MONICA LEE

# Our Council

## Council Boundaries



	<b>North Ward</b> - Prospect
	<b>East Ward</b> - Nailsworth, Collinswod, Broadview, Sefton Park
	<b>Central Ward</b> - Prospect, Nailsworth, Thorngate, Medindie Gardens
	<b>West Ward</b> - Fitzroy, Ovingham, Prospect

# Our Council

## Elector Representation

The following table compares the 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 Representation Quota column below) is 1,745.

Council	Number of Electors	Number of Council Members	Ratio
Walkerville	5,656	9	1:628
Prospect	14,634	9	1:1,626
Norwood, Payneham & St Peters	25,108	14	1:1,793
Unley	27,389	13	1:2,106
Adelaide	26,679	12	1:2,223

Source: Electoral Commission of SA (ECSA), current as at 28 February 2019

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 Office of the Minister for Local Government have provided notification of the schedule for representation reviews to be completed by all South Australian Councils. City of Prospect must undertake its review in the period October 2020 - October 2021. Whilst this is the intended period for the review, the Minister has acknowledged potential impact of the Local Government Reform Amendment Bill, and that Parliament may consider the use of transitional provisions to enable completion of reviews that have commenced.



## Council Member Allowances

Section 74 of the Local Government Act 1999 (the Act) requires that the Remuneration Tribunal determine, 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 2018 Council elections:**

	<b>Prescribed Allowance</b>
<b>Mayor</b>	\$69,080
<b>Deputy Mayor</b>	\$21,587
<b>Council Member</b>	\$17,270

### Payments for 2018/2019

<b>Name</b>	<b>Council Member Allowance Entitlement<sup>1</sup></b>	<b>Council Member Allowance Paid</b>
Mayor O'Loughlin	\$68,155	\$68,155
Cr Nguyen <sup>2</sup>	\$12,952	\$12,952
Cr Pearce <sup>3</sup>	\$12,952	\$12,952
Cr Barnett	\$17,096	\$17,096
Cr Larwood <sup>4</sup>	\$21,370	\$20,134
Cr Groote <sup>5</sup>	\$18,132	\$18,132
Cr De Backer	\$17,096	\$17,096
Cr Harris	\$17,096	\$17,096
Cr Rypp <sup>6</sup>	\$12,952	\$12,952
Cr Lee <sup>7</sup>	\$4,144	\$4,144
Cr Evans <sup>8</sup>	\$4,144	\$4,144
Cr Standen <sup>9</sup>	\$4,144	\$4,144

1 The entitlement listed is based on one quarterly allowance for Council Members, and four monthly allowance for the Mayor, paid prior to the Remuneration Tribunal four yearly determination of November 2018.

2 Held office from November 2018

3 Held office from November 2018

4 Includes allowance as Deputy Mayor from November 2018

5 Includes allowance as Deputy Mayor until October 2018

6 Held office from November 2018

7 Held office until November 2018

8 Held office until November 2018

9 Held office until November 2018

## Local Government Elections

Local Government elections were held across the State in November 2018. Seventeen candidates nominated for the 9 positions available at City of Prospect; elections were conducted for the Mayoral position and each of the 4 Ward positions. The voter turnout equated to 32.6%.

Information about currently serving Council Members is provided in an earlier section of this report. Council Members are elected by the local Community for a 4 year term. To become a Council Member, a person needs to be:

- » Eligible in accordance with the Act (Local Government (Elections) Act 1999)
- » Willing to nominate and run a campaign (when there are more nominations than positions), and
- » Aware of the high commitment required to be a Council Member.

The Act provides further information on the requirements for Local Government Elections, how they are to be conducted, who can nominate, who can vote and how the votes are to be counted. The Local Government Association also produces useful reading and provides further information about elections on their website [www.lga.sa.gov.au](http://www.lga.sa.gov.au).

Further information about voting procedures is available from the Electoral Commission SA on 1300 655 232 or visit [www.ecsa.sa.gov.au](http://www.ecsa.sa.gov.au). The next general elections for Council will be held in 2022.

## Council Member Conferences, Education & Development

In accordance with the City of Prospect Council Member Conferences, Education & Development Policy, the Council Members were provided the opportunity to undertake training and development activities during 2018/2019 as per the table below:

Name	Date	Details
Cr Kristina Barnett	13 July 2018	Special General Meeting of LGA - Rate Capping
All Council Members	15 January 2019	Financial Management and Reporting - Mandatory Reporting 4
Mayor David O'Loughlin Cr Kristina Barnett Cr Alison De Backer	28 February 2019	State Planning Commission Briefings - Session #1
Cr Thuy Nguyen Cr Robin Pearce	21 February 2019	State Planning Commission Briefings - Session #2
Cr Allen Harris	14 February 2019	State Planning Commission Briefings - Session #3
Council Members	12 February 2019	Legal Responsibilities- Mandatory Module 2
Mayor David O'Loughlin	15 March 2019	SA Retail Lunch - The Future of Placemaking
Mayor David O'Loughlin	21 March 2019	SA Mainstreets of the Future Paper Launch
Mayor David O'Loughlin Cr Kristina Barnett	12 April 2019	Local Government Association Ordinary General Meeting and Showcase
Cr Kristina Barnett	2 May 2019	Waste Essentials for Council Members
Mayor David O'Loughlin	24 May 2019	UDIA (SA) Annual Premier's Luncheon 2019
Cr Kristina Barnett Cr Matt Larwood Cr Alison De Backer	16-19 June 2019	Australian Local Government Association National General Meeting

# 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.

<b>Meetings attended by Council Members 1 July 2018 to 30 June 2019</b>						
	Council	Council Workshop	Audit Committee	Strategic Planning & Development Policy Committee	Council Assessment Panel (CAP)	CEO Performance Review Committee
<b>Total Meetings</b>	<b>15</b>	<b>20</b>	<b>4</b>	<b>3</b>	<b>12</b>	<b>3</b>
Mayor D O'Loughlin	15	18	3	3	-	3
Cr K Barnett	15	20	-	3	-	-
Cr M Larwood	14	13	-	0	2	3
Cr M Groote	14	12	-	1	-	3
Cr A De Backer	15	19	-	3	7	2
Cr A Harris	13	14	-	-	-	0
<b>To November 2018</b>						
Cr M Standen	5	7	-	-	-	-
Cr T Evans	6	6	2	-	-	-
Cr M Lee	5	6	-	1	1	1
<b>From November 2018</b>						
Cr T Nguyen	7	11	-	2	-	-
Cr R Pearce	9	13	-	-	-	-
Cr S Rypp	9	11	2	-	-	2

# Our Council

## Council Assessment Panel

The Council Assessment Panel (CAP) is a body established by Council under the provisions of the Planning, Development and Infrastructure Act 2016 for the assessment and determination of development applications, including those where representations from the public will be heard. The CAP also provides comments to the State Planning Commission on applications to be determined by the Commission and considers compromise proposals on appeals before the Environment, Resources and Development Court.

Meetings of the Council Assessment Panel are held on the second Monday of each month, commencing at 5:30pm. The sitting fees of CAP members were not increased for 2018/2019.

<b>Council Assessment Panel Independent Members Allowances paid</b>			
Sitting Fees per meeting		Allowances paid 2018/2019	
Presiding Member	\$550	Mr David Cooke (Presiding)	\$4,950
Member	\$450	Mr Sam Green	\$5,150
		Mr Julian Rutt	\$5,500
		Mr Robert Gagetti	\$4,500
		Mr Ruan Perera	\$2,250

## Audit Committee

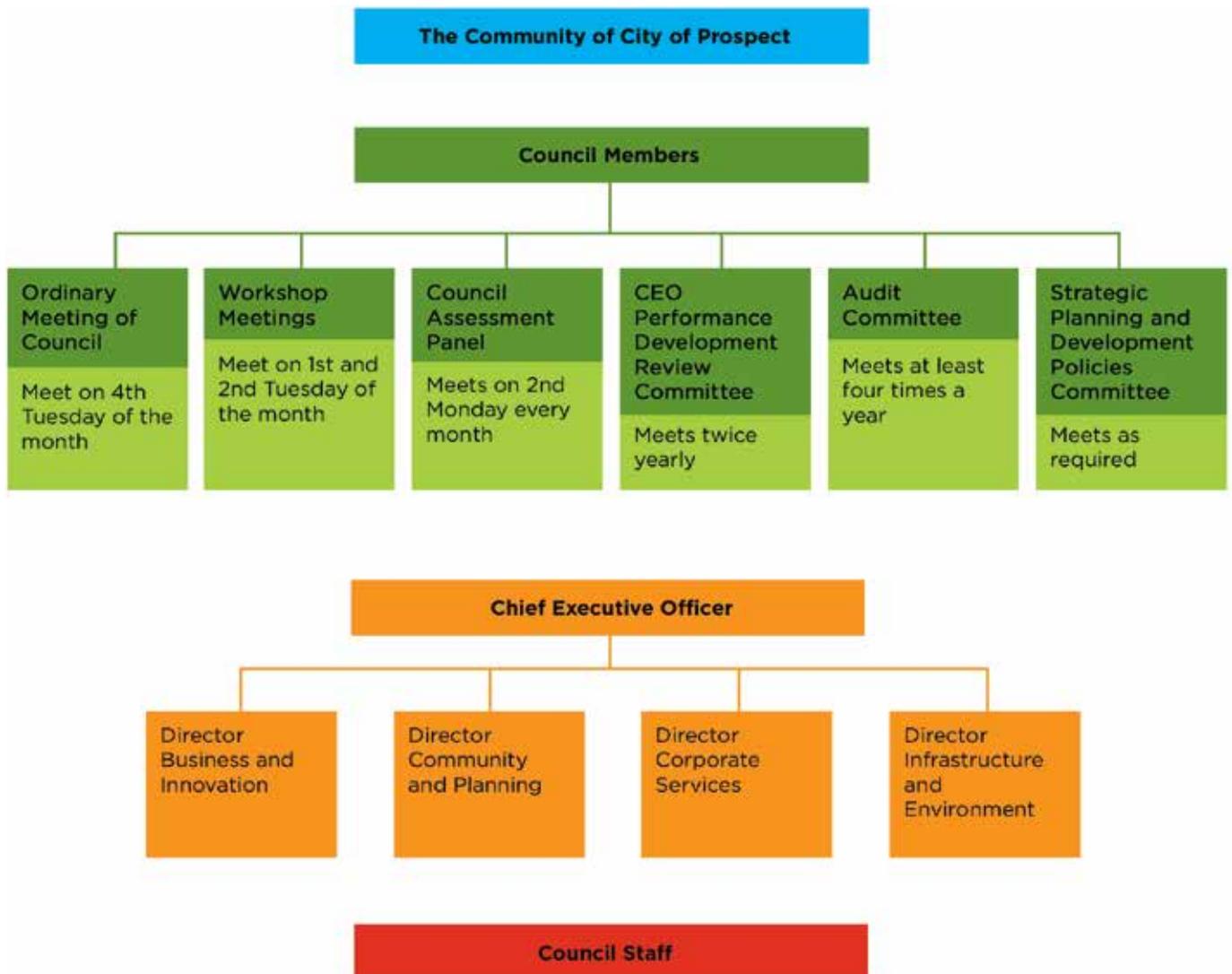
The Audit Committee is established to oversee risk management and audit initiatives of council activities and to act as a source of advice to the Council and Chief Executive Officer in relation to these matters. The Committee are expected to meet at a minimum of four times per year.

<b>Audit Committee Independent Member Allowances</b>			
Sitting Fees per meeting		Allowances paid 2018/2019	
Presiding Member	\$500	Ms Corinne Garrett (Presiding)	\$2,500
Member	\$400	Mr David Moffatt	\$2,000
		Mr Peter Fairlie-Jones	\$1,600

# 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.



## Executive Leadership

### **Cate Hart**

*Chief Executive Officer*

The Chief Executive Officer is responsible for overall management of 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 ensuring the provision of high level systems and services within Corporate Management, Corporate Governance (Delegations, Policy, and Elections), Civic Governance (Council Members, Council Meetings and Workshops), Information Technology, Risk Management, Work Health & Safety, Human Resource Management, Financial Services and Rates Administration.

### **Nathan Cunningham**

*Director Community & Planning*

The Director of Community & Planning is responsible for delivering the major project of the development of the new Council and Community building (Payinthe) on Prospect Road with the portfolio also covering Community Development, Aged and Youth Programs as well as Public Art and programming the Newmarch Gallery. These items are delivered together with Events across the city, Library services, Digital literacy programs 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, including Media Relations, 'Your Prospect' Magazine, Branding, and Social Media.

## Human Resource Management

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.

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.

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.

Council experienced moderate employee turnover during 2018/2019, with eight employees leaving the organisation to pursue other promotional or career opportunities and two employees 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.

The following tables summarise the age profile and length of service of employees with City of Prospect as at 30 June 2019.

Age of Workforce	Male	Female	Total
18-29	3	7	10
30-39	6	14	20
40-49	12	12	24
50-59	12	12	24
60+	7	2	9
<b>Total Employees</b>	<b>40</b>	<b>47</b>	<b>87</b>

Length of Service	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
0 to 5	32	34	40	34	33
5 to 10	34	33	29	26	25
10 to 15	8	9	14	19	18
15 to 20	4	4	6	7	4
20+	6	5	5	6	7
<b>Total</b>	<b>84</b>	<b>85</b>	<b>94</b>	<b>92</b>	<b>87</b>

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

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

## Your Rates, Your City

### **Council seeks to ensure that rates are applied fairly across the community**

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 89%) 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 2018/2019 was adopted by Council on 26 June 2018 as part of Council's Annual Business Plan. It took into account:

- Valuations set by the Valuer-General
- City of Prospect Strategic Plan to 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 2018/2019, the total revenue raised from rates increased by 4.46%. This increase was made up of average residential rate increases of 3.3% plus growth of 1.16%. Local residential property valuations increased by an average of 3.76% 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 \$1,160 to \$1,200 for the 2018/2019 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 2018/2019 financial year, 135 properties were granted mandatory rebates as follows:

No. of Rebates	Reason	Value of Rebate
106	Community Services	\$134,522
8	Education	\$126,597
21	Religious	\$145,446
<b>Total 135</b>		<b>\$406,565</b>

## Discretionary Rebates

Five applications for discretionary rebates were approved by Council during the 2018/2019 financial year.

No. of Rebates	Reason	Value of Rebate
3	Community Services	\$8,009
1	Services for Children	\$5,525
1	Separate Rate	\$99
<b>Total 5</b>		<b>\$13,633</b>

# 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.

	12/13	13/14	14/15	15/16	16/17	17/18	18/19
<b>Valuation of the City (Million)</b>	\$4,729	\$4,783	\$4,877	\$4,962	\$5,205	\$5,629	\$5,981
<b>Minimum Rate</b>	\$912	\$980	\$1,050	\$1,090	\$1,118	\$1,160	\$1,200
<b>Residential Rate in (dollar)</b>	0.303107	0.314506	0.321690	0.322342	0.319577	0.303805	0.306640
<b>Non-residential Rate in (dollar)</b>	0.583553	0.609000	0.658500	0.683288	0.654307	0.637904	0.631026
<b>Average Residential Rate</b>	\$1,464	\$1,531	\$1,605	\$1,683	\$1,732	\$1,780	\$1,839
<b>Vacant Land Rate</b>	0.323593	0.393132	0.402112	0.402927	0.399471	0.379756	0.383300
<b>Vacant Land Rate (Non-residential)</b>	0.323593	0.761250	0.823125	0.854110	0.817884	0.797380	0.788783

## Separate Rate - Village Heart Marketing Fund

From 2017-2018, Council has managed a new fund for the marketing and promotion of the Prospect Road Village Heart. This fund is provided to finance activities as directed by the Prospect Road Main Street Association.

Funding 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

### **N**ational 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 continued to be a member of the Eastern Health Authority Incorporated and Eastern Waste Management Authority (East Waste), 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 2018/2019.

### **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

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## **List of Codes of Conduct / Practice**

During 2018/2019 Council maintained the following Codes of Conduct / Practice as required under the Local Government Act 1999 and Local Government (Elections) Act 1999.

- Code of Practice - Meeting Procedures for Meetings of Council and Council Standing Committees
- Code of Practice for Public Access to Meetings and Documents

Both of these codes may be found on Council's website or from Council's Office (during business hours) throughout the year.

## **List of Registers**

Council maintained the following registers throughout the year as required by the Local Government Act 1999 or the Local Government (Elections) Act 1999:

- Council Member Allowances and Benefits Register
- Council Member Gifts and Benefits Register
- Council Member Register of Interests (extract)
- Delegations Register
- Fees and Charges Register
- Register of By-Laws
- Register of Community Land
- Register of Public Roads
- Salaries Register
- Staff Gift and Benefit Register
- Prescribed Officer Register of Interests

Please note that the Prescribed Officer Register of Interests is not available for public viewing.

## Information Statement

### **P**roviding 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 2018/2019 financial year, Council received a total of 10 requests for information under the provisions of the FOI 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](http://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

In accordance with Section 90(1) of the Local Government Act 1999 all Council and Committee Meetings were conducted in a place open to the public. On every occasion that Section 90(2) of the Act was applied to exclude the public, the minutes included the proceedings for making a confidentiality order and the grounds on which the order was made.

During the 2018/2019 financial year, the confidentiality provisions of the Act were used by Council a total of five (5) times to consider matters in confidence.

Council adopted 293 resolutions on a broad range of issues during this period. Matters considered 'in confidence' therefore represents an estimated 1.7% of the total matters considered.

## Orders made under Section 90(2) of the Local Government Act 1999 for 2018-2019

Date of Meeting	Subject	Reason (Section 90(3))
18/12/2018	Item 18.1 Australia Day Citizen of the Year Awards 2019	(a)
22/01/2019	Item 18.1 Supported Residential Facilities Act Licensing - Clifford House	(h) & (i)
23/04/2019	Item 18.1 East Waste Recycling Contract	(k)
23/04/2019	Item 18.2 Community Service Awards 2019	(a)
24/04/2019	Item 8.1 Community Hub, Library and Innovation Centre (CLIC) - Risk and Financial Management Report and Project Prudential Report Update	(b)

## Orders made under Section 91(7) of the Local Government Act 1999 for 2018-2019

Date of Meeting	Subject	Reason (Section 90(3))
18/12/2018	Item 18.1 Australia Day Citizen of the Year Awards 2019	(a)
22/01/2019	Item 18.1 Supported Residential Facilities Act Licensing - Clifford House	(h) & (i)
23/04/2019	Item 18.1 East Waste Recycling Contract	(k)
23/04/2019	Item 18.2 Community Service Awards 2019	(a)
24/04/2019	Item 8.1 Community Hub, Library and Innovation Centre (CLIC) - Risk and Financial Management Report and Project Prudential Report Update	(b)

# Our Council

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## Orders made under 91(7) that expired, ceased or were revoked during 2018-2019

Two Confidential Items were released during the 2018-2019 financial year.

Date of Meeting	Subject	Reason (Section 90(3))	Date Released
18/12/2018	Item 18.1 Australia Day Citizen of the Year Awards 2019	(a)	31/01/2019
23/04/2019	Item 18.2 Community Service Awards 2019	(a)	27/05/2019

## 24 items remain in confidence as at 30 June 2019

Date of Meeting	Subject	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)
22/01/2019	Item 18.1 Supported Residential Facilities Act Licensing - Clifford House	(h) & (i)
23/04/2019	Item 18.1 East Waste Recycling Contract	(k)
24/04/2019	Item 8.1 Community Hub, Library and Innovation Centre (CLIC) - Risk and Financial Management Report and Project Prudential Report Update	(b)

# Our Council

## Key Performance Indicators

Council staff achieved approximately 90% completion of all budgeted projects for 2018/2019.

Of the five incomplete projects, two were scheduled to be multi-year projects with planned budgets straddling into the 2019/2020 financial year. These projects included:

- George Whittle Reserve Redevelopment
- Community Hub Library & Innovation Centre (CLIC)

Whilst every effort was made to complete all projects, three remaining projects were delayed by external parties working in conjunction or partnership with Council on the projects. These project budgets have been carried forward to 2019-2020 and include:

- Housing Diversity & Desirable Neighbourhoods Study
- Prospect Road Landscaping and Footpath works (Regency Rd to Angwin Ave)
- Settlement of Land Sales for Prospect Road and former Johns Road Depot

During the year, Council has achieved or favourably exceeded all of the three key financial indicators.

The key financial indicators are reported in Council's Audited Financial Statements (see Note 15) and are summarised as follows:

Key Financial Indicator	Adopted Target Range	Ratio Achieved 2018-2019	Target Achieved 2018-2019	Ratio Achieved 2017-2018
Operating Surplus Ratio	(1%) - 5%	3.4%	Achieved	6.3%
Net Financial Liabilities Ratio	10% - 90%	74%	Achieved	34%
Asset Sustainability Ratio	100% - 120%	285%	Exceeded	221%

Council remains on track to maintain its key financial indicators as outline in its ten year Long Term Financial Plan.

# OUR PEOPLE



# Our People

## Library Services

2018/19 has been a challenging year of transition for our library, with much of the services and programs being run in a modified format necessitated by the need to accommodate other Council teams in the Thomas Street Centre while the new Payinthi facility was being constructed.

Despite this, the Library continued to meet the ongoing needs of the community by providing welcoming spaces, an exciting program of activities and accessible collections. Throughout the year there was also a significant focus on preparing library operations and programs for Payinthi from October 2019.

Visitor numbers remained strong this year, no doubt due in part to the co-location of Council services (particularly Customer Services, Community Development and Development Services) at the premises. Program attendances were also strong, with children's programs in particular being very popular. Library item circulation figures were down slightly again unfortunately, attributed (at least in part) by the cramped confines at Thomas Street making it hard to present the collections in an attractive manner.

Particular highlights for 2018/19 were:

- Continued strong attendances at our weekly Rhyme Time sessions
- Another successful year for the Annual Children's Writing Competition;
- Increased collaboration with other Council departments to provide coordinated seasonal programming to the community;
- Collaboration between Library Services and Network Prospect to establish a coordinated digital learning program tailored to the Prospect business community;
- Continued progress on the curation and digitisation of our local history collection



# Our People

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## Construction of Payintha

The construction of the new Community Hub, Library and Innovation Centre proceeded in earnest, with excellent progress made on site by the design and construction teams as the building took shape over the course of 2018/19. At the end of the financial year, the exterior form of the new building was largely complete, with the first of a series of screens installed to the Prospect Road building façade. Internally, the mechanical services were also substantially complete, with work underway on ceilings, wall linings and partitions. A solar array has also been installed on the roof of the building, with 100 photo-voltaic panels established with a capacity to provide 38kW of electricity back to the grid.

Design decisions also continued to be made during the construction period, as Council sought to achieve an outcome of the highest possible quality within the allocated budget, with additional project scope introduced without increasing the project budget. Items added to the project included a second lift within the lift core, a pergola on the rear deck, upgraded replacement flooring to the Irish Harp room (to match the Town Hall), and external lighting to illuminate the façade of the new building at night. A number of other 'below the line' items have been prioritised for future work if funding allows.

With the majority of the design decisions made and the building taking shape, the integrated facility (known as CLIC for the purposes of construction) was officially named 'Payintha' (meaning 'good prospects'). The name was decided on following considered discussion and debate, assisted by input from the CLIC Community Reference Group who have played a key role throughout the project in understanding the wider community's desires for their future facility. The name 'Payintha' will subsequently be featured on a prominent sign to the front of the building.

Within the facility, the Friends of the Prospect Library endorsed a generous donation to fund the painting of an aboriginal mural within Kardi Wardli (the new children's area). The Community Tile Bench project was also launched, seeking submissions of local images from members of the community on what 'the City of prospect means to them'. The images will be printed on tiles and laid on a bench at the rear of the library (on the rear deck) prior to completion of the facility.

The project is on target for completion in early October 2019, after which the new facility will open to the community.

# Our People

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## Youth

Our Youth Development Officer coordinates a range of programs and initiatives for young people aged between 10 and 25 years. In 2018/19 we implemented a range of new programs targeting this audience and refocused on reconnecting with youth through a program delivery model. This included participating again in Youth Parliament, introducing a School Holiday program, hosting an event for the skate park closure on Churchill Road, involving Youth DJ's at our annual Twilight Sessions, a substantial involvement in Wonder exhibition at the Prospect Gallery, secondary school Annual Business Plan and Budget workshops and continuing our relationship with Music SA.

### **Club5082**

While Club5082 was closed for approximately half of the 2018/19 year to allow for the construction of Payinthe and refurbishment of the Town Hall building, it still provided live music from 7pm on a range of Friday nights July - Dec 2018, turning the Town Hall into a great live music venue showcasing local, interstate and even international bands.

During the closure we remained active on our social media channels promoting Council programs, outdoor concerts we provided at no charge for families and other broader industry topics. Club5082 will return to Prospect Road from November 2019 in a refreshed venue and crowds will no doubt return to this popular Friday night hot spot!

### **YouthFM**

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

Intakes occurred in October 2018 and April 2019 school holidays with young people engaged through local schools and youth organisations. City of Prospect sponsored 5 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.



# Our People

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## Children's School Holiday Program

With the Town Hall closed, we took to the parks offering a range of free outdoor activities through programmed activities and live performances. Held in Memorial Gardens, these were well attended and they encouraged families to use the park and playground as well as attend the events. During Winter we took a break from the programming and these very popular shows will return to the Town Hall once it reopens in November 2019.

## 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 & recreation, science, technology, arts or cultural pursuits.

36 sponsorships were provided this financial year enabling young people to compete at events held in South Australia (4), interstate (28) and overseas (4). The successful applications included 23 people that had not received support from City Of Prospect in the previous year and it was great to see our full financial budget commitment expended in 2018/19.

## Our Older Residents

Council's Community Home Support Program continues to provide a varied range of social activities and home support services to our older residents aged 65 years and over. The program is provided as part of the Commonwealth funded 'My Aged Care' program, with six separate types of activities as described below:

**Social Support Individuals** - Support is provided by telephone and in-person to ensure our older residents current and changing requirements are addressed.

**Social Support Groups** - A range of group-based activities are provided to assist older residents to keep active, independent and engaged with their local community.

**Home Maintenance** - Assistance is provided for simple home maintenance tasks to ensure our older residents are able to continue living independently within the own home, without the need for supported residential care.

**Transport**- Council's Community Buses are used by our older residents to travel to and from a range of group activities offered within our local community and the eastern region.



# Our People

Domestic Assistance - Assistance is provided to our older residents for day to day chores that are typical for maintenance of a comfortable home, delaying the need to move into supported residential accommodation. The focus of this support is upon 're-ablement', which is defined as assistance that encourages self-sufficiency and independence, not reliance.

Home Modifications - An assessment by an occupational therapist may identify the requirement for minor home modifications to enable our older residents to continue to live independently in their own home. Modifications may include replacing steps with a ramp or the installation of grab rails within a shower recess.

All Commonwealth funded 'My Aged Care' programs are required to undergo an audit every three years. Council's program was audited during May of this year at a time of growing concerns within the Australian community for the care and protection of older people, with particularly concerning reports about the poor standard of care provided by some residential care facilities. The audit was conducted by Commonwealth Aged Care Quality Assessment Commission, with the pleasing result that our service fulfils all required standards of care without the need to alter our procedures or practices.

## Our Awarded Community

### Community Service Awards

The awards acknowledge and celebrate significant voluntary contributions that make City of Prospect such as great place to live, work and recreate. The awards promote not only individuals, but also Community Groups and Sport Clubs. Nominations for this year's Awards opened on 27 February and closed on 5 April 2019.

The award process is community driven as it is the community themselves that are best placed to know and appreciate whom in their community, Community Group or Sport Club should receive an award; therefore each nominee is eligible to receive an Award.

Presentation of Community Service Awards was a feature of Council's Annual Volunteer Recognition event held during National Volunteer Week on Thursday 23 May 2019. Each of the nominees who did not receive a 2019 Australia Day Citizen of the Year Award from the three categories (Citizen of the Year, Young Citizen of the Year and Community Event of the Year) receive Council's Community Service Award.



# Our People

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The following individuals, community groups and sporting clubs received a 2019 Community Service Award:

- U3A Prospect
- Prospect and Enfield Kindergym
- Robert Carver
- Susila Planiaffan
- Peter Lindon
- Jeff Cluse
- Bruce Deny
- Sophia Neocleous
- Rosemarie Hanauer
- Andy Ruggiero
- Jenny Smith
- Jenny Rossiter
- Timothy Papps

## **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.

These awards recognise people in three categories:

- Citizen of the Year
- Young Citizen of the Year
- Community Event of the Year

Our 2019 Community Event of the Year Award recipient is the fourth Annual Great Adelaide Ukulele Picnic, which is an event that has a family friendly focus attracting large numbers of both local Prospect residents and those from adjoining suburbs and the wider region. This well-run event also raises funds for a range of charities.

The Great Adelaide Ukulele Picnic is now an established annual event which has found its new home in Prospect's St Helens Park. Held in December it unites the growing South Australian ukulele community of over 400 participants.

The recipient of our 2019 Young Citizen of the Year Award is Darcy Maney, a dynamic young professional who is also a very community spirited person with a passion for volunteering, enthusiastically giving her time and expertise to City of Prospect community events and at key events throughout Adelaide.

The recipient of our 2019 Citizen of the Year Award is David Kilner, a well-known Prospect resident who has over many years provided many hours of voluntary work, generously sharing his expertise and passion for local history.

# Our People

## Community Inclusion

### English as a Second Language Group

A weekly group and individual support continues to be offered to our residents for whom English is not their first language.

The group met each Tuesday morning to practice English conversation skills and better understand the nuances of Australian culture. Led by skilled volunteers the group has a focus upon creating a welcoming environment with a structured program tailored to meet the needs of both those recently arrived to Australia and those wishing to improve their skills.

Individual support (four sessions each week) can be booked through the Library Desk to meet with a volunteer and gain assistance for any issues they are having difficulty. For example, assistance is available to understand correspondence they have received or need to write, written applications to for tertiary education, job application or immigration and residency forms that need to be completed.

### Reconciliation Action Plan

The activities identified within Council's Reconciliation Action Plan (RAP) continue to be delivered over the two year life of this commitment.

The use of Kurna words for dual naming of Prospect and Broadview Sports precincts and streets names within the new housing development along Churchill Road has continued for the new Council building on Prospect Road.

A unanimous decision by Council to name the new facility Payinthe, meaning 'Good Prospects', was followed up with by the commissioning of an Aboriginal mural featured on a wall within the children's area of the Library and the use of Kurna names for a number of the rooms within the building.



# Our People

## NAIDOC Week

NAIDOC Week was again celebrated with a number of activities held at the Thomas Street Centre and 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.

## Walking Group

Operating for over ten years, Prospect Active Walkers continues to be one of Council's more popular groups, inviting local residents to join with others up to three times each week to walk the local area for fun, exercise and to connect with their community.

The walking groups are supported by Council volunteers who are committed to encourage our residents to enjoy being able to walk together for safety and to support each other, regardless of physical ability.

*"We always go for a coffee after the walks and for those who are recovering from an injury or unable to walk can still catch up with us for a coffee at a local cafe. We also*

*get a good turnout for the lunches we hold regularly."* Said Karen, one of our walking group volunteers.

## Singing Group

An article appearing within Prospect Magazine May 2018 invited interest to get involved in the establishment of a community choir; the article attracted an enthusiastic response with a subsequent public meeting attended by over thirty residents.

The group prefers the name Prospect Singing Group because, they feel, the term Choir feels too formal and structured to describe how they want the group to operate; instead, the singing group is informal with a focus upon having fun. Anyone can attend, whenever you feel the need to sing with others.

Prospect Singing Group now regularly attracts over 40 participants who meet at Broadview Uniting Church Hall each Tuesday evening, though they are looking forward to move into Payinthe and enjoy the great acoustics of the Town Hall performance space.



# Our People

## Our Volunteering Community

### Volunteers

At the end of 2018/19 Council had 141 active volunteers and received another 89 registrations of interest to volunteer. Over the year 89 local residents applied to take-up volunteer roles within Council, with 68 of those referred to local Clubs and Community Groups according to their skills and interests. This year we asked volunteers to assist with the Prospect Spring Fair and 27 volunteers worked together with many of these volunteers put their hand up to assist the events team again in 2019.

### Justice of the Peace

The need to provide easily accessible Justice of the Peace is clearly demonstrated by the enormous popularity of the service provided from the Thomas Street Centre while Council's new facility on Prospect Road was being constructed. This 'walk-in' service was used by 8765 people over the past year.

### Community Bus Program

Council's two Community Buses have a combined passenger capacity of 19 people, including the ability to carry one wheel chair through the use of a hydraulic lift.

The buses operate from Monday to Friday of each week, the most popular activity being a door to door shopping service operating

to and from North Park and Sefton Park Shopping Centres each Tuesday and Friday.

The Shopping Service offers five separate trips over the two days, with the average occupancy being 80%. The most popular trip is first thing in the morning with interest decreasing for subsequent trips.

Monthly 'day trips' to interesting locations within greater Adelaide and close by Regional areas are very popular, fully booked well before departure.

The success of Prospect Community Support (Council's Aged Care program) is greatly assisted by the Community Bus program. Many participants would not participate within offered social support activities without their use of this essential program. Most participants have long ago given up their drivers licence and a need to use public transport would too easily become a reason for them to not get involved, increasing their risk of experiencing social isolation.

Residents who have difficulty travelling to and from our Library because of a mobility disability are able to make use of our community buses every 2nd Thursday. Over the current reporting period this offering has experienced a steady decline in interest, being continued only because of the pending move to Payinthe and the need to connect residents from the Eastern portion of our City to this new facility.



# Our People



## Community Grants

Invitations to apply to Council's annual Community Grants program were included within a mail-out to local community groups, clubs and organisations, an advertisement in the local newspaper, articles in Prospect Magazine, postings to Council's social media channels and website, signage at four locations across the City and promotions at Council's Customer Service counter and Thomas Street Centre.

Opportunities made available through Council's Community Grants program include:

Community Support Fund - Available to incorporated not-for-profit community groups.

Cultural Festival and Event Grants - Available to incorporated not-for-profit community groups.

Heritage Grants - Available to owners of Local Heritage Places, State Heritage Places and places within the Historic (Conservation) zone.

## Arts Gallery and Events

### Prospect Arts Action Network (PAAN)

PAAN continues to meet monthly to guide and provide advice on Gallery business and

exhibition programming, as well the PAAN member-led arts projects and initiatives whilst also volunteering at Gallery events. The eleven member group includes Council Members Cr Kristina Barnett and Cr Allen Harris and in 2018/19 the group welcomed experienced artist Gus Clutterbuck to join PAAN, bringing extensive state, national and international experience to the group.

### Prospect Gallery and Exhibition Program

The Prospect Gallery delivered 7 exhibitions in the 2017/2018 financial year:

August: SLOW - Prospect Arts Action Network

September: October : Relative to Loss - Emiko Artemis

October: November : Wisdom from a Fold-Up Boat - Peter Lindon

December 2018 to January 2019: The 20th Prospect Community Art Show - Local Artists

February - March: Napalm Jane and the Martian Hammers from Nowhere - Dave Smith

March- May: True North - Melanie Crawford

May - June: Wonder - Students from Prospect Primary Schools

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A highlight of the year was the development and opening night of Wonder, where school children participated in and provided curatorial work, catering, marketing, speeches and operational support. With over 100 children involved, the opening night was so large it needed to be held in the Gallery and the Library! The Gallery has also been testing a range of new activations and ticketed workshops, including comic drawing, print making and a very popular Live Portrait painting session in Refugee Week. These programs will continue to be built through Newmarch Gallery and are a direct result of the 2019 survey conducted in which gallery enthusiasts clearly identified they are keen to participate in hands on workshops with the gallery.

The Prospect Gallery has worked extensively with the Payinthei project team and the Newmarch Gallery planning, design and implementation provides a modern, contemporary yet community focussed space for exhibitions and programming commencing October 2019.

## Events

### Prospect Spring Fair

The Prospect Spring Fair was held at Broadview Oval / Yarnta Tutu yarta on Saturday 26 October 2018. In its second year at the new location (currently in a three year trial) the event was again a huge success growing in all areas. The increased footprint saw a growth in stall holders from 66 to over 100, and two performance stages were full with live music and community participation. There was a classic car display, a car boot sale, food and drink traders throughout the event, rides and attractions throughout the event.

The 2018 Prospect Spring Fair attracted over 7,000 attendees across the 6-hour event (9.00am - 3.00pm), an increase of over 1000 people on the inaugural 2017 event. The weather was perfect and overall a very successful event, exceeding expectations for its second year. Council staff and volunteers all worked together to ensure the new location was a success, and the team will work to further enhance and refine the event for the years ahead to ensure the Fair is a continuing feature in our community.



# Our People



## 2019 Twilight Concerts/Sessions

The 2019 Twilight Sessions, occurred each Friday in February, and introduced some new local live music to the stages each week as well as the more traditional 'Twilight' themed nights, and this added energy and attracted new audiences. It was the second year under the new name (previous to 2018 it had been Twilight Concerts) and the branding received a slight makeover for the 2019 event. The 24th annual event presented four nights of live music and entertainment all in the very popular relaxed picnic atmosphere at the Prospect Memorial Gardens.

In 2019 further improvements were made including location of the food vendors to the southern boundary of the event, increased children's activities on the eastern side and local youth DJ's opened the music each week providing a rare chance for young music enthusiasts to spin tunes to a large live audience! The festoon lighting, inclusion of an MC, music themes each week and nightly lucky draw continue to be crowd pleasers for this very intimate local event. It continues to be hugely popular with over 3,000 attendances across the four Fridays in February 2019.

## Public Art

The City Wide Public Art Roundtable (CWPAR) continue to meet at least quarterly (currently every second month), 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 2018/2019.

The 2018/19 annual, Small Temporary Quick Response Public Art Grants program

Banding Together - public artwork - Lorry Wedding Marchioro (Corner Main North Road and Regency Road)

The Team - public artwork - John Hayward (RSL)

Flora Tce & Prospect Rd Mural - Big Picture Festival- Thomas Readett

Myrtle St & Prospect Rd Mural - Cotto Building - Big Picture Festival - Claire Foxton

# Our People

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Purchase painting - Melanie Crawford

Repairs to local Murals that have been 'tagged'.

The City Wide Public Art Advisory Roundtable currently has eight members consisting of Mayor David O'Loughlin, Cr Matt Larwood supported by community members Cathy Brooks, Katie Harten, Seb Humphries, Gerry McMahon, Peter Syndicas and newly joined member Jason Sims.

CWPAR was also pivotal in the selection of South Australian Artist Karl Meyer who will be commissioned in 2019/20 to install Treads in Motion at Payinthe. This stunning bespoke piece will be suspended in the Grand Foyer and funding through Arts SA is currently being sought.

# OUR PLACES



# Our Places

## 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 5 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. Council is committed to realise the vision for Main North Road and will work with Federal and State governments to progress delivery of the upgrade. In the interest of commencing the realisation of the vision, Council has committed a budget allocation to plant 10 trees in the centre median in 2018/2019.

## Community Safety

The Community Safety Team is responsible for fulfilling Council's obligations under relevant acts and legislation concerned with the safety and wellbeing of the general public for:

- Parking
- Dog and cat management
- Litter and nuisance
- Public realm safety around major developments
- Footpath and road obstructions
- Abandoned vehicles
- Fire prevention
- Enforcing Council's By-Laws



# Our Places

Community expectations are high particularly in the areas of parking, animal management, local nuisance and litter. The team aims to develop positive relationships with the community by applying a range of strategies to help maintain public safety including prevention through proactively undertaking patrols of our community spaces, education and enforcement.

Services include responding to customer requests and providing a 24/7, 365 days of the year response to deal with emergencies relating to parking obstructions, animal management and other safety related issues.

## Parking

Ensuring that motorists comply with parking regulations is important particularly in areas of high risk such as parking zones around our schools and bicycle lanes along arterial roads. To address traffic safety concerns, regular patrols of these key locations are conducted to educate motorists as well as issue warnings and expiations. In 2018/19 a total of 2,264 parking expiations and 928 written warnings were issued.

## Dog and Cat Management

The Dog and Cat Management Act 1995 has recently undergone a review and the main changes taking effect from 1 July 2018 have included mandatory microchipping of dogs and cats, mandatory desexing of dogs and cats born after 1 July 2018 and centralising dog and cat registration through a new state-wide registration system known as Dogs and Cats Online or 'DACO'.

## Dogs

Dog registration is mandatory and the maximum dog registration fee set in 2018/19 was \$80 with a range of other concessions or discounts also offered. In 2018/19 there were 2,516 registered dogs in the City of Prospect.

In addition to dog registration, Council's responsibilities relating to dog management include collection and return of dogs found wandering, investigating complaints relating to nuisance barking and dog attacks as well as undertaking a range of educational and enforcement actions.

Statistics regarding complaints made to Council about dogs:

Category	2017/19	2018/19
Wandering Dog	87	79
Barking (nuisance)	23	21
Dog attacks to humans	5	6
Dog attacks to other animals (ie dogs and cats)	15	4
Dog harassment to humans	0	4
Dog harassment to other animals (ie dogs and cats)	0	0

Council makes every effort to reunite lost dogs as soon as possible with the owner provided the animal can be identified either by registration disc or microchip. Dogs that cannot be returned to the owner are impounded at the Animal Welfare League, Wingfield.

Statistics relating to dogs impounded by City of Prospect:

	2017/19	2018/19
Number of dogs collected and returned to owner before impounded	27	25
Total number of dogs impounded	59	33
Total number of dogs impounded and subsequently returned to owner from the Animal Welfare League	44	20

# Our Places

## Cats

The number of owned cats in City of Prospect is unknown as cats are not currently required to be registered. However, cat owners have commenced registering their cats on DACO voluntarily. Issues relating to cats and reported to Council general concern stray or feral cats. Statistics are provided below.

Cat Statistics	2017/19	2018/19
Cat Registrations (voluntary)	0	197
Complaints made to council	3	2
Cats taken to the Animal Welfare League	37	4

In addition, during 2018/19 the Community Safety Team has been developing a new Dog and Cat Management Plan which will focus on a number of priority areas, objectives and actions including:

- Dog Registration
- Mandatory Microchipping
- Mandatory Desexing
- Wandering Dogs
- Excessive Barking
- Dogs in Public Places
- Dog Faeces
- Community Education
- Cat Management
- Breeding and Selling of Pets

## Local Nuisance and Litter Control

In July 2017 Local Government became responsible for administering the provisions of the Local Nuisance and Litter Control Act 2016. Council is now responsible for responding to community complaints regarding noise, smoke, dust, odour, litter and waste.

Statistics regarding local nuisance and litter complaints made to Council:

Complaints	2017/19	2018/19
Noise	42	61
Drag out / concrete / oil spills	13	10
Waste / dumped litter	433	368
Air pollution	2	17
Unsightly property	20	18

Statistics relating to offences under the Local Nuisance and Litter Control Act 2016:

Offences	2018/19
Number (and nature) of offences under the Act that were expiated	3 (Section 22: Disposing of Litter) 1 (Section 18: Causing Local Nuisance)
Number (and nature) of nuisance abatement notices or litter abatement notices issued	1 (Section 18: Causing Local Nuisance)
Number of offences under the Act that were prosecuted	0
Civil penalties negotiated under section 34 of the Act	0
Applications by the council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications	0

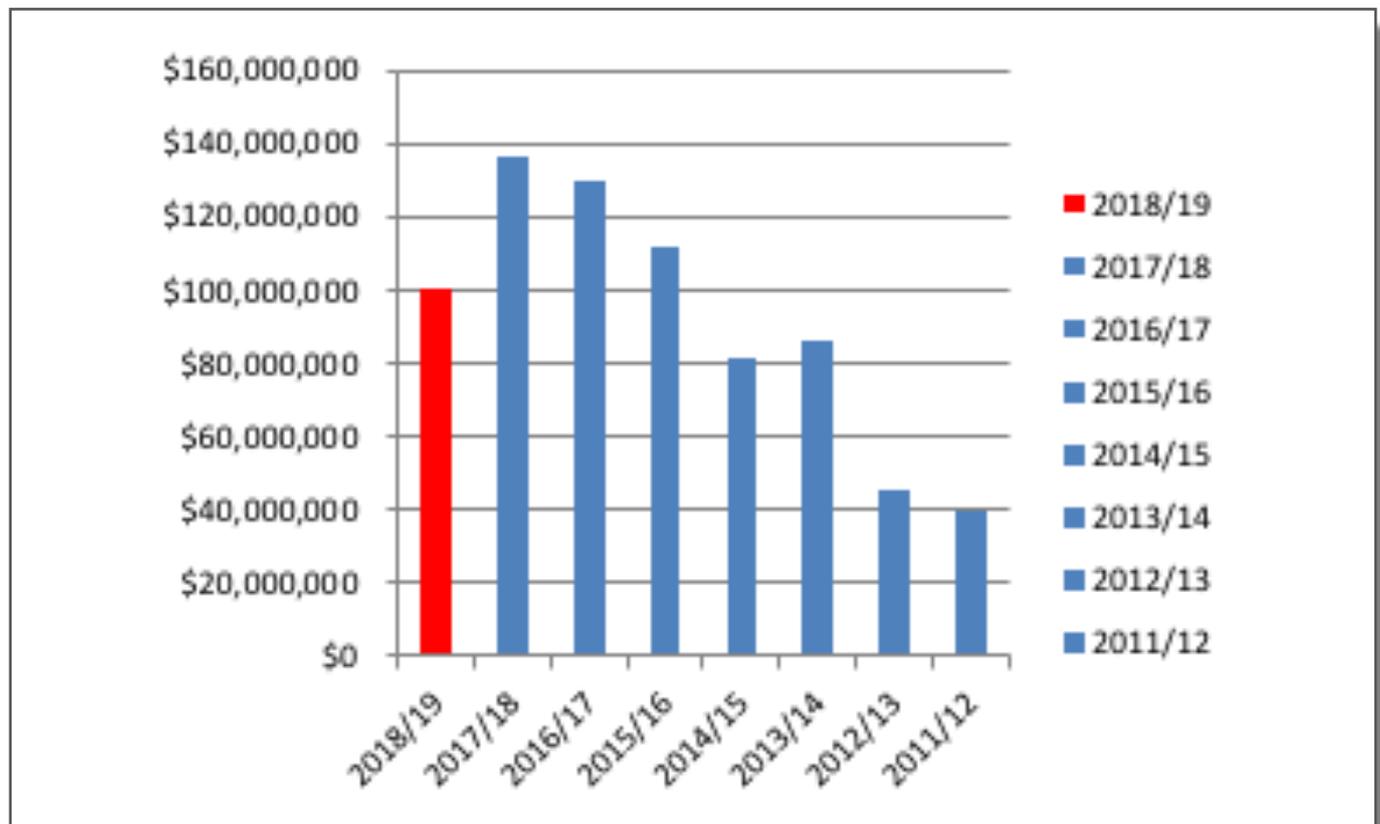
# Our Places

## Bees and Wasps

Council officers attended to 44 complaints relating to both bee and European Wasp issues and located and destroyed 4 European wasp nests.

## Development Assessment

During 2018/2019, City of Prospect received 554 development applications, which is a minor decrease of 17 applications compared with the previous year. The total value of applications received (excluding project staging applications) was \$100.1 million, which is \$36.3 million less than the 2017/18 financial year. These figures show a continuing level of development activity, noting by way of comparison that the total value of all development applications received by City of Prospect in 2012/2013 (immediately prior to the introduction of the Urban Corridor Zone) was \$45.6 million. The reduction in value from the previous financial year demonstrates the Zero dollar value applied to requests for extensions of time (of which there have been several). Some of these requests have been related to changes in the willingness for banks to finance apartment projects.



One hundred Development Applications were lodged within the Urban Corridor Zone during the 2018/19 financial year, with a total value of \$33 million (excluding project staging applications). By way of comparison, one hundred and thirteen Developments Applications were lodged within the Urban Corridor in the 2017/18 financial year, with a total value of \$81 million.

## City Planning

The City of Prospect Heritage Grant Program approved eight (8) properties for funding in a range of Historical Conservation Policy Areas or to Local Heritage Items. Seven (7) grants applications weren't allocated funding as part of the 2017-18 grant application process. The \$15,000 allocated by Council lead to restoration work with a value of \$46,688 (total value of works) and the activities undertaken included new roofs and front verandahs, repair and re-pointing of front walls, front fencing and gates & repair of front gable.

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 also continued the development of the 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 2 Housing Diversity and Desirable Neighbourhoods Development study has included:

- 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 and design testing to investigate desirable housing opportunities
- Community forums and stakeholder workshops.

## Asset Management

Sound asset management is a key to the financial sustainability for 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 demonstrates Council's responsive management of assets (and services provided from assets), compliance with legislative requirements, and to commit 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.

# Our Places

Category/Class	Description of Assets within Category/Class
1. Transport	Road pavement & seal, kerbing, car parks, footpaths, kerb & gutter, traffic control devices
2. Stormwater	Pipes, pits, pump station and other drainage infrastructure
3. Buildings	Council owned buildings & storage sheds either occupied by Council or others, toilets
4. Plant & Equipment	Cars, trucks, utes, heavy equipment and other vehicle types
5. Open Space	Irrigation, playgrounds, park furniture, oval lighting

Council Administration is currently finalising Asset Management Plans for 2018/19 and developing Plans for 2019/20 that will guide the Long Term Financial Plan.

## 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 of streetscape upgrade between Regency Road and Angwin Avenue is currently underway and due for completion by December 2019. The project includes:

- New kerbs and gutters and improved stormwater management;
- New footpaths;
- Landscaped garden beds with new street trees
- Safer east-west crossing for pedestrians and cyclists and
- Bicycle lane;

The new streetscape will improve the amenity and is the final stage of streetscape upgrading for the entire length of Prospect Road.

## Kerb and Gutter Reconstruction Program

Council completed the reconstruction and patching of 1.8km of kerb and gutter throughout the City. 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. We have continued including TreeNet inlets within kerbs, where appropriate, to provide additional watering for street trees, during periods of rain. In 2018/19, 50 TreeNet inlets were installed throughout the City and implementation of this Water Sensitive Urban Design (WSUD) initiative forms part of Council's ongoing kerb and gutter program.



## Road Resurfacing and Reconstruction Program

Council completed the 2018/19 program on time and within the allocated budget. The program included resealing, reconstructing or spray sealing approximately 3.9km of the local road network. Maintaining the City's road infrastructure is critical to improving road safety for motorists, pedestrians and cyclists moving within and through the City. 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.

# Our Places

## Grant Funding

Many projects that Council delivers are not possible without grant funding and, we actively seek funding from both Federal and State Governments. For the 2018/19, the following grant funding applications were successful, whereby we secured part funding to deliver great projects for our community. Grant funding is generally 50/50 contribution by the funding body and Council.

Funding Amount	Source	Project
\$600,000	State Government Open Space and Places for People	George Whittle Reserve Redevelopment
\$350,000	State Government Open Space and Places for People	Broadview Sports and Recreation Precinct / Yarnta Tutu yarta Playspace Redevelopment
\$508,562	State Government Open Space and Places for People	Charles Cane Reserve / Parndo Yerta Redevelopment
\$151,600	Federal Government Australian Sports Commission	Charles Cane Reserve / Parndo Yerta Clubrooms - Female Change Room Facilities -
<b>Total: \$1,610,162</b>		

## Awards

In May 2019, Council was recognised by IPWEA (Institute of Public Works Engineering Australasia) in the 2019 Excellence Award for Excellence in Design and/or Construction of a Public Works Project – Civil under \$1 million for the Broadview / Yarnta Tutu Yarta Precinct Fitness Track.



## Stan Watson Reserve

In May 2019, Council completed the expansion and redevelopment of the Stan Watson Reserve. The new and improved local park includes new play equipment, ball game, seats, picnic setting, new turf, dry creek bed and artwork. This Reserve has also been a popular destination for dog owners and the design has included interactive and interesting vegetation for our four legged friends to enjoy sniffing whilst enjoying their time at the park.



# Our Places



## George Whittle Reserve Redevelopment

Work commenced on the redevelopment of the Reserve which includes new skate park, seating, multi-use hard court, lighting, fitness equipment, compaction bins and sculpture art. The project is in the final stages of completion and the official opening will be held in October 2019. The project cost was \$1.2 million and was funded equally by Council and the State Government's Open Space, Places for People funding body.



## Property Maintenance

Council owns and maintains 21 buildings that are accessed and highly utilised by the community 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.

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

- Removed Asbestos at Broadview Football Club change rooms;
- Replaced air-conditioning in Nailsworth Hall;

## Tree Planting

### Street Tree Planting Program

Council's ongoing Street Tree Planting Program captures any locations where trees have been removed due to age, ill health or damage and any trees removed are replanted with new street trees.

Under this program, 274 street trees have been planted throughout the City during the 2018/19 financial year. These trees varying from 1.5 metres to 3.5 metres in planted height.



# Our Places

## White Cedar Removal / Replacement Program

Now in its seventh year, the White Cedar Replacement Program continued in 2018/2019 targeting the removal and replacement of White Cedar trees that are considered to pose a risk to the public. New trees are planted in place of the ones that are being removed. Under this program, 89 trees were planted in 2018/2019.

## Green Tunnel Program

In 2018/2019 a new tree planting program called Green Tunnel was implemented. This Program targets areas in our City that have been identified as having low tree canopy cover and these areas will be planted out with more trees. We aim to have green leafy tunnels across all our streets where possible to keep temperatures cool, particularly during heat waves in summer. 73 street trees were planted during 2018/19.

## Park Trees

A number of trees were also planted throughout our parks and reserves to either replace trees or increase tree plantings.

Number of Trees Planted:

Park Location	2018/2019
Broadview Oval	52
Memorial Gardens	1
Percy Street Reserve	5
Matthews Reserve	1
Barker Gardens	6
Braund Road Reserve	3
Prospect Estate	5
<b>Total</b>	<b>72</b>

All trees are planted under any of our tree programs are planted in accordance with species specified in Council's '21st Century Street Tree Manual'.



# Our Places

## City Maintenance

In 2018/19, a key focus for the City Maintenance Team involved relocating the Depot Operations to Campbelltown due to the sale of the Johns Road Depot. Due to this, various maintenance plans and services were reviewed by staff to ensure they continue to provide efficient and responsive services for the community and deliver effective maintenance across our city's streets and open spaces. City Maintenance Programs include:

### City Maintenance Customer Requests

In 2018/19, Council received 2,552 customer service requests relating to City Maintenance through the Customer Request Management (CRM) System:

CRM Category	CRM's Received
Tree Maintenance	989
Sign Maintenance	245
Footpath Tripping Hazard	192
Graffiti Removal	191
Parks and Gardens Maintenance	185
Nature Strip Maintenance	131
Weed Removal	120
Footpath Maintenance	114
Sprinkler Irrigation Maintenance	74
Drain Lid/Pit Hazard	73
Footpath Sweeping	71
Signs Required	48
Blocked Drain Cleaning Required	34
Dead Animal Pickup	31
Street Furniture	17
Playground Maintenance	17
Park Lighting	11
Bus Shelters	9
<b>Total</b>	<b>2,552</b>

*Please note that these statistics represent requests lodged by the general public as well as staff who have raised requests for issues identified or maintenance required.*

A risk based approach is used when assessing Customer requests to prioritise potentially hazardous issues which Rapid Response attend. This includes providing a 24/7, 365 days per year response for urgent issues such as those that occur during storm events. Other less hazardous tasks are issues to various maintenance teams to address.

### 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.

In 2018/19, due to the increase in Council's tree planting programs across several years, an additional water truck was scheduled during the summer months to keep up with watering of newly planted trees.

### Park and Reserves Maintenance

There are 25 parks and reserves located within City of Prospect and Council's Open Space Strategy guides the level of maintenance required for each based on its classification:

Classification	Maintenance
Regional Parks	High Quality
District Parks	Good Quality
Neighbourhood Parks	Good Quality
Local Parks	Safe and Appealing

Maintenance is scheduled on a fortnightly basis to ensure lawns are mowed, weeds are removed and garden beds are maintained. Additional seasonal activities are also undertaken including tree pruning, irrigation maintenance and revegetation of garden beds.

# Our Places



Playground audits are conducted monthly by accredited staff to ensure maintenance and/or vandalism issues are identified and repaired as quickly as possible.

Apart from our usual maintenance activities, staff have been working with the SA Rose Society and have planted an additional 92 roses in Barker Gardens in preparation for the 2021 World Rose Convention. In addition, six new ash trees have been planted within the park and last year due to Council granting additional budget, new Christmas decorations were purchased and for installation in the Gardens annually.

## **Precinct Services**

Programmed maintenance across the City's 41 precincts is delivered through the Precinct Services program. Maintenance addresses potentially hazardous issues include footpath and road repairs, kerb and gutter repairs, tree pruning to maintain road and footpath clearances, sign replacement and nature strip top ups.

## **Street Tree Maintenance**

Attractive streets with leafy tree canopies

is a strategic focus for Council. To ensure our extensive and diverse tree population remains healthy, safe and attractive, various maintenance programs operate throughout the year to care for our trees. These include formative pruning of younger trees, mistletoe removal, basal shoot pruning, general pruning and watering.

## **Main Road Maintenance**

Dedicated services are provided to our main roads including Churchill and Prospect Roads. These 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.

During 2018/19 Council approved two additional staff members in recognition of the level of maintenance required which has been beneficial in improving the condition of garden bed plantings in these locations.

# Our Places

## Environmental Sustainability

### Waste Processing and Waste Education

Waste management continues to be a key focus of Council. Council's waste tonnage and associated costs for collection and processing the 3 waste streams for the financial year is as follows:

- Domestic waste was at a cost of \$876,734  
Annual tonnage: 3,910.55 tonnes
- Recyclable waste was at a cost of \$388,490. Annual tonnage: 1,682.18 tonnes
- Organic waste was at a cost of \$404,674  
Annual tonnage: 2,662.64 tonnes
- **Grand total tonnage: 8,255.37 tonnes (52.56% diverted from landfill)**

- Hard rubbish was at a cost of \$137,790  
Annual tonnage: 345.22 tonnes  
(2,966 total collections of which 68 were mattresses)

Council continues to develop ways of promoting our message to the community to reduce landfill. A range of actions undertaken included:

- Articles in the Prospect Magazine
- 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



# Our Places

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## **Waste Processing and Waste Education**

As part of Council's commitment to reduce printing unnecessary paper, the annual Waste Calendar is no longer be printed and information is available 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.

## **Kitchen Organics Basket / Kitchen Caddy**

Council continues to offer and supply residents with kitchen organics baskets, including 150 compostable (corn starch) bags to help assist with the collection of food scraps for disposal into organics (lime green) lid bin. The food scraps are processed into compost rather than landfill, which is a much better environmental option.

This financial year, Council issued 99 kitchen organics basket and, as every household is entitled to a basket + bags, we aim to double the uptake each year.

## **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.

[www.ecyclesa.com.au/drop\\_off\\_locations.html](http://www.ecyclesa.com.au/drop_off_locations.html)

## **Compost Bins and Worm Farms**

Council continues to offer residents a rebate for the purchase of compost bins and worm farms through the 'Compost Bin and Worm Farm Incentive Scheme'. Residents may receive a rebate of \$20 towards the purchase cost of these products as acknowledgement of your commitment to reduce landfill.

# OUR PROSPERITY



# Our Prosperity

## Business and 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 the strength of Prospect's brand in the business community, nbn™ and the training workshops of Network Prospect.

Since 2013, there has been over 850 apartments built, under construction or approved in City of Prospect's new Urban Corridor Zones. 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 support new opportunities 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 focused on City of Prospect's corridors, while still maintaining residential amenity in our suburban streets.

### Vacancy Rates and Improved Amenity

A JLL report, found only 1.4 per cent of Village Heart properties were vacant in December 2018, down from 1.5 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.



### Prospect Fast WiFi

The free and publically accessible Prospect Fast WiFi system was launched in January 2017 and upgraded in December 2017. The system has installations running from Barker Gardens/ Gladstone Road to Rose Street/ Labrina Avenue on Prospect Road.

The Prospect Retail Trends Report will be distributed annually to business and property owners through Network Prospect. This report provides information and trends regarding logins, devices in the mainstreet, and aggregated top hours.



### Network Prospect

The Network Prospect website and innovative projects launched in 2016 to engage, educate, and promote City of Prospect businesses and professionals. Network Prospect encompasses all business communications and distributes information through Facebook, Instagram, LinkedIn, Twitter, email marketing (annual open rate of 27.6%), YouTube, and the website. In 2018/2019, Network Prospect received 45 new business registrations for the online Network Prospect Business Directory.

Network Prospect holds regular workshops with new businesses, start-ups and home-based businesses. In 2018/2019 seven flagship Network Prospect Business Events were held with a total of 218 attendees, which has increased from 137 attendees

# Our Prosperity

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in 2017/2018. Network Prospect are now collaborating with the Library's digital hub staff to provide additional hands on workshops and support to business further develop their digital skills.

To address low attendance and high registrations, City of Prospect evaluated and invigorated the events. The 2019 Network Prospect Business Events were re-located to The Upside on Prospect to update and fresh the venue. To raise the profile of the events, speakers were sourced for the first time with a gratuity. Workshop tickets became a modest \$10, to go towards the upgraded venue and speaker. The standard six events became marketing focused, titled 'Network Prospect Business Events - Digital Marketing Series', and a subsequent initiative was created called the 'Network Prospect Business Events - Innovation and Investment Series'.



## Village Heart Marketing Fund

City of Prospect has established the Village Heart Marketing Fund in Prospect's Village Heart for the past two years. A rate of \$99 per property has been applied and raised just under \$10,000 in this financial year. Local property and business owners were engaged through monthly Village Heart Marketing Fund Committee meetings to decide on the best use of the marketing fund.

'Prospect Road - Discover More' is the brand marketing created to promote the mainstreet as a destination. In 2018/2019, key campaign included 'Christmas on Prospect' and 'Ladies in Black Film Premiere'.

To provide content for the annual marketing strategy, 5 videos were created and released from May to June 2019. The videos were promoted on Facebook and Instagram. Photography of all businesses within the zone were also completed in this financial year.

The Prospect Road Destination Marketing Evaluation report was provided to the Village Heart Marketing Fund Committee and Council on the effectiveness of the Village Heart Marketing Fund.

Council sought to increase the rate from \$99 to \$150 in the 2019/2020 financial year, to partially offset the cost of administering the program. This will create a budget of up to \$19,500. \$5,000 is offset to City of Prospect administration, therefore there is approximately \$14,500 to be applied to marketing activities.

Following requests from local business and property owners to extend the geographical area in 2019/2020, City of Prospect consulted with the new zone in May 2019, in addition to the Annual Business Plan and Budget consultation.

Council endorsed its 2019/2020 Annual Business Plan and budget on Tuesday 25 June 2019. 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.

The separate rate is fixed to all non-residential, rateable assessments (Land Uses 2, 3, 4, 5, 6, & 9) along Prospect Road who are within the Village Heart which is now bordered at the north by Gladstone and Alpha Roads, and at the South by Buller and Ballville Streets.

## Prospect Business Leaders

The Prospect Business Leaders group (PBL) was established in 2018. It helps 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 the City of Prospect business community. The Executive PBL is chaired by Marissa Schulze from Rise High Financial and this small group works regularly on current issues that impact the business community.

# Our Prosperity



## Connected Cities

'Connected Cities' was 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 usage and maintenance of Council assets, including parks and main streets. The total project was valued at nearly \$300,000, with \$144,000 coming from the Commonwealth Smart Cities and Suburbs Program. City of Prospect was the lead agency and engaged a vendor create a network built on the open access "things Network" from the Adelaide Hills to Roseworthy. This project has been so successful 12 other metropolitan Councils are looking to follow Prospect's lead and engage with "Things Network" technology.

## GigCity Project

City of Prospect and particularly the Prospect Innovation Precinct\* is now part of the State Government's GigCity network. The GigCity project has delivered ultra-high

speed internet to businesses, with speeds between 1- 10 gigabits per second. Prospect Road has other high speed fibre infrastructure available to businesses. These high speed networks combined with nbn™ makes Prospect Road a hyper connected precinct. This hyper connectivity is the backbone the Investment Prospectus which was launched by Minister David Pison, Minister for Innovation and Skills at the Palace Nova Cinema, Prospect in September 2018.

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 civic centre, 'Payinithi'. 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. Council is also growing a gaming and creative industries round table group in coming months.

# Our Prosperity

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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 committed a further \$38,000 to the project.

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 GRP 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.

## **Innovation Precinct**

The University of Adelaide completed an Innovation Precinct study, which identifies GigCity Adelaide as an essential asset for Prospect's innovation Precinct. The Innovation Precinct forms part of Prospect Road between the Cinema and the new Council library, gallery and council offices building known as Payinthei.

The City Deal for Adelaide has seen a renewed focus on Innovation Precincts. The Innovation Precinct report provides City of Prospect with a guide on how to become the best Mainstreet Innovation Precinct in Australia.

In addition, it develops pathways with other areas of Council and indeed how to grow as a precinct with global recognition and connections.



# Our Prosperity

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## Communications Strategy

### **City of Prospect 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 2018 Adelaide-based company Algo Mas was engaged to undertake the delivery of the new website project. The new City of Prospect website enables Council to lead both regionally and internationally in the Digital Economy space. The new website has a cleaner look and feel and is easier for our community to navigate and find the information they need.

The new website was launched in March 2019.

A second stage of the project was identified in early 2019, with an announcement by the Local Government Association of South Australia that its Content Management System Unity was being replaced with a product called Matrix. A bulk of this work was undertaken in early-2019, with the expected migration date for City of Prospect being August 2019.

### **Prospect Magazine - Your Prospect**

In June 2018, a decision was made to change the Prospect Magazine distribution to three times a year, down from four times a year. This provided an opportunity to review the magazine as a whole, which resulted in a new look and feel, a new size and a new name - Your Prospect.



# OUR SERVICES



# Our Services

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## Financial Management

For 2018/2019, Council has either achieved or exceeded all of its Key Financial Indicators.

The focus of 2018/2019 budget was on the continuation of the replacing and renewing of existing infrastructure assets, while 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 was originally initiated by Councils' 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 2018/2019, Council has continued to keep its overall rate increase at a 'modest' level, with the average residential rate increase for 2018/2019 being 3.3% plus Growth.

Council presented an operating surplus for the 2018/2019 year of approximately \$841k. This surplus represents 3.4% of the total adopted Operating Income for 2018/2019.

In 2018/2019 approximately \$16.2m was spent on capital expenditure. \$9.9m 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 2 out of 3 key financial indicators targets and exceeded a third one of its key financial indicators, as set out in its Annual Business Plan. Indicators continue to

be on track with the target ranges identified in the Long Term Financial Plan and are a positive reflection on the work of staff and elected members during 2018/2019.

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 \$546,006 for the 2019/2020 year in June 2019.

### **2018/2019 Draft Annual Business Plan and Budget Consultation**

Various forms of community consultation were provided regarding the Annual Business Plan 2019/2020, they were:

- Focus Group Forums (x2)
- Youth Focus Group Forums with local high school students (Blackfriars Priory & Prescott College)
- Public Meeting held on 28 May 2019
- Website and Other Written Submission

The results of the consultation were reported to Council on 25 June 2019.

# Our Services

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## 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 63 valuation objections were received by Council via the Valuer-General in respect of 2018/2019 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 \$19.7m to \$20.2m in 2018/2019.

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 2018/2019 was presented and discussed as part of activities for the 2018/2019 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

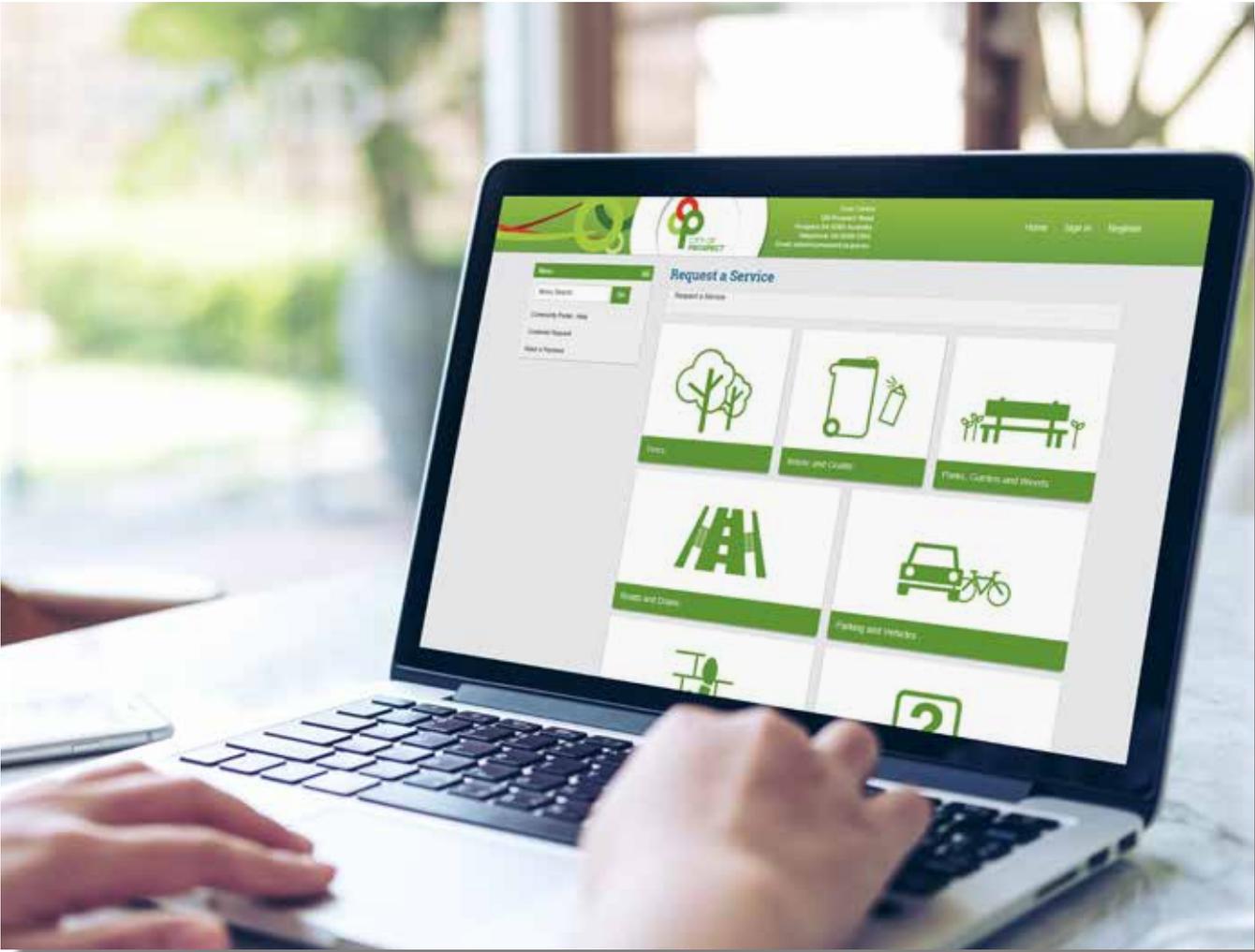
## Information Technology

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 were completed during the year, including software and hardware upgrades to ensure equipment, tools and systems are available for employees to perform their work and interact with the community.

Several projects were completed, including the migration of our email service to Office 365, the replacement of scanners and implementation of new scanning tools and the review of Council’s Geographic Information System and datasets.

Significant IT infrastructure planning was also completed to prepare Payinthe for our community and occupation by Council.



# APPENDICES



# Appendices

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## City of Prospect

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2019

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# Appendices

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## City of Prospect

### General Purpose Financial Statements for the year ended 30 June 2019

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City of Prospect

General Purpose Financial Statements  
for the year ended 30 June 2019

## 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 2019 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.



Nigel McBride  
CHIEF EXECUTIVE OFFICER



David O'Loughlin  
MAYOR

Date: 21 October 2019

# Appendices

## City of Prospect

### Statement of Comprehensive Income for the year ended 30 June 2019

\$ '000	Notes	2019	2018
<b>Income</b>			
Rates Revenues	2a	20,902	19,993
Statutory Charges	2b	573	583
User Charges	2c	265	311
Grants, Subsidies and Contributions	2g	2,266	2,233
Investment Income	2d	186	183
Reimbursements	2e	70	69
Other Income	2f	288	475
Net Gain - Equity Accounted Council Businesses	19	20	49
<b>Total Income</b>		<b>24,570</b>	<b>23,896</b>
<b>Expenses</b>			
Employee Costs	3a	8,280	7,995
Materials, Contracts & Other Expenses	3b	10,621	10,257
Depreciation, Amortisation & Impairment	3c	4,126	3,656
Finance Costs	3d	702	473
<b>Total Expenses</b>		<b>23,729</b>	<b>22,381</b>
<b>Operating Surplus / (Deficit)</b>		<b>841</b>	<b>1,515</b>
Asset Disposal & Fair Value Adjustments	4	(541)	(2,810)
Amounts Received Specifically for New or Upgraded Assets	2g	1,075	1,081
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>1,375</b>	<b>(214)</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	12,221	-
<b>Total Other Comprehensive Income</b>		<b>12,221</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>13,596</b>	<b>(214)</b>

<sup>1</sup> 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 2019

\$ '000	Notes	2019	2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	1,069	6,724
Trade & Other Receivables	5b	2,987	1,963
Inventories	5d	-	7
<b>Subtotal</b>		<b>4,056</b>	<b>8,694</b>
Non-Current Assets Held for Sale	20	3,451	3,451
<b>Total Current Assets</b>		<b>7,507</b>	<b>12,145</b>
<b>Non-Current Assets</b>			
Financial Assets	6a	1,344	1,506
Equity Accounted Investments in Council Businesses	6b	114	93
Infrastructure, Property, Plant & Equipment	7a	174,845	161,094
Other Non-Current Assets	6c	14,511	2,817
<b>Total Non-Current Assets</b>		<b>190,814</b>	<b>165,510</b>
<b>TOTAL ASSETS</b>		<b>198,321</b>	<b>177,655</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	5,274	3,507
Borrowings	8b	997	1,043
Provisions	8c	1,795	1,817
<b>Total Current Liabilities</b>		<b>8,066</b>	<b>6,367</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	15,331	11,846
Provisions	8c	82	49
<b>Total Non-Current Liabilities</b>		<b>15,413</b>	<b>11,895</b>
<b>TOTAL LIABILITIES</b>		<b>23,479</b>	<b>18,262</b>
<b>Net Assets</b>		<b>174,842</b>	<b>159,393</b>
<b>EQUITY</b>			
Accumulated Surplus		77,085	74,375
Asset Revaluation Reserves	9a	95,343	83,122
Other Reserves	9b	2,414	1,896
<b>Total Council Equity</b>		<b>174,842</b>	<b>159,393</b>

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 2019

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
<b>2019</b>					
<b>Balance at the end of previous reporting period</b>		74,375	83,122	1,896	<b>159,393</b>
<b>a. Adjustments (Correction of Prior Period Errors)</b>		1,853	-	-	<b>1,853</b>
<b>Restated Opening Balance</b>		<b>76,228</b>	<b>83,122</b>	<b>1,896</b>	<b>161,246</b>
<b>b. Net Surplus / (Deficit) for Year</b>		1,375	-	-	<b>1,375</b>
<b>c. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	12,221	-	<b>12,221</b>
<b>Other Comprehensive Income</b>		-	12,221	-	<b>12,221</b>
<b>Total Comprehensive Income</b>		<b>1,375</b>	<b>12,221</b>	<b>-</b>	<b>13,596</b>
<b>d. Transfers between Reserves</b>		(518)	-	518	-
<b>Balance at the end of period</b>		<b>77,085</b>	<b>95,343</b>	<b>2,414</b>	<b>174,842</b>

#### Prior Period Adjustment - Initial Recognition of Non-Current Assets

The initial recognition of non-current assets relates to items of property, plant and equipment that should have been included in previous years financial statements but have only been identified and placed into the financial asset register during the current reporting period. All identified assets have been initially recognised at their written down fair value as at 1 July 2018 and are included in Note 7 as part of the additions for the respective asset class.

Retrospective adjustments have not been applied due to the impractical nature of determining the written down value for initially recognised depreciable asset prior to the reporting date.

\$ '000	Notes	Asset			Total Equity
		Accumulated Surplus	Revaluation Reserve	Other Reserves	
<b>2018</b>					
<b>Balance at the end of previous reporting period</b>		74,091	83,122	2,394	<b>159,607</b>
<b>a. Net Surplus / (Deficit) for Year</b>		(214)	-	-	<b>(214)</b>
<b>Total Comprehensive Income</b>		<b>(214)</b>	<b>-</b>	<b>-</b>	<b>(214)</b>
<b>b. Transfers between Reserves</b>		498	-	(498)	-
<b>Balance at the end of period</b>		<b>74,375</b>	<b>83,122</b>	<b>1,896</b>	<b>159,393</b>

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 2019

\$ '000	Notes	2019	2018
<b>Cash Flows from Operating Activities</b>			
<b><u>Receipts</u></b>			
Rates Receipts		20,958	20,190
Statutory Charges		573	583
User Charges		265	311
Grants, Subsidies and Contributions (operating purpose)		1,273	2,233
Investment Receipts		186	183
Reimbursements		70	69
Other Receipts		287	216
<b><u>Payments</u></b>			
Payments to Employees		(8,266)	(7,973)
Payments for Materials, Contracts & Other Expenses		(8,928)	(8,281)
Finance Payments		(702)	(473)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>5,716</b>	<b>7,058</b>
<b>Cash Flows from Investing Activities</b>			
<b><u>Receipts</u></b>			
Amounts Received Specifically for New/Upgraded Assets		1,075	1,081
Sale of Replaced Assets		142	171
Repayments of Loans by Community Groups		154	145
<b><u>Payments</u></b>			
Expenditure on Renewal/Replacement of Assets		(9,943)	(7,721)
Expenditure on New/Upgraded Assets		(6,237)	(1,151)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(14,809)</b>	<b>(7,475)</b>
<b>Cash Flows from Financing Activities</b>			
<b><u>Receipts</u></b>			
Proceeds from Borrowings		4,483	6,496
<b><u>Payments</u></b>			
Repayments of Borrowings		(1,045)	(763)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>3,438</b>	<b>5,733</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(5,655)</b>	<b>5,316</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	<b>6,724</b>	<b>1,408</b>
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>1,069</b>	<b>6,724</b>

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

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# Appendices

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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# Appendices

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### 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 21 October 2019.

##### 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 1 Thomas Street, Nailsworth, South Australia 5083. 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)

#### 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 2019

#### Note 1. Summary of Significant Accounting Policies (continued)

	Cash Payment Received	Annual Allocation	Difference
2016/17	\$947,285	\$625,209	+ \$322,076
2017/18	\$768,746	\$740,664	+ \$28,082
2018/19	\$946,766	\$748,646	+ \$198,120

2019-2020 and 2020-2021 supplementary local road funding of \$201,404 was paid in advance in June 2019.

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 Real Estate 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. Settlements on these properties are scheduled within the next 12 months.

#### 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 threshold 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 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.

# Appendices

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

#### Note 1. Summary of Significant Accounting Policies (continued)

##### 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.

##### Buildings & Other Structures

Buildings	20 to 80 years
Sheds & Shelters	25 to 35 years
Toilet Blocks, Storerooms & Clubrooms	40 to 50 years
Civic Centre & Grandstands	80 years

##### Infrastructure

Roads – Surface	13 to 90 years
Roads – Base	65 to 273 years
Kerb & Gutter	70 years
Footpaths – Surface	15 to 80 years
Footpaths – Base	40 to 160 years
Stormwater Drainage	100 years
Pipes	100 years
Side Entry Box Drains & Junction Boxes	80 years
Open Channel	70 years

##### Other Asset Classes

Plant & Equipment	5 years
Furniture & Fittings	5 to 10 years
Library Books	5 years
Artworks	100 years
Open Space	10 to 20 years

##### 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 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

# Appendices

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

#### Note 1. Summary of Significant Accounting Policies (continued)

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 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.

No accrual is made for sick leave as Council 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. Council does not make payment for untaken sick leave and is not required to pay any outstanding accrual to employees on cessation of employment.

##### 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

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## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

#### Note 1. Summary of Significant Accounting Policies (continued)

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"

- 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.

AASB 7 Financial Instruments - Disclosures and AASB 9 Financial Instruments commenced from 1 July 2018 and have the effect that non-contractual receivables (e.g. rates & charges) are now treated as financial instruments. Although the disclosures made in Note 13 Financial Instruments have changed, there are no changes to the amounts disclosed.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities, which will commence from 1 July 2019, affect the timing with which revenues, particularly special purpose grants, are recognised. Amounts received in relation to contracts with sufficiently specific performance obligations will in future only be recognised as these obligations are fulfilled. In these Statements, the sum of \$980,000 has been recognised as revenue, in accordance with the current Standards, but would in future be recorded as a liability "Amounts in Advance" until the performance obligations have been fulfilled.

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts - except leases with a maximum term of 12 months and leases for non-material amounts - be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability. At 30 June 2019, Council has no leases to which this treatment will need to be applied.

The effect on profit and loss in future years will be non-material.

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 following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements.**

***While a full impact of these standards has not yet been completed, the following list of 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 2019**

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 16 Leases (Appendix D)

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## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 1. Summary of Significant Accounting Policies (continued)

- AASB 1058 Income of Not-for-Profit Entities
- AASB 1058 Income of Not-for-Profit Entities Appendix D)
- AASB 1059 Service Concession Arrangements: Grantors
- AASB 1059 Service Concession Arrangements: Grantors (Appendix D)
- AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities
- 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 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors
- AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

#### **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.

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## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

#### Note 2. Income

\$ '000	Notes	2019	2018
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		20,694	19,774
Less: Mandatory Rebates		(411)	(392)
<b>Total General Rates</b>		<b>20,283</b>	<b>19,382</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		564	525
Village Heart Separate Rate		10	10
<b>Total Other Rates</b>		<b>574</b>	<b>535</b>
<b>Other Charges</b>			
Penalties for Late Payment		50	51
Legal & Other Costs Recovered		37	35
<b>Total Other Charges</b>		<b>87</b>	<b>86</b>
Less: Discretionary Rebates, Remissions & Write Offs		(42)	(10)
<b>Total Rates Revenues</b>		<b>20,902</b>	<b>19,993</b>
<b>(b). Statutory Charges</b>			
Development Act Fees		82	93
Town Planning Fees		100	129
Animal Registration Fees & Fines		90	109
Parking Fines / Expiation Fees		264	217
Rate Searches		37	35
<b>Total Statutory Charges</b>		<b>573</b>	<b>583</b>
<b>(c). User Charges</b>			
Council Land Usage		38	-
Hall & Equipment Hire		13	29
Network Prospect Events Digital Marketing - Income		1	-
Prospect Spring Fair Income		12	-
Function and Event Charges		42	46
Rents & Fees		75	90
Services to Aged & Disabled		30	37
Library Services		15	16
Prospect Magazine - Income		23	32
Milk Depot Rental Income		11	19
Bi Annual Prospect Protrait Prize - Income		-	6
Prospect Fair - Income		-	4
Other		5	32
<b>Total User Charges</b>		<b>265</b>	<b>311</b>

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## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

#### Note 2. Income (continued)

\$ '000	Notes	2019	2018
<b>(d). Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		73	59
- Loans to Community Groups		113	124
<b>Total Investment Income</b>		<b>186</b>	<b>183</b>
<b>(e). Reimbursements</b>			
Private Works		33	34
Digital Literacy		5	-
Fuel Tax Credit Reimbursement		7	6
Connected Cities Remimbursement		3	-
Insurance Reimbursements		22	7
RSL contribution to Air Conditiner		-	14
Other		-	8
<b>Total Reimbursements</b>		<b>70</b>	<b>69</b>
<b>(f). Other Income</b>			
Sponsorship		11	36
Donations or Resources Contributed Received		7	9
Insurance Special Distribution		90	174
Waste Management Other Income		9	-
Workers Compensation Rebate		-	9
Car Park Development Fund Contribution		21	162
Open Space Development Fund Contribution		140	-
Other		10	85
<b>Total Other Income</b>		<b>288</b>	<b>475</b>
<b>(g). Grants, Subsidies, Contributions</b>			
<b>Amounts Received Specifically for New or Upgraded Assets</b>			
- Charles Cane / Parndo Yerta Revedeloment Grant		630	-
- Australian Men's Shed Development Program		3	-
- GigCity Capital Contribution		43	-
- Broadview Sports / Yarnita Tutu Playspace Grant		350	-
- Rose Street Reconstruction Contribution and Grant		16	245
- Connected Cities Grant Capital		33	35
- Alexandra Street Reconstruction		-	201
- George Whittle Reserve Redevelopment		-	600
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>		<b>1,075</b>	<b>1,081</b>

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## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

#### Note 2. Income (continued)

\$ '000	Notes	2019	2018
<b>(g). Grants, Subsidies, Contributions (continued)</b>			
<b>Other Grants, Subsidies and Contributions</b>			
- General Purpose Grant		216	217
- Commonwealth Home Support Programme (CHSP)		650	632
- Local Road Grant		185	204
- Public Library Services Grant		67	68
- Record Library Materials Grant		84	84
- Prospect Singing Group Grant		20	-
- Arts SA CLIC Atrium Grant		15	-
- Roads to Recovery		483	293
- North Park Lands Development Grant		-	200
- Connected Cities Grant and partner council contributions		-	187
Individually Significant Item - Additional Grants Commission Payment (refer below)		546	348
<b>Total Other Grants, Subsidies and Contributions</b>		<b>2,266</b>	<b>2,233</b>
<b>Total Grants, Subsidies, Contributions</b>		<b>3,341</b>	<b>3,314</b>

The functions to which these grants relate are shown in Note 12.

#### (i) Sources of grants

Commonwealth Government	1,287	514
State Government	1,991	2,698
Other	62	102
<b>Total</b>	<b>3,341</b>	<b>3,314</b>

#### (ii) Individually Significant Items

Grant Commission (FAG) Grant Recognised as Income	546	348
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50% of FY20 General Purpose Grant \$219,876 bought forward

50% of FY20 Local Roads Grant \$124,726 bought forward

100% of FY20 and FY21 Supplementary Road Funding, \$201,404 bought forward

#### Note 3. Expenses

##### (a). Employee Costs

Salaries and Wages		7,151	6,952
Employee Leave Expense		133	162
Superannuation - Defined Contribution Plan Contributions	18	220	202
Superannuation - Defined Benefit Plan Contributions	18	450	430
Workers' Compensation Insurance		203	149
Personal Accident & Sickness Insurance		123	100
<b>Total Operating Employee Costs</b>		<b>8,280</b>	<b>7,995</b>
Total Number of Employees (full time equivalent at end of reporting period)		85	85

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## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 3. Expenses (continued)

\$ '000	Notes	2019	2018
<b>(b). Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		23	23
Bad and Doubtful Debts		10	22
Elected Members' Expenses		277	251
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		185	134
<b>Subtotal - Prescribed Expenses</b>		<b>495</b>	<b>430</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		18,126	10,212
Legal Expenses		185	138
Levies Paid to Government - NRM levy		565	525
Levies - Other		9	16
Stationery and Office Consumables		19	-
Sundry		25	110
Electricity & Gas		419	472
Water		341	300
Dog and Cat Management Board		19	-
Fuel		78	64
Hired Temporary Staff		735	692
Consultants		1,432	1,851
Waste Services		1,958	1,936
Insurance		258	241
Rates & Taxes (including FBT)		45	26
Bank Charges		45	43
Information Technology - Computing		585	429
Telephone		70	77
Subscriptions		85	87
Courses & Conferences		174	100
Materials		792	1,154
Communications		96	105
Contributions & Donations		27	25
Travel & Accommodation		21	14
Postage		90	113
Meals & Entertainment		37	37
Motor Vehicle Registration		1	50
Refunds		54	2
Irrigation		14	-
Less: Capitalised and Distributed Costs		(16,179)	(8,992)
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b>10,126</b>	<b>9,827</b>
<b>Total Materials, Contracts and Other Expenses</b>		<b>10,621</b>	<b>10,257</b>

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## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 3. Expenses (continued)

\$ '000	Notes	2019	2018
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Buildings & Other Structures		770	728
Infrastructure			
- Stormwater Drainage		398	385
- Roads		1,068	1,080
- Footpaths		535	532
- Traffic Control Devices		90	1
Plant & Equipment		502	383
Furniture & Fittings		91	135
Library Books		148	108
Artworks		3	-
Open Space		521	304
<b>Total Depreciation, Amortisation and Impairment</b>		<b>4,126</b>	<b>3,656</b>
<b>(d). Finance Costs</b>			
Interest on Loans		702	473
<b>Total Finance Costs</b>		<b>702</b>	<b>473</b>

### Note 4. Asset Disposal & Fair Value Adjustments

#### Infrastructure, Property, Plant & Equipment

##### (i) Assets Renewed or Directly Replaced

Proceeds from Disposal	142	171
Less: Carrying Amount of Assets Sold	(683)	(1,314)
<b>Gain (Loss) on Disposal</b>	<b>(541)</b>	<b>(1,143)</b>

##### (ii) Assets Surplus to Requirements

Proceeds from Disposal	-	-
Less: Carrying Amount of Assets Sold	-	(1,667)
<b>Gain (Loss) on Disposal</b>	<b>-</b>	<b>(1,667)</b>

<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>	<b>(541)</b>	<b>(2,810)</b>
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## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 5. Current Assets

\$ '000	Notes	2019	2018
<b>(a). Cash &amp; Cash Equivalents</b>			
Cash on Hand at Bank		192	279
Short Term Deposits & Bills, etc.		877	6,445
<b>Total Cash &amp; Cash Equivalents</b>		<b>1,069</b>	<b>6,724</b>
<b>(b). Trade &amp; Other Receivables</b>			
Rates - General & Other		358	437
Council Rates Postponement Scheme		38	15
Accrued Revenues		1	17
Debtors - General		1,530	701
GST Recoupment		632	451
Prepayments		262	184
Loans to Community Organisations		166	158
<b>Total Trade &amp; Other Receivables</b>		<b>2,987</b>	<b>1,963</b>
<b>(c). Inventories</b>			
Trading Stock		-	7
<b>Total Inventories</b>		<b>-</b>	<b>7</b>

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## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 6. Non-Current Assets

\$ '000	Notes	2019	2018
<b>(a). Financial Assets</b>			
<b>Receivables</b>			
Loans to Community Organisations		1,344	1,506
<b>Total Receivables</b>		<b>1,344</b>	<b>1,506</b>
<b>Total Financial Assets</b>		<b>1,344</b>	<b>1,506</b>
<b>(b). Equity Accounted Investments in Council Businesses</b>			
Eastern Health Authority (EHA)	19	67	62
Eastern Waste Management Authority INC (East Waste)	19	47	31
<b>Total Equity Accounted Investments in Council Businesses</b>		<b>114</b>	<b>93</b>
<b>(c). Other Non-Current Assets</b>			
Capital Works-in-Progress		14,511	2,817
<b>Total Other Non-Current Assets</b>		<b>14,511</b>	<b>2,817</b>

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## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 7a. Infrastructure, Property, Plant & Equipment

\$ '000	Fair Value Level	as at 30/6/2018						Asset Movements during the Reporting Period							as at 30/6/2019			
		At Fair Value	At Cost	Acc. Dep'n	Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Other Movements Prior Year Adjustment	Trans from/(to) "Held for Sale" category	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Acc Dep'n	Carrying Value		
						New/ Upgrade	Renewals											
Land	3	47,786	-	-	-	47,786	-	-	(28)	-	-	-	8,247	-	-	-	56,005	
Land	2	2,454	-	-	-	2,454	-	-	28	-	-	-	3,219	-	-	-	5,701	
Buildings & Other Structures	2	22,643	629	13,679	9,593	9,593	(19)	(762)	436	-	-	-	849	-	-	15,835	10,128	
Buildings & Other Structures	3	772	-	156	616	616	1	(8)	(431)	-	-	-	(94)	-	-	320	83	
Infrastructure																		
- Stormwater Drainage	3	33,593	1,106	17,731	16,968	16,968	(13)	(398)	-	-	-	-	-	-	-	18,108	16,608	
- Roads	3	80,354	3,367	32,141	51,580	51,580	2,095	(1,068)	(354)	-	-	-	-	-	-	32,489	51,874	
- Footpaths	3	29,216	3,202	6,846	25,572	25,572	172	(535)	-	-	-	-	-	-	-	7,348	25,102	
- Traffic Control Devices																		
Plant & Equipment																		
- Plant & Equipment																		
Furniture & Fittings																		
Furniture & Fittings																		
Library Books																		
Library Books																		
Open Space																		
Open Space																		
Artworks																		
Artworks																		
Total Infrastructure, Property, Plant & Equipment		216,818	21,852	77,576	161,094	161,094	434	(4,126)	-	1,854	-	12,221	230,426	27,148	82,729	174,845		
Comparatives		225,443	15,032	77,634	162,841	162,841	1,151	7,330	(3,656)	-	(3,451)	-	216,818	21,852	77,576	161,094		

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## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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

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\$ '000

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##### 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.

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## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

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

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\$ '000

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#### 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) Land - Civic Centre (Payinthe) & Town Hall
- 2) Land - Plant Nursery
- 3) Recreation Reserve - Bradford Reserve
- 4) Recreation Reserve - Main North Road & Regency Gargens
- 5) Recreation Reserve - WT Smith Reserve
- 6) Dead End Street - off Darmody Street
- 7) Land - Johns Road Depot
- 8) Land - Milk Depot
- 9) Land - Town Hall
- 10) Land - Development Site

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.

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## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

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

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\$ '000

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#### Valuation of Assets (continued)

##### **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.

##### **Land & Land Improvements**

- Basis of valuation: Fair Value
- Date of valuation: 1 July 2018 by JLL
- Valuer: Kate Tynan, B Bus Property (Valuation) AAPI, JLL

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.

*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.

*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.

##### **Buildings & Other Structures**

- Basis of valuation: Fair Value
- Date of valuation: 1 July 2018 by JLL
- Valuer: Kate Tynan, B Bus Property (Valuation) AAPI, JLL

*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.

*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.

# Appendices

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## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

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

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\$ '000

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#### 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.

# Appendices

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 8. Liabilities

\$ '000	Notes	2019 Current	2019 Non Current	2018 Current	2018 Non Current
<b>(a). Trade and Other Payables</b>					
Goods & Services		4,634	-	2,754	-
Accrued Expenses - Employee Entitlements		304	-	290	-
Accrued Expenses - Other		268	-	422	-
Other		68	-	41	-
<b>Total Trade and Other Payables</b>		<b>5,274</b>	<b>-</b>	<b>3,507</b>	<b>-</b>
<b>(b). Borrowings</b>					
Loans		997	15,331	1,043	11,846
<b>Total Borrowings</b>		<b>997</b>	<b>15,331</b>	<b>1,043</b>	<b>11,846</b>
All interest bearing liabilities are secured over the future revenues of the Council					
<b>(c). Provisions</b>					
Employee Entitlements (including oncosts) - Long Service Leave		1,083	82	1,151	49
Employee Entitlements (including oncosts) - Annual Leave		712	-	666	-
<b>Total Provisions</b>		<b>1,795</b>	<b>82</b>	<b>1,817</b>	<b>49</b>

# Appendices

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

#### Note 9. Reserves

\$ '000	1/7/2018	Increments (Decrements)	Transfers	Impairments	30/6/2019
<b>(a). Asset Revaluation Reserve</b>					
Land	-	11,466	-	-	11,466
Buildings & Other Structures	-	755	-	-	755
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
<b>Total Asset Revaluation Reserve</b>	<b>83,122</b>	<b>12,221</b>	-	-	<b>95,343</b>
<b>Comparatives</b>	<b>83,122</b>	-	-	-	<b>83,122</b>

\$ '000	1/7/2018	Tfrs to Reserve	Tfrs from Reserve	Other Movements	30/6/2019
<b>(b). Other Reserves</b>					
Car Park Development Reserve	416	21	-	-	437
Carry Forward Reserve	1,357	(1,357)	1,713	-	1,713
Development Reserve	123	141	-	-	264
<b>Total Other Reserves</b>	<b>1,896</b>	<b>(1,195)</b>	<b>1,713</b>	-	<b>2,414</b>
<b>Comparatives</b>	<b>2,394</b>	<b>224</b>	<b>(722)</b>	-	<b>1,896</b>

#### 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 2018-19 Budget. This surplus will be included in the 2019-2020 Budget through Budget Review 1 and will be used to finalise the incomplete projects of 2018-2019

##### Development Reserve

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

# Appendices

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 10. Assets Subject to Restrictions

\$ '000	Notes	2019	2018
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Council does not hold any assets subject to restrictions.

### Note 11. Reconciliation to Statement of Cash Flows

#### (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	1,069	6,724
<b>Balances per Statement of Cash Flows</b>		<b>1,069</b>	<b>6,724</b>

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

<b>Net Surplus/(Deficit)</b>		<b>1,375</b>	<b>(214)</b>
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		4,126	3,656
Equity Movements in Equity Accounted Investments (Increase)/Decrease		(20)	(49)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(1,075)	(1,081)
Net (Gain) Loss on Disposals		541	2,810
		<b>4,947</b>	<b>5,122</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		(1,016)	253
Net (Increase)/Decrease in Inventories		7	(5)
Net Increase/(Decrease) in Trade & Other Payables		1,767	1,643
Net Increase/(Decrease) in Other Provisions		11	45
<b>Net Cash provided by (or used in) operations</b>		<b>5,716</b>	<b>7,058</b>
Corporate Credit Cards		125	25
LGFA Cash Advance Debenture Facility		6,000	6,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

#### 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 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018	Actual 2019	Actual 2018
\$ '000										
Planning and Community	1,324	1,428	17,012	6,697	(15,688)	(5,269)	839	508	14,312	41,902
Infrastructure, Assets and Environment	2,006	1,087	2,915	14,092	(909)	(13,005)	996	982	164,071	99,721
Corporate Services	21,214	21,349	2,493	585	18,721	20,764	1,430	521	17,022	26,104
Business and Economic Development	26	32	1,309	1,007	(1,283)	(975)	76	222	2,012	9,789
<b>Total Functions/Activities</b>	<b>24,570</b>	<b>23,896</b>	<b>23,729</b>	<b>22,381</b>	<b>841</b>	<b>1,515</b>	<b>3,341</b>	<b>2,233</b>	<b>198,321</b>	<b>177,655</b>

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

# Appendices

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## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 12b. Components of Functions

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\$ '000

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**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 2019

### 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 1.25% and 1.90% (2018: 1.50% and 2.15%).

##### Carrying Amount:

Approximates fair value due to the short term to maturity.

##### Receivables

##### Rates & Associated Charges

(including legals & penalties for late payment)

##### 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 6.6% (2018: 6.75%). 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 2019

### 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% (2018: 3.67% and 7.0%).

##### Carrying Amount:

Approximates fair value.

# Appendices

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

#### Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2019</b>					
<b>Financial Assets</b>					
Cash & Equivalents	1,069	-	-	1,069	1,069
Receivables	2,724	-	-	2,724	2,724
Other Financial Assets	166	785	560	1,511	1,458
<b>Total Financial Assets</b>	<b>3,959</b>	<b>785</b>	<b>560</b>	<b>5,304</b>	<b>5,251</b>
<b>Financial Liabilities</b>					
Payables	4,702	-	-	4,702	4,702
Current Borrowings	1,781	-	-	1,781	997
Non-Current Borrowings	-	6,992	13,420	20,412	15,331
<b>Total Financial Liabilities</b>	<b>6,483</b>	<b>6,992</b>	<b>13,420</b>	<b>26,895</b>	<b>21,030</b>

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2018</b>					
<b>Financial Assets</b>					
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
<b>Total Financial Assets</b>	<b>8,032</b>	<b>736</b>	<b>774</b>	<b>9,542</b>	<b>9,475</b>
<b>Financial Liabilities</b>					
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
<b>Total Financial Liabilities</b>	<b>5,131</b>	<b>6,429</b>	<b>9,179</b>	<b>20,738</b>	<b>15,684</b>

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

	30 June 2019		30 June 2018	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	5.69%	16,328	5.77%	12,889
		<b>16,328</b>		<b>12,889</b>

#### 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

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## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 13. Financial Instruments (continued)

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\$ '000

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#### **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 2019

### Note 14. Commitments for Expenditure

\$ '000	Notes	2019	2018
<b>(a). Capital Commitments</b>			
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>			
Land & Buildings		3,043	1,998
Infrastructure		519	675
Other		-	5
		<b>3,562</b>	<b>2,678</b>
<b>These expenditures are payable:</b>			
Not later than one year		3,562	2,678
		<b>3,562</b>	<b>2,678</b>

### (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		46	102
Waste Management Services		3,588	229
Employee Remuneration Contracts		7,382	9,533
		<b>11,016</b>	<b>9,864</b>
<b>These expenditures are payable:</b>			
Not later than one year		3,262	2,249
Later than one year and not later than 5 years		7,754	7,615
		<b>11,016</b>	<b>9,864</b>

### (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 2019

#### Note 15. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2019	2019	2018	2017

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	841	3.4%	6.3%	(0.4%)
Total Operating Income	24,570			

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

#### 2. Net Financial Liabilities Ratio

Net Financial Liabilities	18,079	74%	34%	25%
Total Operating Income	24,570			

*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.*

<b>Adjusted Operating Surplus Ratio</b>	2.6%	6.2%	(1.9%)
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<b>Adjusted Net Financial Liabilities Ratio</b>	74%	34%	25%
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#### 3. Asset Renewal Funding Ratio

Net Asset Renewals	9,943	285%	221%	86%
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.*

# Appendices

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

#### Note 15. Financial Indicators - Graphs (continued)

<p><b>1. Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>-0.4%</td> </tr> <tr> <td>2018</td> <td>6.3%</td> </tr> <tr> <td>2019</td> <td>3.4%</td> </tr> </tbody> </table>	Year	Ratio %	2017	-0.4%	2018	6.3%	2019	3.4%	<p><b>Purpose of Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue varies from operating expenditure</p>	<p><b>Commentary on 2018/19 Result</b></p> <p><b>2018/19 Ratio 3.4%</b></p> <p>Council's surplus for 2019 is inline with expectations adopted by Council in the Third Budget Review. Additional costs (interest on loans and depreciation) associated with the reconstruction of 128 Prospect Road have been factored into the LTFP and are fully funded in the plan.</p>
Year	Ratio %									
2017	-0.4%									
2018	6.3%									
2019	3.4%									
<p><b>2. Net Financial Liabilities Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>25%</td> </tr> <tr> <td>2018</td> <td>34%</td> </tr> <tr> <td>2019</td> <td>74%</td> </tr> </tbody> </table>	Year	Ratio %	2017	25%	2018	34%	2019	74%	<p><b>Purpose of Net Financial Liabilities Ratio</b></p> <p>This indicator shows the significance of the net amount owed to others, compared to operating revenue</p>	<p><b>Commentary on 2018/19 Result</b></p> <p><b>2018/19 Ratio 74%</b></p> <p>New Loan Borrowings have been drawn down for the Reconstruction of 128 Prospect Road. Borrowings is expected to peak in early 2019-2020 with the LTFP forecasting a steady reduction from then on.</p>
Year	Ratio %									
2017	25%									
2018	34%									
2019	74%									
<p><b>Adjusted Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>-1.9%</td> </tr> <tr> <td>2018</td> <td>6.2%</td> </tr> <tr> <td>2019</td> <td>2.6%</td> </tr> </tbody> </table>	Year	Ratio %	2017	-1.9%	2018	6.2%	2019	2.6%	<p><b>Purpose of Adjusted Operating Surplus Ratio</b></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><b>Commentary on 2018/19 Result</b></p> <p><b>2018/19 Ratio 2.6%</b></p> <p>As Council has received and Advance Payment for Financial Assistance Grants in both June 2018 &amp; June 2019, the adjustment has had minimal impact on the 2018-2019 results.</p>
Year	Ratio %									
2017	-1.9%									
2018	6.2%									
2019	2.6%									
<p><b>Adjusted Net Financial Liabilities Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>25%</td> </tr> <tr> <td>2018</td> <td>34%</td> </tr> <tr> <td>2019</td> <td>74%</td> </tr> </tbody> </table>	Year	Ratio %	2017	25%	2018	34%	2019	74%	<p><b>Purpose of Adjusted Net Financial Liabilities Ratio</b></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><b>Commentary on 2018/19 Result</b></p> <p><b>2018/19 Ratio 74%</b></p> <p>As Council has received and Advance Payment for Financial Assistance Grants in both June 2018 &amp; June 2019, the adjustment has had minimal impact on the 2018-2019 results.</p>
Year	Ratio %									
2017	25%									
2018	34%									
2019	74%									
<p><b>3. Asset Renewal Funding Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>86%</td> </tr> <tr> <td>2018</td> <td>221%</td> </tr> <tr> <td>2019</td> <td>285%</td> </tr> </tbody> </table>	Year	Ratio %	2017	86%	2018	221%	2019	285%	<p><b>Purpose of Asset Renewal Funding Ratio</b></p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way</p>	<p><b>Commentary on 2018/19 Result</b></p> <p><b>2018/19 Ratio 285%</b></p> <p>Council's Asset Sustainability Ratio exceeds the requirement of the IAMP as the reconstruction of 128 Prospect Road was not included in the IAMP. The Reconstruction has been assessed as a split of 49% New and 51% Renewal based on floor area with replaced facilities.</p>
Year	Ratio %									
2017	86%									
2018	221%									
2019	285%									

# Appendices

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 16. Uniform Presentation of Finances

\$ '000	2019	2018
<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	24,570	23,896
less Expenses	(23,729)	(22,381)
<b>Operating Surplus / (Deficit)</b>	<b>841</b>	<b>1,515</b>
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	(9,943)	(7,721)
<i>add back</i> Depreciation, Amortisation and Impairment	4,126	3,656
<i>add back</i> Proceeds from Sale of Replaced Assets	142	171
<b>Subtotal</b>	<b>(5,675)</b>	<b>(3,894)</b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(6,237)	(1,151)
<i>add back</i> Amounts Received Specifically for New and Upgraded Assets	1,075	1,081
<i>add back</i> Proceeds from Sale of Surplus Assets (including Investment Property, Real Estate Developments and Non-Current Assets Held for Resale)	-	-
<b>Subtotal</b>	<b>(5,162)</b>	<b>(70)</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(9,996)</b>	<b>(2,449)</b>

### Note 17. Operating Leases

Council does not have any Operating Leases.

# Appendices

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2019

#### 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 2018/19; 9.50% in 2017/18). 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 2017/18) 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.

# Appendices

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### 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	
	2019	2018	2019	2018
Joint Ventures	20	49	114	93
<b>Total</b>	<b>20</b>	<b>49</b>	<b>114</b>	<b>93</b>

#### (i) JOINT VENTURES, ASSOCIATES AND JOINT OPERATIONS

##### (a) Carrying Amounts

Name of Entity	Principal Activity	2019	2018
Eastern Waste Management Authority (East Waste)	Waste Collection & Disposal	47	31
Eastern Health Authority (EHA)	Health Services	67	62
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>114</b>	<b>93</b>

##### 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.

##### (b) Relevant Interests

Name of Entity	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2019	2018	2019	2018	2019	2018
Eastern Waste Management Authority (East Waste)	7%	7%	7%	7%	7%	14%
Eastern Health Authority (EHA)	13%	13%	13%	13%	13%	20%

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## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 19. Interests in Other Entities (continued)

\$ '000

#### (c) Movement in Investment in Joint Venture or Associate

	Eastern Waste Management Authority (East Waste)		Eastern Health Authority (EHA)	
	2019	2018	2019	2018
Opening Balance	31	-	62	44
Share in Operating Result	15	31	5	18
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>46</b>	<b>31</b>	<b>67</b>	<b>62</b>

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

Statement of Financial Position	Eastern Waste Management Authority (East Waste)		Eastern Health Authority (EHA)	
	2019	2018	2019	2018
Cash and Cash Equivalents	1,967	1,376	743	876
Trade and Other Receivables	717	1,127	168	122
Non-Current Assets	6,100	6,165	324	342
<b>Total Assets</b>	<b>8,784</b>	<b>8,668</b>	<b>1,235</b>	<b>1,340</b>
Current Trade and Other Payables	771	821	149	197
Current Borrowings	1,987	2,007	64	64
Current Provisions	540	530	323	325
Non-Current Borrowings	4,702	4,774	186	251
Non-Current Provisions	78	63	25	38
<b>Total Liabilities</b>	<b>8,078</b>	<b>8,195</b>	<b>747</b>	<b>875</b>
<b>Net Assets</b>	<b>706</b>	<b>473</b>	<b>488</b>	<b>465</b>
Statement of Comprehensive Income	Eastern Waste Management Authority (East Waste)		Eastern Health Authority (EHA)	
	2019	2018	2019	2018
Council Contributions	15,440	12,689	1,723	1,680
Statutory Charges	-	-	150	151
User Charges	-	-	394	392
Grants, Subsidies & Contributions	38	15	258	271
Investment Income	32	19	16	13
Other Income	684	413	16	21
<b>Total Income</b>	<b>16,194</b>	<b>13,136</b>	<b>2,557</b>	<b>2,528</b>
Employee Costs	5,580	5,605	1,768	1,581
Materials, Contracts & Other Expenses	8,229	5,776	716	747
Depreciation, Amortisation and Impairment	1,959	1,767	37	46
Finance Costs	290	321	12	16
<b>Total Expenses</b>	<b>16,058</b>	<b>13,469</b>	<b>2,533</b>	<b>2,390</b>
Other Revenue / Expense Items	32	10	-	-
<b>Operating Result</b>	<b>168</b>	<b>(323)</b>	<b>24</b>	<b>138</b>

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## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 19. Interests in Other Entities (continued)

\$ '000	2019	2018
<b>(e). Share of Joint Operations Expenditure Commitments</b>		
Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:		
<b>(i) Capital Expenditures Payable</b>		
Not later than one year	-	1,819
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>1,819</u>
<b>(ii) Operating Expenditures Payable</b>		
Not later than one year	-	299
Later than one year and not later than 5 years	-	881
Later than 5 years	-	603
	<u>-</u>	<u>1,783</u>

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

#### (i). Non Current Assets & Disposal Group Assets

- Civic Centre	596	596
- Depot	2,855	2,855
<b>Total Non Current Assets &amp; Disposal Group Assets</b>	<u>3,451</u>	<u>3,451</u>

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 2020

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

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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. BANK GUARANTEES**

Council has not guaranteed any loans and other banking facilities.

#### **4. 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 did not have notice of any appeals against planning decisions made prior to reporting date.

# Appendices

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2019

### Note 22. Related Party Transactions

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\$ '000	2019	2018
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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	215	202
Employee Costs	936	843
Termination Benefits	22	105
<b>Total</b>	<b>1,173</b>	<b>1,150</b>

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	41	24
<b>Total</b>	<b>41</b>	<b>24</b>

## Galpins

Accountants, Auditors  
& Business Consultants

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## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

### To the members of City of Prospect

#### Opinion

We have audited the accompanying financial report of City of Prospect (the Council), which comprises the statement of financial position as at 30 June 2019, 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 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 2019, 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.

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## **Auditor's Responsibility for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material 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

4 November 2019

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## INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROLS

To the members of City of Prospect

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

#### Opinion

We have audited the compliance of 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 2018 to 30 June 2019 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 2018 to 30 June 2019.

#### Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, 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 2018 to 30 June 2019. ASAE 3100 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

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## **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 3100 Compliance Engagements, 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 2018 to 30 June 2019. ASAE 3100 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

4 November 2019

# Appendices

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# Appendices



# Annual Report 2018/19



## Message from the Chairperson



The residents and ratepayers of its five Constituent Councils have continued to benefit directly and indirectly from the impressive operations of EHA.

## The Eastern Health Authority (EHA) has upheld its high standards within the Public Health sector over the past year.

The residents and ratepayers of its five Constituent Councils (the Cities of Burnside, Campbelltown, Norwood, Payneham and St Peters, Prospect and the Town of Walkerville) have continued to benefit directly and indirectly from the impressive operations of EHA.

It has been a dynamic year for the immunisation branch with improvements to the online booking system and promotional campaigns. These progressive changes combined with a dangerous influenza season, generated an unprecedented demand in our many public clinics. An additional 1,692 influenza vaccines were provided from February to June compared to the same period the previous year. The highest proportion of this increase in demand was from children up to the age of five.

The unique structure of EHA affords its residents and ratepayers involvement in important public health initiatives. During the reporting period EHA completed a two-year Meningococcal B Vaccine Herd Immunity study in partnership with The University of Adelaide and Department of Health and Wellbeing, the results of which contributed to the vaccine being placed on the SA Immunisation Schedule.

An expansion in the School Immunisation Program in 2019 with the addition of State and Federally funded Meningococcal B and ACWY doubled the number of school visits in the last six months of the financial year to 82 visits. In addition, changes to the National Immunisation Program schedule in July 2018 and October 2018 included improved access to protection against meningococcal, pneumococcal and *Haemophilus influenzae* type b diseases.

It has been a prolific year for the public and environmental health branch of EHA. Salmonella and eggs continues to be a national and state focus for the food safety agenda. EHA was an active participant with the state Food Safety and Culture Eggs project working group. This project is one that continues to ensure EHA excels on the health protection stage, whilst addressing Australia's Foodborne Illness Reduction Strategy 2018-2021. EHA continues its present education and promotion strategy for safe food processing and raw egg handling practices during all routine food safety inspections at local food businesses.

Food safety auditing and food safety plans for organisations that serve food to vulnerable people remains an exceptional service that EHA provides to food businesses within its constituent council areas as well as other council areas.

Hoarding and squalor continues to be a delicate matter to manage for EHA. These issues often involve vulnerable people that are socially isolated. EHA has a leading role with a cross government and non-government eastern hoarding and squalor working group to address the symptoms not only the resulting effects of hoarding and squalor. Through this collaborative approach EHA has witnessed a greater success rate and improved health outcomes for these vulnerable people, as well as improvement in public health.

I am thankful for the ongoing support EHA receives from its community, much of the feedback received is for its vaccination services which it engages directly. Its other services are generally overlooked but so essential so that the community maintains its trust in local food businesses, public pools, beauty and hairdressing salons.

**Cr Peter Cornish**  
Chairperson

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

2018-19

**5,712** clients attended public vaccine clinics

**4,442** vaccines administered in the workplace

**1,950** food safety inspections completed

## About Eastern Health Authority

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

Continuing in the tradition of the East Torrens County 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 and St Peters (NPSP)
- City of Prospect
- Corporation of the Town of Walkerville

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

During 2018-19 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



Environmental health protection is fundamental to public health. Improvements in sanitation, drinking water quality, disease control, housing conditions and food safety have been central to the significant improvement in quality of life and life expectancy experienced over the last hundred years.

Our community is generally not aware that their local council provides them with a vast range of services let alone environmental health protection services. Environmental health protection is fundamental to public health. Improvements in sanitation, drinking water quality, disease control, housing conditions and food safety have been central to the significant improvement in quality of life and life expectancy experienced over the last hundred years.

These improvements have come through the provision of vaccination programs, monitoring of food and drinking water to ensure their safety, appropriate sewage disposal and a range of other environmental health measures.

Many people would not be aware that their local council monitors and inspects food premises, investigates food poisoning and legionella outbreaks, monitors the water quality of public pools and vaccinate their babies and their children at school.

As an organisation whose purpose is to provide these health protection services to more than 160,000 members of the community who live within the footprint of our Constituent Councils, one of our greatest challenges is that we remain largely invisible to the communities we serve. While this invisibility may pose a challenge, the best environmental health protection is in fact invisible. It is the vaccine preventable disease you didn't contract, the food poisoning you did not get or the legionella outbreak that didn't occur.

The most effective way to protect children and adults from harmful infectious diseases is through immunisation with an estimated three million lives worldwide being saved each year by this public health intervention. While vaccine preventable diseases are uncommon today in Australia due to the success of immunisation programs, there are constant media reminders of outbreaks, illness and death that still occur in our communities. This important local government service keeps our community healthy and saves lives by contributing to herd immunity and disease reduction.

EHA's accessible public immunisation clinics remain extremely popular with 5,712 clients being provided 9,764 vaccines, an increase of 38% over the last two years. The peak of flu season was particularly challenging this year, with demand incredibly high and vaccines in limited supply.

In addition, 8,500 vaccines were provided to students attending high schools located in our area. The vaccine coverage rate at our schools continues to be above the state average which is a reflection of the quality and professional service delivered to high schools.

Our worksite immunisation program saw almost 4,500 people vaccinated against influenza, which not only improves the health of the community but assist business with an increase in productivity through reduced illness.

As consumers, we all have the right to expect that the food we eat is protected from microbiological contamination, foreign matter and poor hygiene and handling practices. One of EHA's most important roles is to monitor food safety in food premises to ensure that food safety hazards are under control, procedures are being correctly implemented and food safety compliance is followed.

Almost 2,000 food safety inspections were conducted in the reporting period which resulted in a range of enforcement actions as detailed in the body of the report. While EHA has a balanced approach to food safety enforcement preferring to work with business where we can, there were still occasions when it was necessary to issue prohibition orders to close business for periods of time to protect the public.

Responding to incidences of severe domestic squalor that pose substantial health and safety risks to people residing in the affected premises, as well as others in the community continues to be a challenge.

EHA regularly is the lead organisation in a 'person focused' collaborative approach to resolving hoarding and squalor and other related public health complaints. Where possible we lead a multi-agency approach to complex, challenging and sensitive issues that requires further investigation into the causes. EHA prides itself on going beyond the legislative requirements to achieve an outcome which minimises the reoccurrence of the issue.

It has been yet another extremely busy year for EHA. I am extremely proud of the high-quality public health protection work outlined in this report which significantly contributes to the invisible public outcomes I talked about earlier. This work is undertaken by talented and dedicated staff who all contribute to a high-quality service and delivering positive public health outcomes. I sincerely thank all staff for their efforts over the year. Thanks also to the Board of Management for their interest in public health and for continuing to be incredibly supportive and enthusiastic about the work we do on behalf of their respective councils.

**Michael Livori**  
Chief Executive Officer

## Governance

### Board of Management 2019

EHA is a body corporate, governed by a Board of Management comprised of two members from each Constituent Council. The Board met six times during the year to consider EHA's business.



## Board of Management 2019

### City of Burnside



**Cr Peter Cornish (Chair)**

Attendance ●●●●●●



**Magnus Heinrich**

Attendance ●●●●

*Nov 2018 – July 2019*

### City of Norwood Payneham & St Peters



**Cr Sue Whittington (Deputy Chair)**

Attendance ●●●●●●

*Chair from July 2018 to Nov 2018*



**Cr Garry Knoblauch**

Attendance ●●●●●●

### Campbelltown City Council



**Cr John Kennedy**

Attendance ○●●●●●



**Michelle Hammond**

Attendance ●●●●

*Dec 2018 – June 2019*

### City of Prospect



**Cr Kristina Barnett**

Attendance ○●●●●●



**Nathan Cunningham**

Attendance ○●●●

*Nov 2018 – June 2019*

### Corporation of the Town of Walkerville



**Andreea Caddy**

*July 2019 – Present*



**Cr Jennifer Joshi**

Attendance ●●●●

*Nov 2018 – June 2019*

### Previous Board members

#### City of Burnside Attendance

Cr Anne Monceaux July 2018 – Nov 2018 ●●●●

#### Campbelltown City Council

Cr Marika Ryan July 2018 – Nov 2018 ○●●●

#### City of Prospect

Cr Talis Evans July 2018 – Nov 2018 ●●●●

#### Corporation of the Town of Walkerville

Cr David Shetliffe July 2018 – Nov 2018 ○●●●

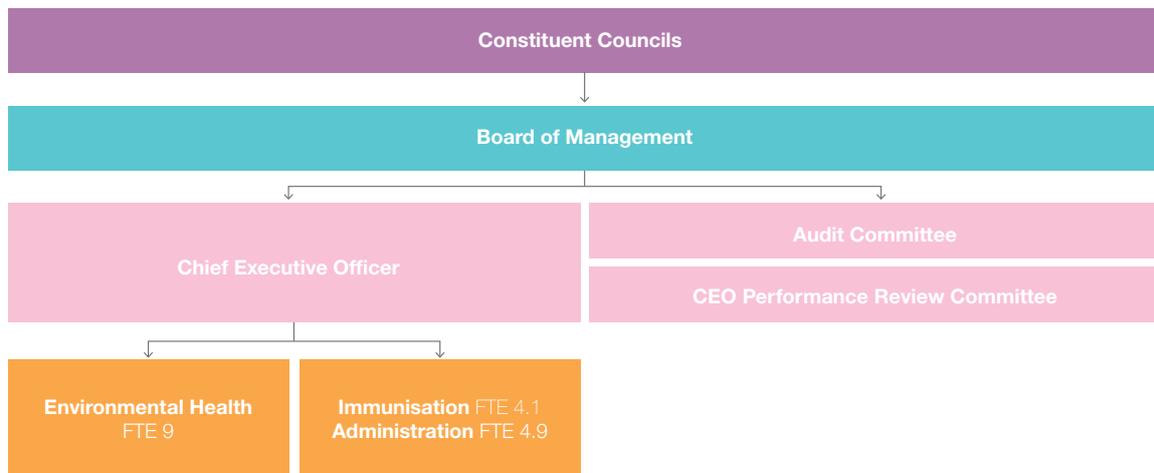
Cr MaryLou Bishop July 2018 – Nov 2018 ○

Mark Kwiatkowski Nov 2018 – Dec 2018 ○

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## Finance Audit Committee

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

Functions of the Audit Committee include: liaising with external auditors; reviewing annual financial statements; reviewing the adequacy of accounting; reporting and other financial management systems including numerous financial and governance policies.

Members of EHA's Audit Committee are Lisa Scinto (Presiding Member), Claudia Goldsmith (Independent Member), from July to November 2018 Cr Talis Evans (Board Appointed Member) and from February to June 2019 Cr Peter Cornish (Board Appointed Member). The Committee held three meetings during the reporting period.

## 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 of Environmental Health and Team Leader of Administration and Immunisation have responsibilities for achieving the Annual Business Plan objectives relevant to their functional area.

Staffing as at 30 June 2019 comprised a total of 28 employees (18 FTE).

## Financial Statements

The Audited Financial Statements for the year ending 30 June 2019 are provided on page 29. They show an Operating Surplus of \$24,109.

## Immunisation



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

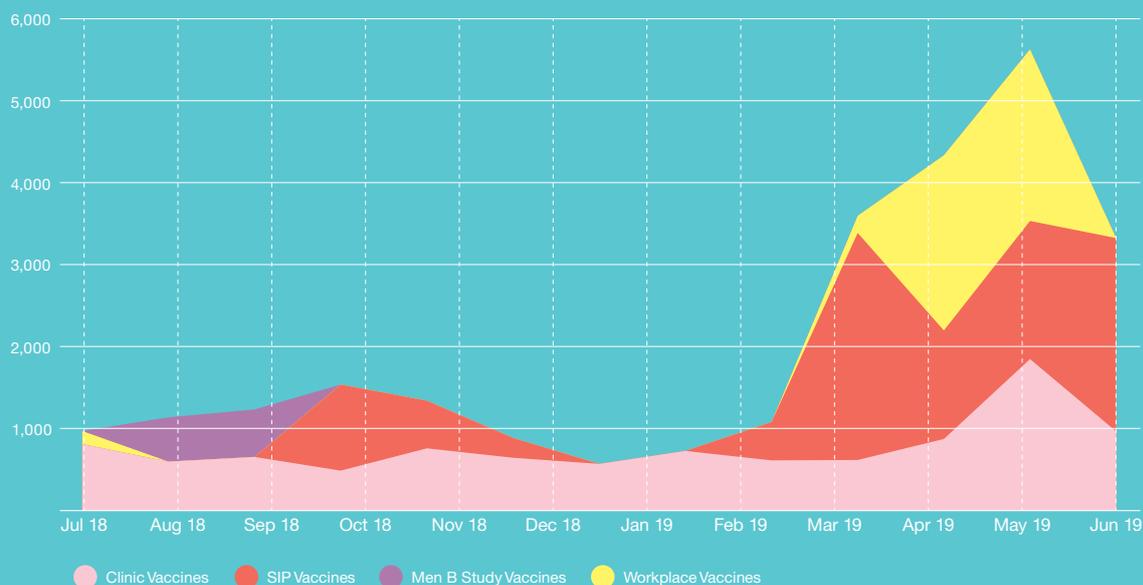
The immunisation team provides a comprehensive, specialised and convenient immunisation service to the residents of its Constituent Councils.

## Immunisation Services provided by EHA are delivered at:

Public Immunisation Clinics,  
School Immunisation Programs and  
Workplace Influenza programs.

As demonstrated in Figure 1, peak demand for immunisation services is between March and June due to the timing of the School Immunisation Program and demand for the Influenza vaccine in Public Clinics and Workplace Influenza Programs.

Figure 1: The combined demand for all immunisation services over the last year



## Public Immunisation Clinics

A total of 5,712 clients were provided with 9,764 vaccinations. This represents an increase of 847 clients (17%) in comparison to 2017-18 (Figure 2) and a 38% increase in comparison to 2016-17.

Changes to the National Immunisation Program from the 1 July 2018 saw a change in timing of vaccines and the addition of the Meningococcal ACWY vaccine to the schedule for infants.

In April 2019 the Meningococcal ACWY vaccine was also added to the schedule for adolescents (15-19) who have not been offered the vaccine at school.

A South Australian specific change in October 2018 saw Meningococcal B vaccine now being offered to children aged 6 weeks to 12 months. In addition a short term catch up program for children aged 12 months to less than 4 years of age is being offered for the period 1 October 2018 through to the end of 2019.

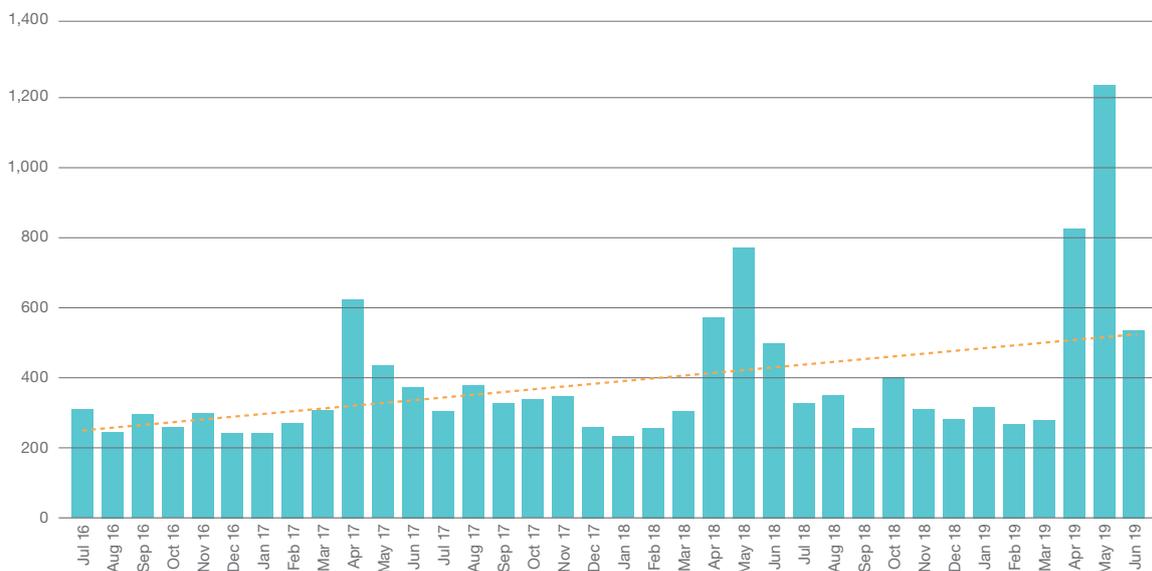
These changes combined with the high demand for influenza vaccines contributed to the increased number of clients and vaccines administered.

From April to June 2019, EHA experienced an extremely high demand for the influenza vaccine and public clinic client and vaccine numbers increased dramatically as indicated in Figure 2 and 3.

EHA's website continues to be a popular accessible resource for up-to-date information on immunisation, particularly during flu season. We have focused on improving the customer experience with our online appointment system which has translated into a 113% increase in use.

EHA offers residents of our Constituent Councils the unique benefit of being able to attend any of our five venues, providing flexibility on timetable and location options. Table 2 demonstrates an appreciation of this service option.

Figure 2 – Client attendance at public immunisation clinics for the last three years



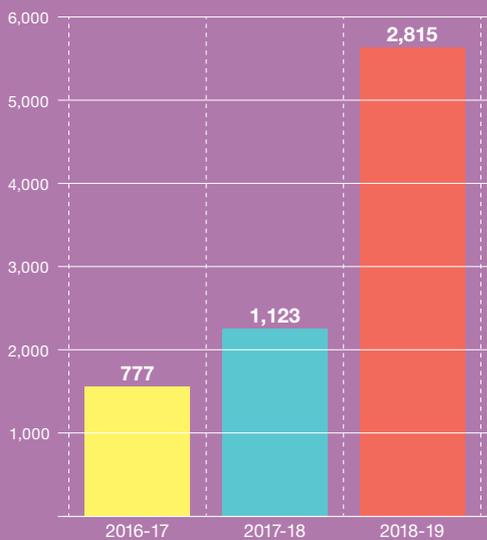
# Appendices

**Table 2 – The number of clients per council area and their choice of clinic venue during 2018-19**

Where clients reside (council area)	Where clients attended clinic (venue by %)						Total %	Number of clients (from council area)
	Burnside	Campbelltown	NPSP	Prospect*	Walkerville	Unley		
Burnside	21%	4%	65%	0%	2%	8%	100%	1,114
Campbelltown	4%	28%	63%	0%	2%	4%	100%	1,422
NPSP	3%	5%	83%	0%	4%	5%	100%	1,429
Prospect	5%	2%	79%	0%	12%	1%	100%	329
Walkerville	0%	4%	69%	0%	24%	3%	100%	275
Unley	6%	1%	30%	0%	1%	63%	100%	721
Other	3%	9%	42%	0%	6%	40%	100%	422
<b>Total Number of Clients</b>								<b>5,712</b>

\* The City of Prospect clinic was temporarily relocated to our St Peters venue from January 2018 due to the redevelopment of the Prospect Civic Centre. We look forward to relocating this clinic back to the redeveloped space in the next reporting period.

**Figure 3 – The number of seasonal Flu vaccines administered over the last 3 years**



## 2018-19

**5,712** clients attended vaccine clinics

⊕ 17% increase from 2017-18

**9,764** vaccines administered

⊕ 19% increase from 2017-18

**2,815** flu vaccines administered

⊕ 60% increase from 2017-18

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## School Immunisation

EHA visited high schools in the area to deliver the annual School Immunisation Program (SIP) and the second and final year of the Meningococcal B Vaccine Herd Immunity Study (the study).

During 2018, 74 visits were made to 19 high schools where a total of 8,500 vaccines were administered to Year 8, 11 and 12 students and swabs were taken as part of the study.

EHA staff are proud to have worked in partnership with SA Health and the University of Adelaide to complete the study, the largest of its kind globally, which was to assess the herd immunity impact of the Meningococcal B vaccine.

The results of the study will assist Australian and International Authorities in making policy decisions in relation to the future implementation of Meningococcal B vaccine programs.

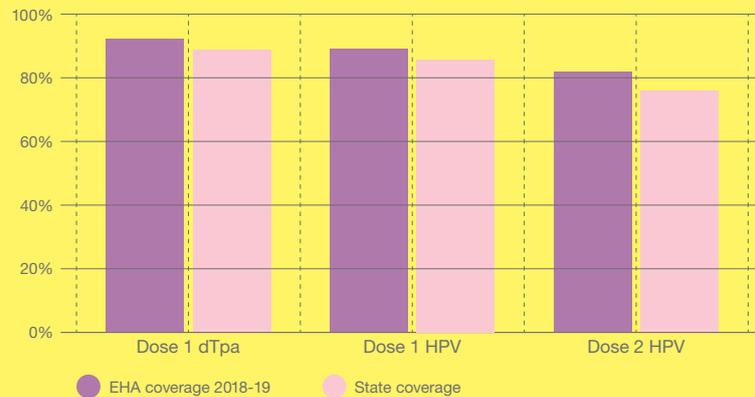
Figure 4 demonstrates how the SIP vaccine coverage rates compared to the State average in 2018.

**Table 3 – The number of vaccines administered and throat swabs taken in 2018**

Council	Human Papillomavirus	Diphtheria Tetanus Pertussis	Meningococcal B	2018 Total Vaccines	2018 Total Swabs
Burnside	1,202	620	247	2,069	889
Campbelltown	934	486	1,213	2,633	607
NPSP	1,024	528	859	2,411	930
Prospect	217	117	102	435	205
Unley	340	187	215	742	320
Walkerville	137	72	-*	210	132
<b>Total</b>	<b>3,854</b>	<b>2,010</b>	<b>2,636</b>	<b>8,500</b>	<b>3,083</b>

\* All Meningococcal B study completed in 2017

**Figure 4 – Year 8 EHA vaccine coverage rates compared with the SA State coverage rates**





## Workplace Immunisation Program

Our Workplace Immunisation Program assists businesses in protecting their staff from highly contagious respiratory illnesses caused by Influenza A and B.

A total of 107 workplace visits were conducted, with 4,442 vaccines administered. This was an increase of nine visits and 224 (5%) vaccines when compared to the same period last year. Due to the increased demand for bookings and the limited availability of the Influenza vaccines, bookings were closed in mid May 2019.

Upgrades continue to be made to our unique online workplace booking system which is now used by 96% of workplaces booking our services.

2018-19

107

visits were made to workplaces

4,442

vaccines administered

2017-18

98

visits were made to workplaces

4,218

vaccines administered

## Public & Environmental Health



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.

*neha.org 2019*

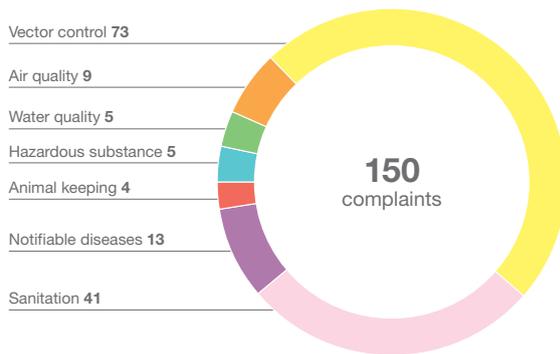
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## Complaints and Referrals

EHA received 150 public health related complaints/referrals from the public or State Government agencies during 2018-19.

Figure 5 shows the proportion of Environmental Health Officer (EHO) activities to administer the *SA Public Health Act 2011* during 2018-19. As shown in Figure 5, vector control relating to vermin and mosquitoes (73) and sanitation (41) accounted for a large proportion of public health complaints.

**Figure 5 – Proportion of EHO activities to administer the SA Public Health Act 2011 during 2018-19**



Squalor and hoarding complaints made up 52% of sanitation complaints during 2018-19. The number of squalor investigations doubled when compared to the previous year. (Table 4). These matters are often complex and sensitive and require a holistic approach to achieve the best outcomes. EHA is committed to facilitating, where possible, a multi-disciplinary coordinated approach with other Government and non-Government agencies. This is to ensure public health risks area addressed and individuals receive appropriate support.

**Table 4 – A two year comparison of the total number of sanitation, hoarding and severe domestic squalor**

	2017-18	2018-19
Total number of Sanitation Complaints	38	44
Severe Domestic Squalor	6	15
Hoarding	6	8

EHA generally adopts, where possible, an informal (non-legislative) approach when addressing matters relating to hoarding and squalor. Where there is no serious and/or imminent risk to public health, individual(s) are encouraged to address conditions pertaining to hoarding and squalor within their living environment. If these options do not achieve compliance or there is a serious risk to public health, further enforcement action is taken under the *SA Public Health Act 2011*. During 2018-19 two separate properties were determined to be a breach of the General Duty under the *SA Public Health Act 2011*. Compliance Notices were also issued under Section 92 of the *SA Public Health Act 2011*, involving a serious state of domestic squalor at two separate residential properties.

EHA continues to lead the Eastern Hoarding and Squalor Group (the Group). The Group continued into its seventh 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.

A total of five hazardous waste complaints required investigation during the year. These complaints involved the investigation of asbestos and clandestine drug laboratories.

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

'Campylobacter is the most commonly notified cause of gastroenteritis in Australia. Foodborne illness caused by Salmonella has been significantly increasing over the past 20 years and has one of the highest rates when compared to similar countries'<sup>1</sup>.

## Monitoring and Surveillance

### Cooling Towers and Warm Water Systems

A total of 28 high-risk manufactured water systems (HRMWS) were registered at 17 sites within EHA's Constituent Councils under the SA Public Health (Legionella) Regulations 2013. All cooling HRMWS systems were inspected at least once throughout the year.

Cooling Tower Systems	Warm Water Systems
19 systems inspections	12 system inspections
1 system follow-up	5 warm water follow ups

Water samples were taken from all warm water systems and cooling towers sites during routine inspections. Testing of the samples resulted in two detections of Legionella at two separate sites.

Authorised Officers worked closely with the facilities that reported detections of Legionella to ensure the systems were shut down and decontaminations were promptly undertaken as required by the Regulations.

Three Legionella disease notifications were received from SA Health during the year. Two required investigation.

<sup>1</sup> Australia's Foodborne Illness Reduction Strategy 2018-2021+, Food Regulation Secretariat, 2018

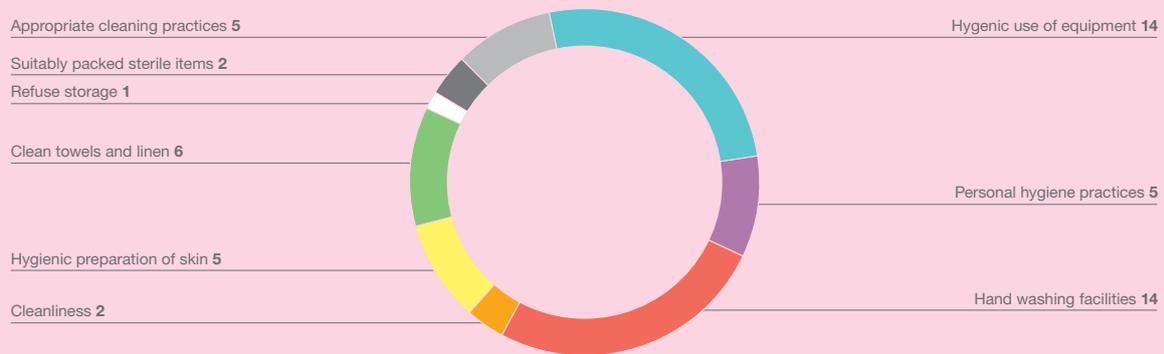
Salmonella and Campylobacter continue to be the most frequently reported food borne disease within EHA's five Constituent Councils.

### Reductions in reported confirmed cases compared to previous year:

- ▼ 1.5% Campylobacter
- ▼ 46% Salmonella
- ▼ 76% Rotavirus
- ▼ 66% Cryptosporidiosis



**Figure 6 – Non-compliances identified within personal care and body art practices**



### Public Swimming Pools and Spas

All public swimming, spa and hydrotherapy pools within EHA's Constituent Councils were assessed against the standards prescribed in the SA *Public Health (General) Regulations 2013*.

During 2018-19 inspections were undertaken at least once for all outdoor pools and twice for indoor pools during the year.

- 69 routine inspections at 28 swimming pool and spa sites
  - » 19% increase compared to 2017-18
- 36 follow-up inspections at 11 swimming pool and spa sites
  - » 50% increase compared 2017-18
- three pool sites required multiple follow up inspections
- one complaint investigation
- five swimming pool and spa sites required temporary closures

Four sites closed voluntarily; two to rectify the failing auto dosing equipment and the other due to excessive chlorination levels. One site was issued with a Compliance Notice under Section 92 of the SA *Public Health Act 2011* as a result of inadequate cyanuric acid and chlorine levels in the pool. The pool operators were instructed to close the pools to the public and undertake the necessary corrective actions. The owner of the pool resolved to close the pool permanently.

### Personal Care and Body Art (PCBA)

Assessment of high-risk personal care and body art practices were assessed against the standards prescribed in the SA *Public Health (General) Regulations, 2013*.

During 2018-19:

- eight tattoo premises involving high risk skin penetration practice
  - » one tattoo premises required a follow-up inspection
- 26 beauty premises undertaking high risk treatment processes
  - » six beauty premises requiring a follow-up inspection
- three complaints were received and investigated
  - » two beauty premises
  - » one hairdresser

### 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 wastewater system.

Waste control system applications are assessed in accordance with the requirements of the SA *Public Health (Wastewater) Regulations 2013*.

During the year EHA received four applications:

- all aerobic waste water systems
- three pending decision
- one approval refused
- six inspections conducted to determine progress of approved wastewater works
- no complaint investigations.



## Food Safety

EHA administers the *Food Act 2001* in conjunction with the Food Safety Standards to protect the public from food-borne illness and associated risks. Illnesses caused by the sale or consumption of unsafe food are preventable through education and intervention from EHO's during regular inspections, audits, investigations of complaints and where required, enforcement.

## Food Safety Inspections and Enforcement

As at 30 June 2019, a total of 1,270 known food premises were operating within EHA’s jurisdiction, comparable to the previous year. Takeaways, cafes and restaurants continue to be the predominant types of food business.

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.

The majority of food businesses are risk classified as P1 (Figure 7). P4 food businesses selling shelf stable 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.

EHA’s food safety enforcement 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.

During the year EHOs undertook a total of 1,950 food safety inspections (Figure 8).

The SA Health Food Safety Rating Scheme Checklist is used to assess business compliance with food safety standards at routine inspections. Non-compliances against the Standards can range from Minor, Major to Serious. This is dependent on the risk and seriousness of the breach. EHOs identified a total of 6,882 non-compliances (Figure 9).

- Average of seven non-compliances per routine inspection
- 1,098 (55%) of major and serious non-compliances resulted from inspections at P1 restaurant and takeaway businesses
- 148 routine inspections resulted in multiple serious non-compliances
- six routine inspections resulted in 10 or more serious non-compliances (all resulted in further legal action)

Most common serious non-compliances identified during routine inspections in the last 12 months included:

- inadequate sanitising of food contact equipment
- poor food handler hygiene
- unsafe cooling of potentially hazardous food
- unsafe storage of potentially hazardous food on display

Figure 7 – Number of food businesses per risk classification

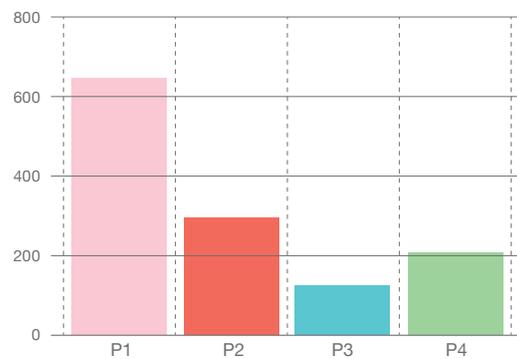


Figure 8 – Type of food safety inspections undertaken during 2018-19

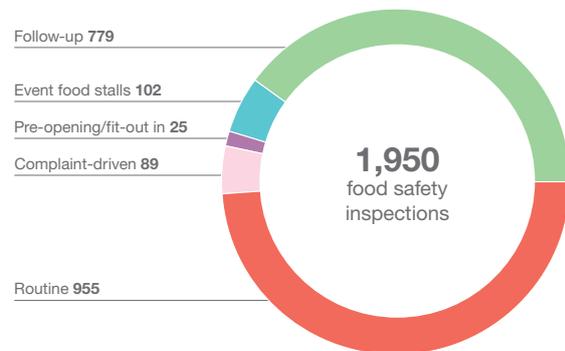
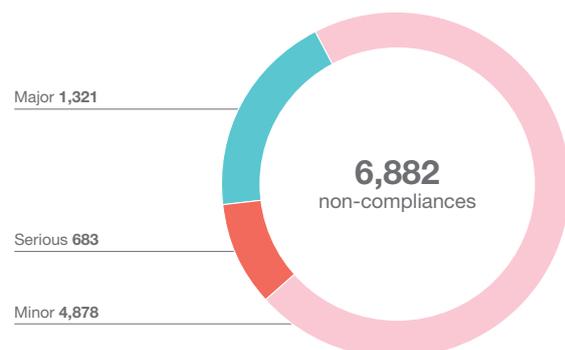


Figure 9 – Non-compliances throughout 2018-19



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

Figure 10 demonstrates the graduated responses to enforcement. Legal action may be taken on repeat offenders in the form of written warnings, Improvement Notices, Prohibition Orders, Expiations or Prosecutions.

The majority of food businesses requiring legal action are P1 high risk businesses. Enforcement action is however not limited to high risk businesses with warning letters and Improvement Notices also issued to medium risk food businesses.

- Improvement Notices continue to account for the majority of enforcement action taken
- 125 Improvement Notices issued to 80 food businesses
- 30 businesses received more than one Improvement Notice during the year
- 14 businesses expiated for 24 offences committed under the *Food Act 2001*
- only 1.3% of inspections resulted in the issuing of an Expiation Notice
- eight Prohibition Orders were issued – comparable to the previous year
  - » significant vermin and cockroach activity
  - » extremely poor standards of cleanliness
  - » unsafe food processing and storage practices
  - » unsuitable premises

**Table 5 – Total number of complaints received 2018-19.**

Type of complaints received	Total number of complaints received	
	2017-18	2018-19
Food unsuitable/unsafe due to foreign matter	0	5
Food unsuitable/unsafe due to microbial contamination/growth	9	9
Food unsuitable/unsafe due to presence of unapproved or excessive chemical residues	6	3
Alleged food poisoning	10	13
Unclean premises	29	17
Poor personal hygiene or poor food handling practices	5	13
Vermin/insects/pests observed in premises	5	4
Refuse storage	11	10
Labelling issues	3	2
Other	6	7
<b>Total</b>	<b>84</b>	<b>83</b>

## 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.

A total of 110 food safety audits were completed during 2018-19.

Within EHA	Other Councils
64 scheduled audits	46 audits
6 Follow-up audits	3 Follow-up audits

## Complaints

EHA received a total of 83 food related complaints. These figures are comparable with the previous year.

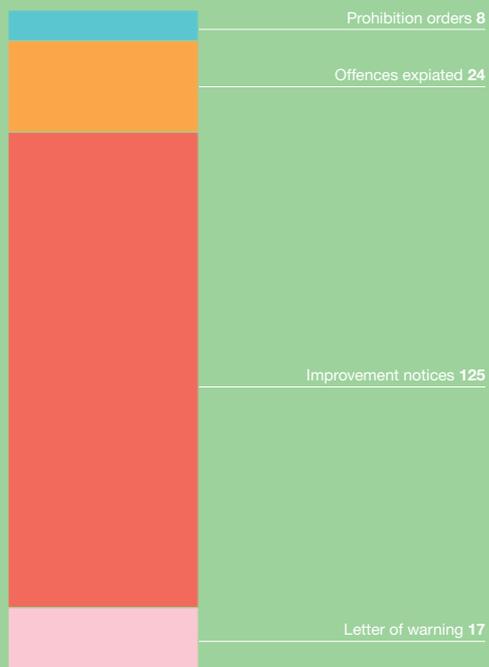
- A significant proportion of complaints (62%) received related to:
  - » alleged food poisoning
  - » unclean premises
  - » poor personal hygiene or poor food handling
  - » refuse storage accounted

As depicted in the Table 5 there was a significant increase in the number of complaints relating to unclean premises. This may be attributed to the public's increased awareness of safe food practices and required standards, as more information is made readily available through websites and promoted via activities such as Food Safety Week.

# Appendices



Figure 10 – The graduated response to enforcement under the *Food Act 2001*



## 2018-19

**1,950** food safety inspections in total

⊕ 32% increase from 2017-18

**6,882** non-compliances identified

**110** food safety audits completed

**83** food-related complaints received

## Health Care & Community Services

Supported Residential Facilities are privately owned facilities providing personal care services and support a home-like environment for vulnerable people in the community.

*neha.org 2019*

**During 2018-19 EHOs conducted:**

<b>12</b>	unannounced routine audits
<b>8</b>	follow-up visits
<b>10</b>	additional inspections
<b>2</b>	complaint investigations



## Supported Residential Facilities

EHA is the licensing authority for all Supported Residential Facilities (SRF) for its Constituent Councils. A total of six facilities are licensed, with three Pension Only and three retirement Village /Dual License Facilities.

## Licensing, Monitoring and Complaints

EHO's conduct unannounced routine audits and where required, follow-up, additional inspections and complaint investigations.

The criteria assessed to determine compliance with the *Supported Residential Facilities Act 1992* and the *Supported Residential Facilities Regulations 2009*, 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

Each facility within the Constituent Council area was inspected

for compliance with the 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 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 2019-20.

Three facilities were issued licences for one year with no conditions. Two facilities were issued licences for one year with conditions. One facility was granted a short term extension to the existing SRF licence.

## SRF Manager and Acting Manager approvals

One Manager and one acting manager application was approved by EHA's Chief Executive Officer under delegated authority.

## Summary Financial Statement 2018/19



Summary Financial Statement for the year ending 30 June 2019

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	2018 (\$)	2019 (\$)
<b>Income</b>		
Council contributions	1,680,870	1,723,013
Statutory charges	150,594	150,360
User charges	392,185	394,577
Grants, subsidies and contributions	270,980	257,814
Investment income	12,923	16,316
Other income	20,553	15,841
<b>Total income</b>	<b>2,528,105</b>	<b>2,557,921</b>
<b>Expenses</b>		
Employee costs	1,581,162	1,767,577
Materials, contracts and other expenses	746,550	716,069
Depreciation, amortisation and impairment	46,014	37,355
Finance costs	15,827	12,811
<b>Total expenses</b>	<b>2,389,553</b>	<b>2,533,812</b>
<b>Operating surplus (deficit)</b>		
Asset disposal and fair value adjustments	-	-
Net surplus (deficit)	138,552	24,109
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>138,552</b>	<b>24,109</b>
<b>Current assets</b>		
Cash and cash equivalents	876,554	743,272
Trade and other receivables	122,329	168,200
<b>Total current assets</b>	<b>998,883</b>	<b>911,472</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	341,914	324,192
<b>Total non-current assets</b>	<b>341,914</b>	<b>324,192</b>
<b>Total assets</b>	<b>1,340,797</b>	<b>1,235,664</b>
<b>Current liabilities</b>		
Trade and other payables	197,380	149,195
Borrowings	64,393	64,393
Provisions	325,421	322,578
Liabilities relating to non-current assets held for sale	-	-
<b>Total current liabilities</b>	<b>587,194</b>	<b>536,166</b>
<b>Non-current liabilities</b>		
Borrowings	250,742	186,350
Provisions	38,690	24,868
<b>Total non-current liabilities</b>	<b>289,432</b>	<b>211,218</b>
<b>Total liabilities</b>	<b>876,626</b>	<b>747,384</b>
<b>Net assets</b>	<b>464,171</b>	<b>488,280</b>
<b>Equity</b>		
Accumulated Surplus	464,171	488,280
<b>Total equity</b>	<b>464,171</b>	<b>488,280</b>

## Eastern Health Authority General Purpose Financial Reports for the year ended 30 June 2019

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**EASTERN HEALTH AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**CERTIFICATION OF FINANCIAL STATEMENTS**

We have been authorised by Eastern Health Authority (EHA) 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 EHA's financial position at 30 June 2019 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.

 Michael Livori CHIEF EXECUTIVE OFFICER	 Cr Peter Cornish CHAIRPERSON EHA BOARD OF MANAGEMENT
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Date: 28/8/2019

**Eastern Health Authority**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2019**

	Notes	2019 \$	2018 \$
<b>INCOME</b>			
Council Contributions	2	1,723,013	1,680,870
Statutory charges	2	150,360	150,594
User charges	2	394,577	392,185
Grants, subsidies and contributions	2	257,814	270,980
Investment income	2	16,316	12,923
Other income	2	15,841	20,553
<b>Total Income</b>		<b>2,557,921</b>	<b>2,528,105</b>
<b>EXPENSES</b>			
Employee costs	3	1,767,577	1,581,162
Materials, contracts & other expenses	3	716,069	746,550
Depreciation, amortisation & impairment	3	37,355	46,014
Finance costs	3	12,811	15,827
<b>Total Expenses</b>		<b>2,533,812</b>	<b>2,389,553</b>
<b>NET SURPLUS / (DEFICIT)</b> (transferred to Equity Statement)		<b>24,109</b>	<b>138,552</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>24,109</b>	<b>138,552</b>

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

**Eastern Health Authority  
Statement of Financial Position  
as at 30 June 2019**

<b>ASSETS</b>	<b>Notes</b>	<b>2019 \$</b>	<b>2018 \$</b>
<b>Current Assets</b>			
Cash and cash equivalents	4	743,272	876,554
Trade & other receivables	4	168,200	122,329
<b>Total Current Assets</b>		<b>911,472</b>	<b>998,883</b>
<b>Non-current Assets</b>			
Property, plant & equipment	5	324,192	341,914
<b>Total Non-current Assets</b>		<b>324,192</b>	<b>341,914</b>
<b>Total Assets</b>		<b>1,235,664</b>	<b>1,340,797</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	6	149,195	197,380
Borrowings	6	64,393	64,393
Provisions	6	322,578	325,421
<b>Total Current Liabilities</b>		<b>536,166</b>	<b>587,194</b>
<b>Non-current Liabilities</b>			
Borrowings	6	186,350	250,742
Provisions	6	24,868	38,690
<b>Total Non-current Liabilities</b>		<b>211,218</b>	<b>289,432</b>
<b>Total Liabilities</b>		<b>747,384</b>	<b>876,626</b>
<b>NET ASSETS</b>		<b>488,280</b>	<b>464,171</b>
<b>EQUITY</b>			
Accumulated Surplus		488,280	464,171
<b>TOTAL EQUITY</b>		<b>488,280</b>	<b>464,171</b>

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

# Appendices

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## Eastern Health Authority Statement of Changes in Equity for the year ended 30 June 2019

		Acc'd Surplus	TOTAL EQUITY
2019	Notes	\$	\$
Balance at end of previous reporting period		464,171	464,171
<b>Net Surplus / (Deficit) for Year</b>		<b>24,109</b>	<b>24,109</b>
<b>Balance at end of period</b>		<b>488,280</b>	<b>488,280</b>
2018	Notes	\$	\$
Balance at end of previous reporting period		325,619	325,619
<b>Net Surplus / (Deficit) for Year</b>		<b>138,552</b>	<b>138,552</b>
<b>Balance at end of period</b>		<b>464,171</b>	<b>464,171</b>

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

**Eastern Health Authority  
Statement of Cash Flows  
for the year ended 30 June 2019**

	Notes	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i><b>Receipts:</b></i>			
Council contributions		1,895,314	1,848,957
Fees & other charges		157,878	150,594
User charges		372,381	446,747
Investment receipts		16,316	12,923
Grants utilised for operating purposes		257,814	346,809
Other revenues		18,497	12,506
<i><b>Payments:</b></i>			
Employee costs		(1,779,142)	(1,561,774)
Materials, contracts & other expenses		(974,102)	(965,710)
Finance payments		(14,213)	(17,165)
<b>Net Cash provided by (or used in) Operating Activities</b>	7	<u>(49,257)</u>	<u>273,887</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i><b>Payments:</b></i>			
Expenditure on renewal/replacement of assets		<u>(19,633)</u>	<u>-</u>
<b>Net Cash provided by (or used in) Investing Activities</b>		<u>(19,633)</u>	<u>-</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i><b>Payments:</b></i>			
Repayments of borrowings		<u>(64,392)</u>	<u>(61,440)</u>
<b>Net Cash provided by (or used in) Financing Activities</b>		<u>(64,392)</u>	<u>(61,440)</u>
<b>Net Increase (Decrease) in cash held</b>		<u>(133,282)</u>	<u>212,447</u>
 Cash & cash equivalents at beginning of period	7	<u>876,554</u>	<u>664,107</u>
<b>Cash &amp; cash equivalents at end of period</b>	7	<u><b>743,272</b></u>	<u><b>876,554</b></u>

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

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**  
**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 Accounting 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*.

**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 Eastern Health Authority's (EHA'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 dollar (\$).

**2 The Local Government Reporting Entity**

Eastern Health Authority is incorporated under the SA Local Government Act 1999 and has its principal place of business at 101 Payneham Road, St Peters, SA 5069. These financial statements include EHA's direct operations and all entities through which EHA controls resources to carry on its functions. In the process of reporting on EHA as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

**3 Income recognition**

Income is measured at the fair value of the consideration received or receivable. Income is recognised when EHA 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 EHA's operations for the current reporting period.

The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 2.

**4 Cash, Cash Equivalents and other Financial Instruments**

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

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

## Eastern Health Authority Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 8.

#### 5 Property, Plant & Equipment

##### 5.1 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.

##### 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 EHA 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. Examples of capitalisation thresholds applied during the year are given in Note 5. No capitalisation threshold is applied to the acquisition of land or interests in land.

##### 5.3 Depreciation of Non-Current Assets

All property, plant and equipment assets are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of EHA, 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.

Major depreciation periods for each class of asset are shown in Note 5. Depreciation periods for infrastructure assets have been estimated based on the best information available to EHA, 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.

##### 5.4 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if EHA were deprived thereof, are not assessed for impairment.

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 outflows 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.

##### 5.5 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.

#### 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.

## Eastern Health Authority Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### 6.2 Payments Received in Advance & Deposits

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

#### 7 Borrowings

Loans 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".

#### 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 EHA 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. EHA does not make payment for untaken sick leave.

#### *Superannuation*

EHA makes employer superannuation contributions in respect of its employees to Statewide Super (the Local Government default scheme) or an employee's choice of super fund. The Statewide Super 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 EHA's involvement with the schemes are reported in Note 11.

#### 8 Leases

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

In respect of finance leases, where EHA substantially carries the entire 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 EHA 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 Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

## Eastern Health Authority Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

AASB 7	Financial Instruments – Disclosures
AASB 9	Financial Instruments
AASB 15	Revenue from Contracts with Customers
AASB 16	Leases
AASB 1058	Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

(Standards not affecting local government have been excluded from the above list.)

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities, which will commence from 1 July 2019, affect the timing with which revenues, particularly special purpose grants, are recognised. Amounts received in relation to contracts with sufficiently specific performance obligations will in future only be recognised as these obligations are fulfilled. In these Statements, the sum of \$Nil has been recognised as revenue, in accordance with the current Standards, but would in future be recorded as a liability "Amounts in Advance" until the performance obligations have been fulfilled.

AASB 16 Leases, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts - except leases with a maximum term of 12 months and leases for non-material amounts - be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability.

As a result of the new accounting procedure, the following changes will be made to balance sheet amounts as at 1 July 2019:

IPP&E Right-of-use asset increase	\$1,210,000
Lease liability increase	\$1,210,000

The effect on the profit and loss for buildings in future years will be as below;

	2020	2021	2022	2023	2024
<b>Income Statement</b>					
Interest expense	51,680	49,115	46,327	43,305	40,034
Depreciation	87,040	87,040	87,040	87,040	87,040
Profit or loss impact	138,720	136,155	133,367	130,345	127,074
<b>Balance Sheet</b>					
Right of use asset	1,000,960	913,920	826,880	739,840	652,800
Lease liability	(1,033,993)	(975,307)	(911,677)	(842,826)	(768,461)

The effect for motor vehicles is not material.

# Appendices

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**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 2 - INCOME**

	Notes	2019 \$	2018 \$
<b>COUNCIL CONTRIBUTIONS</b>			
City of Burnside		444,498	424,220
Campbelltown City Council		403,854	406,328
City of Norwood, Payneham & St Peters		523,301	512,052
City of Prospect		237,123	225,470
Town of Walkerville		114,237	112,800
		<u>1,723,013</u>	<u>1,680,870</u>
<b>STATUTORY CHARGES</b>			
Inspection Fees: Food		108,095	82,389
Inspection Fees: Legionella		9,795	19,952
SRF Licences		2,200	2,408
Fines & Expiation Fees		30,270	45,845
		<u>150,360</u>	<u>150,594</u>
<b>USER CHARGES</b>			
Immunisation: Clinic Vaccines		116,097	134,375
Immunisation: Worksite Vaccines		98,419	94,527
Food Auditing		79,538	72,481
City of Unley		100,523	90,802
		<u>394,577</u>	<u>392,185</u>
<b>INVESTMENT INCOME</b>			
Interest on investments:			
Local Government Finance Authority		16,316	12,923
		<u>16,316</u>	<u>12,923</u>
<b>OTHER INCOME</b>			
Motor Vehicle Reimbursements		10,597	10,157
Sundry Income		5,244	10,396
		<u>15,841</u>	<u>20,553</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Immunisation: School Programme		169,874	78,940
Meningococcal B Study		59,644	160,306
Immunisation: AIR		28,296	31,734
		<u>257,814</u>	<u>270,980</u>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 3 - EXPENSE**

	Notes	2019 \$	2018 \$
<b>EMPLOYEE COSTS</b>			
Salaries and wages		1,521,123	1,395,211
Employee leave expense		38,321	36,417
Superannuation - defined contribution plan contributions	11	117,126	103,545
Superannuation - defined benefit plan contributions	11	24,653	26,511
Workers' Compensation Insurance		16,470	15,960
Other - Agency staff and Consultant Medical Officer		49,884	3,518
<b>Total Operating Employee Costs</b>		<b>1,767,577</b>	<b>1,581,162</b>
<b>Total Number of Employees</b>		<b>18</b>	<b>18</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		7,210	7,000
Bad and Doubtful Debts		1,532	16,014
Governance expenses		15,946	15,884
Operating Lease Rentals - non-cancellable leases	9		
- minimum lease payments		60,708	56,832
Subtotal - Prescribed Expenses		<b>85,396</b>	<b>95,730</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Accounting		5,971	10,335
Contractors		26,506	25,093
Energy		10,967	9,241
Fringe benefit tax		17,165	19,090
Human resources		11,742	13,570
Income protection		22,430	17,822
Insurance		27,248	24,104
IT licencing & support		136,462	115,996
Legal expenses		17,484	25,301
Motor vehicle expenses		26,293	19,110
Office rent		104,829	102,773
Parts, accessories & consumables		130,593	172,753
Printing & stationery		17,557	26,496
Staff training		13,254	19,111
Sundry		33,703	28,145
Telephone		17,638	16,999
Work health & safety consultancy		10,831	4,881
Subtotal - Other Materials, Contracts & Expenses		<b>630,673</b>	<b>650,820</b>
		<b>716,069</b>	<b>746,550</b>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 3 - EXPENSE con't**

	2019	2018
Notes	\$	\$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
<b>Depreciation</b>		
Buildings & Other Structures	23,642	23,642
Office Equipment, Furniture & Fittings	13,713	22,372
	<u>37,355</u>	<u>46,014</u>
<b>FINANCE COSTS</b>		
Interest on Loans	12,811	15,827
	<u>12,811</u>	<u>15,827</u>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 4 - CURRENT ASSETS**

		2019	2018
<b>CASH &amp; EQUIVALENT ASSETS</b>	<b>Notes</b>	<b>\$</b>	<b>\$</b>
Cash on Hand and at Bank		<b>158,728</b>	88,297
Deposits at Call		<b>584,544</b>	788,257
		<b><u>743,272</u></b>	<b><u>876,554</u></b>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Debtors - general		<b>168,200</b>	122,329
		<b><u>168,200</u></b>	<b><u>122,329</u></b>

# Appendices

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**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 5 - PROPERTY, PLANT & EQUIPMENT**

	2018 \$'000			2019 \$'000		
	Cost	Acc' Dep'n	Carrying Amount	Cost	Acc' Dep'n	Carrying Amount
Buildings & Other Structures	472,846	(164,686)	308,160	<b>472,846</b>	<b>(188,328)</b>	<b>284,518</b>
Office Equipment, Furniture & Fittings	336,992	(303,238)	33,754	<b>239,509</b>	<b>(199,835)</b>	<b>39,674</b>
<b>Total IPP&amp;E</b>	<b>809,838</b>	<b>(467,924)</b>	<b>341,914</b>	<b>712,355</b>	<b>(388,163)</b>	<b>324,192</b>
<b>Comparatives</b>	<b>809,838</b>	<b>(421,910)</b>	<b>387,928</b>	<b>809,838</b>	<b>(467,924)</b>	<b>341,914</b>

	2018	CARRYING AMOUNT MOVEMENTS DURING YEAR					2019
	\$	\$					\$
	Carrying Amount	Additions Renewals	Disposals	Depreciation	Transfers In      Out		Carrying Amount
Buildings & Other Structures	308,160	-	-	(23,642)	-	-	284,518
Office Equipment, Furniture & Fittings	33,754	19,633	-	(13,713)	-	-	39,674
<b>Total IPP&amp;E</b>	<b>341,914</b>	<b>19,633</b>	<b>-</b>	<b>(37,355)</b>	<b>-</b>	<b>-</b>	<b>324,192</b>
<b>Comparatives</b>	<b>387,928</b>	<b>-</b>	<b>-</b>	<b>(46,014)</b>	<b>-</b>	<b>-</b>	<b>341,914</b>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 6 - LIABILITIES**

	Notes	2019		2018	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		111,829	-	104,142	-
Accrued expenses - employee entitlements		31,904	-	26,804	-
Accrued expenses - other		5,462	-	6,864	-
		<b>149,195</b>	<b>-</b>	<b>197,380</b>	<b>-</b>
<b>BORROWINGS</b>					
Loans		64,393	186,350	64,393	250,742
Finance Leases	9	-	-	-	-
		<b>64,393</b>	<b>186,350</b>	<b>64,393</b>	<b>250,742</b>
<b>PROVISIONS</b>					
Annual Leave (including oncosts)		139,446	-	144,139	-
Long Service Leave (including oncosts)		183,132	24,868	181,282	38,690
		<b>322,578</b>	<b>24,868</b>	<b>325,421</b>	<b>38,690</b>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 7 - 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 Balance Sheet as follows:

	Notes	2019 \$	2018 \$
Total cash & equivalent assets	4	<u>743,272</u>	<u>876,554</u>
Balances per Cash Flow Statement		<u>743,272</u>	<u>876,554</u>

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

Net Surplus (Deficit)		24,109	138,552
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		37,355	46,014
Net increase (decrease) in unpaid employee benefits		<u>(11,565)</u>	<u>19,388</u>
		49,899	203,954
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(45,871)	7,296
Net increase (decrease) in trade & other payables		<u>(53,285)</u>	<u>62,637</u>
<b>Net Cash provided by (or used in) operations</b>		<u>(49,257)</u>	<u>273,887</u>

**(c) Financing Arrangements**

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

Corporate Credit Cards	5,000	5,000
------------------------	-------	-------

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 8 - FINANCIAL INSTRUMENTS**

All financial instruments are categorised as *loans and receivables*.

**Accounting Policies - Recognised Financial Instruments**

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates 1.25% (2018: 2% and 3%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and reassessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> <b>Unsecured, and do not bear interest. Although Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</b></p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> 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.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> <b>Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</b></p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Interest Bearing Borrowings</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4% and 5% (2018: 4% and 5%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Finance Leases</b>	<p><b>Accounting Policy:</b> accounted for in accordance with AASB 117.</p>

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## Eastern Health Authority Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 8 - FINANCIAL INSTRUMENTS (cont)

#### Liquidity Analysis

2019	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>					
Cash & Equivalents	\$ 743,907	\$ -	\$ -	\$ 743,907	\$ 743,272
Receivables	168,200	-	-	168,200	168,200
Other Financial Assets	-	-	-	-	-
<b>Total</b>	<b>912,107</b>	<b>-</b>	<b>-</b>	<b>912,107</b>	<b>743,272</b>
<b>Financial Liabilities</b>					
Payables	111,829	-	-	111,829	111,829
Current Borrowings	64,393	-	-	64,393	64,393
Non-Current Borrowings	-	242,368	-	242,368	186,350
<b>Total</b>	<b>176,222</b>	<b>242,368</b>	<b>-</b>	<b>418,590</b>	<b>250,743</b>
2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>					
Cash & Equivalents	\$ 876,554	\$ -	\$ -	\$ 876,554	\$ 876,554
Receivables	122,329	-	-	122,329	122,329
<b>Total</b>	<b>998,883</b>	<b>-</b>	<b>-</b>	<b>998,883</b>	<b>998,883</b>
<b>Financial Liabilities</b>					
Payables	163,712	-	-	163,712	163,712
Current Borrowings	64,393	-	-	64,393	64,393
Non-Current Borrowings	-	275,121	-	275,121	250,742
<b>Total</b>	<b>228,105</b>	<b>275,121</b>	<b>-</b>	<b>503,226</b>	<b>478,847</b>

The following interest rates were applicable to EHA at balance date:

	30 June 2019		30 June 2018	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Fixed Interest Rates	4.75	690,438	4.75	376,575
		<u>690,438</u>		<u>376,575</u>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 8 - FINANCIAL INSTRUMENTS (cont)**

**Net Fair Value**

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

Risk Exposures:

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. EHA maximum credit risk on financial assets is the carrying amount, net of any allowance for EHA's doubtful debts. All investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 4 in relation to individual classes of receivables, exposure is concentrated within EHA'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 EHA'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 EHA 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.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. EHA 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.

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 9 - COMMITMENTS FOR EXPENDITURE**

	2019	2018
Notes	\$	\$
<b>Operating Lease Commitments</b>		
EHA leases various plant and equipment under finance leases expiring within 1 to 4 years. At expiry, EHA may re-lease, or return or acquire the leased assets.		
Some leases provide for the payment of contingent rentals depending on actual use of the equipment. Contingent rental payments made are disclosed in Note 3.		
Commitments under operating leases at the reporting date are as follows:		
Not later than one year	64,188	46,717
Later than one year and not later than 5 years	73,861	47,393
Minimum lease payments	138,049	94,110
Less: future finance charges	(45,644)	-
<b>Net Lease Liability</b>	<b>92,405</b>	<b>94,110</b>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 10 - UNIFORM PRESENTATION OF FINANCES**

The following is a high level summary of both operating and capital investment activities of EHA prepared on a simplified Uniform Presentation Framework basis.

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

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

	2019	2018
	\$	\$
Income	2,557,921	2,528,105
Expenses	<u>(2,533,812)</u>	<u>(2,389,553)</u>
<b>Operating Surplus / (Deficit)</b>	<b>24,109</b>	<b>138,552</b>
 <b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	(19,633)	-
Add back Depreciation, Amortisation and Impairment	37,355	46,014
	<u>17,722</u>	<u>46,014</u>
 <b>Net Lending / (Borrowing) for Financial Year</b>	 <u><b>41,831</b></u>	 <u><b>184,566</b></u>

## Eastern Health Authority Notes to and forming part of the Financial Statements for the year ended 30 June 2019

### Note 11 – SUPERANNUATION

EHA 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 2018-19; 9.50% in 2019-20). No further liability accrues to EHA 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. EHA 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 2017-18) of "superannuation" salary.

In addition, EHA 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), EHA 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 EHA's contribution rates at some future time.

#### **Contributions to Other Superannuation Schemes**

EHA 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 EHA.

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 12 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE  
BALANCE SHEET**

There are no contingencies, asset or liabilities not recognised in the financial statements for the year ended 30 June 2019.

**Note 13 - EVENTS OCURRING AFTER REPORTING DATE**

There were no events subsequent to 30 June 2019 that need to be disclosed in the financial statements.

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2019**

**Note 14 - RELATED PARTY DISCLOSURES**

**KEY MANAGEMENT PERSONNEL**

The Key Management Personnel of EHA include the Chairperson, Board Members, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all Key Management Personnel were paid the following total compensation:

	<b>2019</b>	2018
	\$	\$
Salaries, allowances & other short term benefits	182,054	171,153
<b>TOTAL</b>	<b>182,054</b>	<b>171,153</b>

	Amounts received from Related Party during the financial year	Amounts outstanding from Related Party at the end of the financial year
	2019	2019
	\$	\$
Related Party Entity		
City of Burnside	444,498	-
Campbelltown City Council	403,854	-
City of Norwood, Payneham & St Peters	523,301	-
City of Prospect	237,123	-
Town of Walkerville	114,237	-
<b>TOTAL</b>	<b>1,723,013</b>	<b>-</b>

**Description of Services provided to all related parties above:**

Assist the Constituent Councils to meet their legislative responsibilities in accordance with the SA Public Health Act 2011, the Food Act 2001 (SA), the Supported Residential Facilities Act 1992 (SA), the Expiation of Offences Act 1996 (SA), (or any successor legislation to these Acts) and any other legislation regulating similar matters that the Constituent Councils determine is appropriate within the purposes of EHA; Take action to preserve, protect and promote public and environmental health within the area of the Constituent Councils.



**EASTERN HEALTH AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Eastern Health Authority for the year ended 30 June 2019, Dean Newbery and Partners, Chartered Accountants, 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*.

Michael Livori  
**CHIEF EXECUTIVE OFFICER**

Lisa Scinto  
**PRESIDING MEMBER  
AUDIT COMMITTEE**

Date: 28/8/2019



**EASTERN HEALTH AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

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This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

A handwritten signature in black ink that reads 'Kiki Magro'. The signature is written over a horizontal dotted line.

Kiki Magro

**CHIEF EXECUTIVE OFFICER  
CORPORATION OF THE TOWN OF WALKERVILLE**

Date: 25 July 2019



**EASTERN HEALTH AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

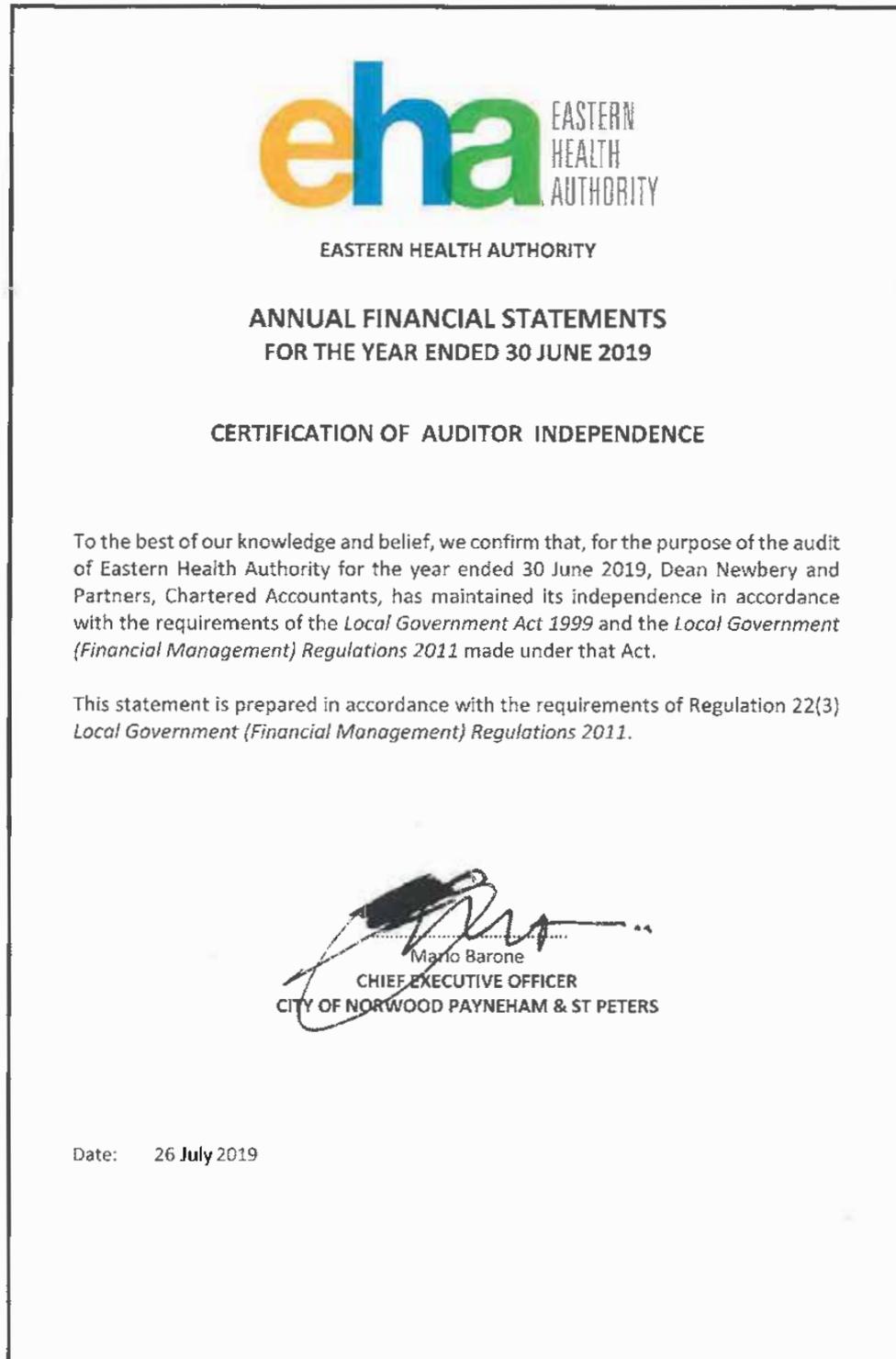
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Eastern Health Authority for the year ended 30 June 2019, Dean Newbery and Partners, Chartered Accountants, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* 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*.

A handwritten signature in blue ink, appearing to read 'J.P. Lynch', is positioned above a horizontal dotted line.

**Justin Lynch  
ACTING CHIEF EXECUTIVE OFFICER  
CITY OF PROSPECT**

Date: 20/08/2019





**EASTERN HEALTH AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

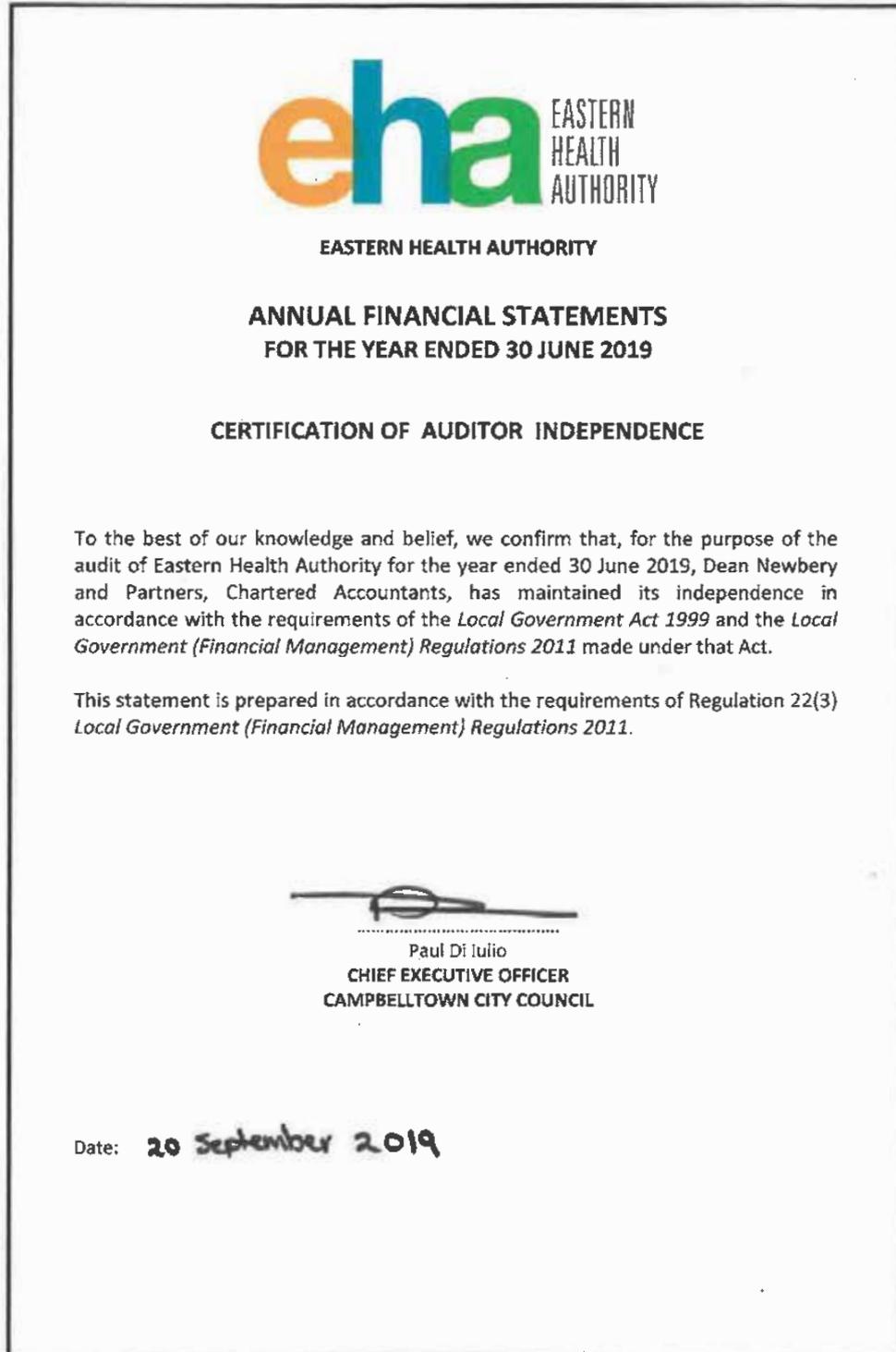
**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Eastern Health Authority for the year ended 30 June 2019, Dean Newbery and Partners, Chartered Accountants, 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*.

Barry Cant  
**ACTING CHIEF EXECUTIVE OFFICER  
CITY OF BURNSIDE**

Date: 31 July 2019.



# Appendices



# Appendices

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# Appendices

**EastWaste**



**ANNUAL  
REPORT  
2018-2019**

# Appendices



**A TOTAL OF 105,328  
KERBSIDE TONNES  
COLLECTED**

**EastWaste**

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# Appendices

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

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# 2018-2019

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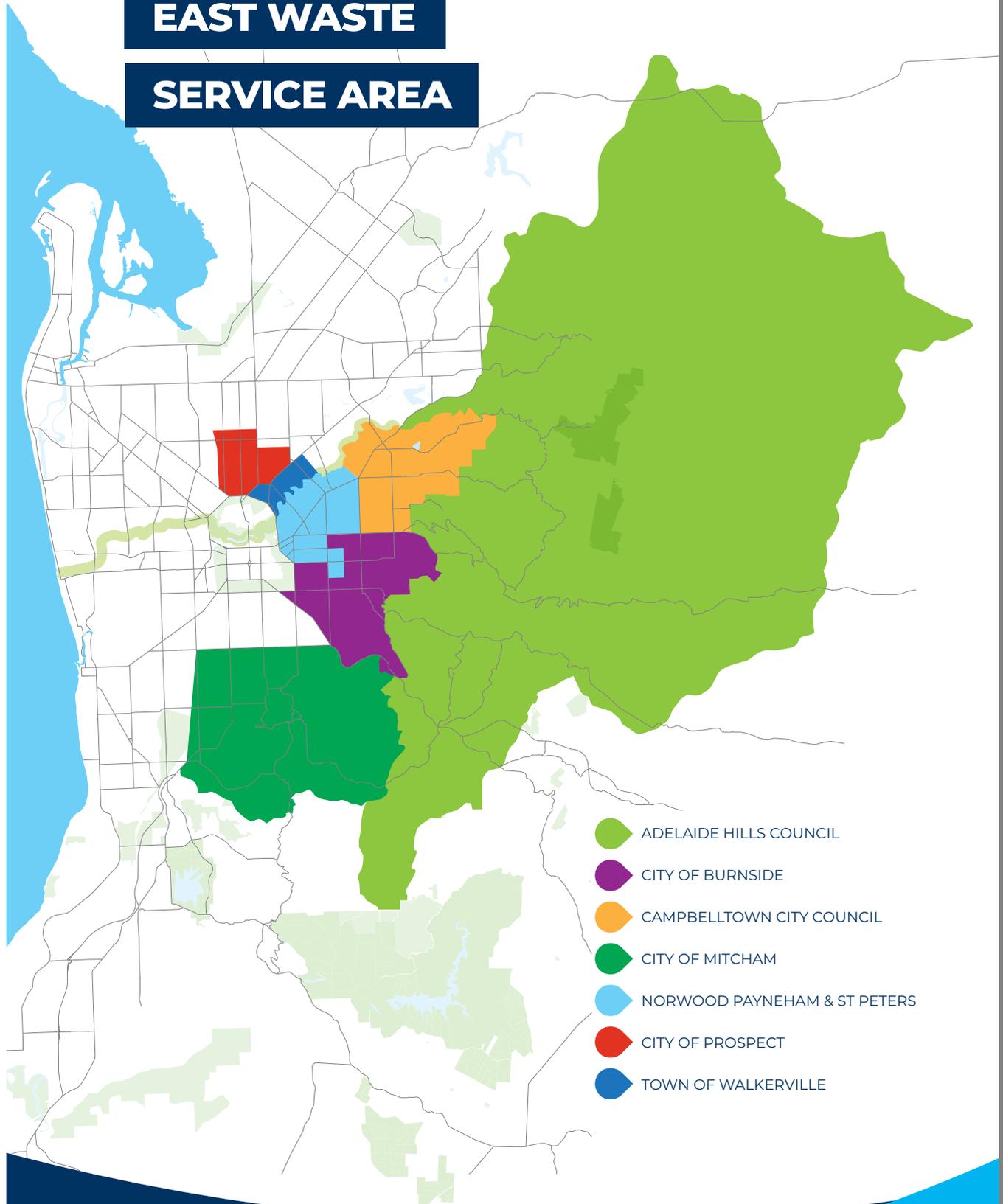


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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

## EAST WASTE

## SERVICE AREA



EastWaste

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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

## CHAIRPERSON'S

## REPORT

**The public interest and momentum within the resource recovery industry continues and from an environmental and cost perspective, responsible organisations are strongly focused on recovering kerbside materials that can be recycled and re-purposed, and diverting any collected materials from going to landfill.**

As such, East Waste continues to show leadership in shaping the future of the sector in a range of areas. Throughout this Report, (and East Waste's General Manager Rob Gregory's Report), we will highlight what East Waste is doing to reduce material going to landfill and how we are doing it.

In my last year as Chairperson of East Waste, it is my pleasure to be able to bring to your attention the accomplishments of East Waste in this Report for the 2018/19 financial year.

### **Education and Behaviour Change Initiatives**

East Waste's on-going "Why waste it?" education campaign continues to build on its success of recent years. As part of East Waste's education focus, stakeholders and residents may be aware of East Waste's [whichbin.com.au](http://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 going to landfill.

The success of this A-Z guide has garnered considerable interest, which prompted the

South Australian Government to approach East Waste seeking to take over the ownership of the website and A-Z guide, with the intention of targeting residents and providing consistent information to all South Australians.

The East Waste Board were more than happy to hand over the [whichbin.com.au](http://whichbin.com.au) website and A-Z guide to the State Government, as it was seen as a positive step forward in providing a consistent education recycling message to all South Australian's.

The State Government's [whichbin.com.au](http://whichbin.com.au) website can be found at: [whichbin.sa.gov.au](http://whichbin.sa.gov.au)

### **Strategic Focus**

The 2018/19 Financial Year has seen East Waste review its 10 Year Business Plan. East Waste has consulted with its Member Councils, its Board, staff and industry experts to assist in shaping and identifying its future strategic direction.



**Mr Brian Cunningham**  
Independent Chairperson

# Appendices

## CHAIRPERSON'S REPORT

The focus of this plan, and one that is supported by the abovementioned stakeholders, is the identification of residential/community behaviour change initiatives that will result in the reduction of materials/resources going to landfill.

Of particular focus within the strategic direction, is identifying and putting into practice tangible plans that will get food scraps out of the kerbside general waste bins and into the green organics bin, whereby it can be processed into organic products such as compost and mulch. I look forward to the endorsed Strategic Plan being released in the 2019/20 Financial Year and guiding the Organisation's exciting future.

Well done to East Waste's Board, Audit and Risk Management Committee and Executive Staff for overseeing a positive result for East Waste's Member Councils.

### Thank you, and farewell

My tenure as Chairperson of East Waste has come to its conclusion, therefore this is my last East Waste Annual Report. Having been initially appointed as Chairperson in 2013, I have been privileged to be able to occupy this position for the past six (6) years.

In this time, the East Waste Board has overseen significant positive change across its entire



### Financial Performance

I am pleased to be able to report that East Waste has delivered an operating surplus of \$136,000 for the 2018/19 Financial Year. In a year that has seen ever increasing fuel prices, this is an outstanding result and is a testament to the robust financial policies, practices and governance arrangements East Waste has established to ensure strict management of its annual budgets.

business and service delivery to its Member Councils. The maturity and growth of East Waste as an organisation and industry advocacy leader has been extremely satisfying, and I am genuinely proud of who East Waste is today.

I would like to thank the East Waste Board and Audit and Risk Management Committee for their continued commitment to deliver strong leadership and positive outcomes for East Waste during my tenure.

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## CHAIRPERSON'S REPORT



Both the Board and Committee members were always collegial in their approach and put the interests of East Waste before anything else. This approach, and the conduct of all members, has put East Waste in the position it is in today.

To East Waste Member Councils, thank you for your support and leadership in working with East Waste to deliver its vision of growth and improvement. It has been a pleasure to oversee the delivery of service to all Member Councils.

To East Waste's General Manager, Mr Rob Gregory, thank you for your leadership of the

East Waste staff and your unwavering work ethic to see East Waste continue to provide leadership within the waste/resource recovery industry.

As I depart, I am confident in the future of the East Waste business under Rob's leadership.

I look forward to watching East Waste's journey from afar.

I commend the 2018/19 East Waste Annual Report to you.

**Brian Cunningham**  
Independent Chairperson



**EAST WASTE ARE  
EDUCATING RESIDENTS  
AT COMMUNITY EVENTS**

## GENERAL MANAGER'S REPORT



**My Report in the 2017/18 East Waste Annual Report referred to the busy year that was 2017/18. The 2018/19 Financial Year has been no different, with considerable interest and focus on the waste/resource recovery industry and the local government/subsidiary environment.**

Australia's Recycling industry continued to be impacted by the China Sword decision and flow-on affects throughout the 2018/19 Financial Year. East Waste has not been immune to the impacts, however, later in my report I will highlight East Waste's leadership and response to the disruption to the recycling industry.

I provide the following highlights to you:

### **Farewell to East Waste's Chairperson**

Those that know about East Waste will be aware that Mr Brian Cunningham has been the Independent Chairperson for the past 6 years. Brian's tenure as Chairperson of East Waste has now concluded, and I would like to take this opportunity to express our (East Waste and its Member Councils) enormous gratitude to Brian.

Brian's tenure can only be described as highly successful. Brian has provided strong leadership to not only the Board but also to East Waste staff during his time. Brian's extensive leadership experience, network and capabilities genuinely shaped East Waste into the strong, mature business that we see today.

For all his success, whether in business or on the football field, Brian is a truly humble and respectful person who showed genuine care and belief in the Board, Committee's, staff, Member Councils and all other stakeholders. East Waste will truly miss Brian's contribution to East Waste and we wish him well for the future.

### **Turning a challenge into an opportunity**

East Waste collects approximately 23,000 tonnes of kerbside (yellow bin) recyclables on behalf of its seven (7) Member Councils annually and holds the head contract on behalf of all Member Councils for the disposal of the collected recyclables.

The impacts of the world-wide recycling challenges resulted in East Waste having to undertake a procurement process with the intention of entering into a contract for the receipt and processing of recyclables.



**Mr Rob Gregory**  
General Manager

# Appendices

## GENERAL MANAGER'S REPORT



East Waste and its Member Councils entered into this process with a clear edict that any potential contractor would need to demonstrate transparency in how collected materials are processed and where they end up, on-shore processing where possible, commitment to a circular economy and a risk share approach to the management of the contract.

I am pleased to report, that after a robust process, the Board and all Member Councils resolved to enter into a contract with the Northern Adelaide Waste Management Authority (NAWMA) for the receipt and processing of recyclables. NAWMA holds a clear vision for the on-shore processing of the materials they receive, and they have a strong commitment to a circular economy here in South Australia.

The contract entered into is a first in Australia for its type and I look forward to the partnership with NAWMA.

### Education

East Waste has operated in various iterations for over 90 years, principally in waste logistics, but is now evolving from predominately waste

collection to 'resource managers and educators' on behalf of our Member Councils. East Waste has in recent years been industry leaders in the waste education space thanks to passionate staff and as detailed in the Chairman's report resulted in the State Government taking ownership of our highly successful WhichBin? Branding for a statewide rollout. East Waste will continue delivering waste education as we seek to go an important step further and influence meaningful behaviour change practices.

East Waste were instrumental in working with the Local Government Association to expand the delivery of waste education and messaging via the My Local Services App across all South Australian Councils. If you haven't yet downloaded the free App I strongly encourage you to do so, so that you never miss bin night and you receive important waste disposal reminders at the same time.

### Safety & Wellbeing

East Waste has and will continue its pursuit of improvement and implementation of innovative technology in order to advance the services

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# Appendices

## GENERAL MANAGER'S REPORT



provided to our Member Councils. Underpinning this and all that we do is our principle of 'Safety First.' East Waste proactively embraced the requirements of the National Heavy Vehicle Legislation and this was formally recognised late last year by being awarded a WHS Best Practice Merit Award through the Local Government Association Workers Compensation Scheme.

This is but one of a number of significant improvements that we continue to implement to ensure all East Waste staff and other road users remain safe and free from injury.

### Thanks

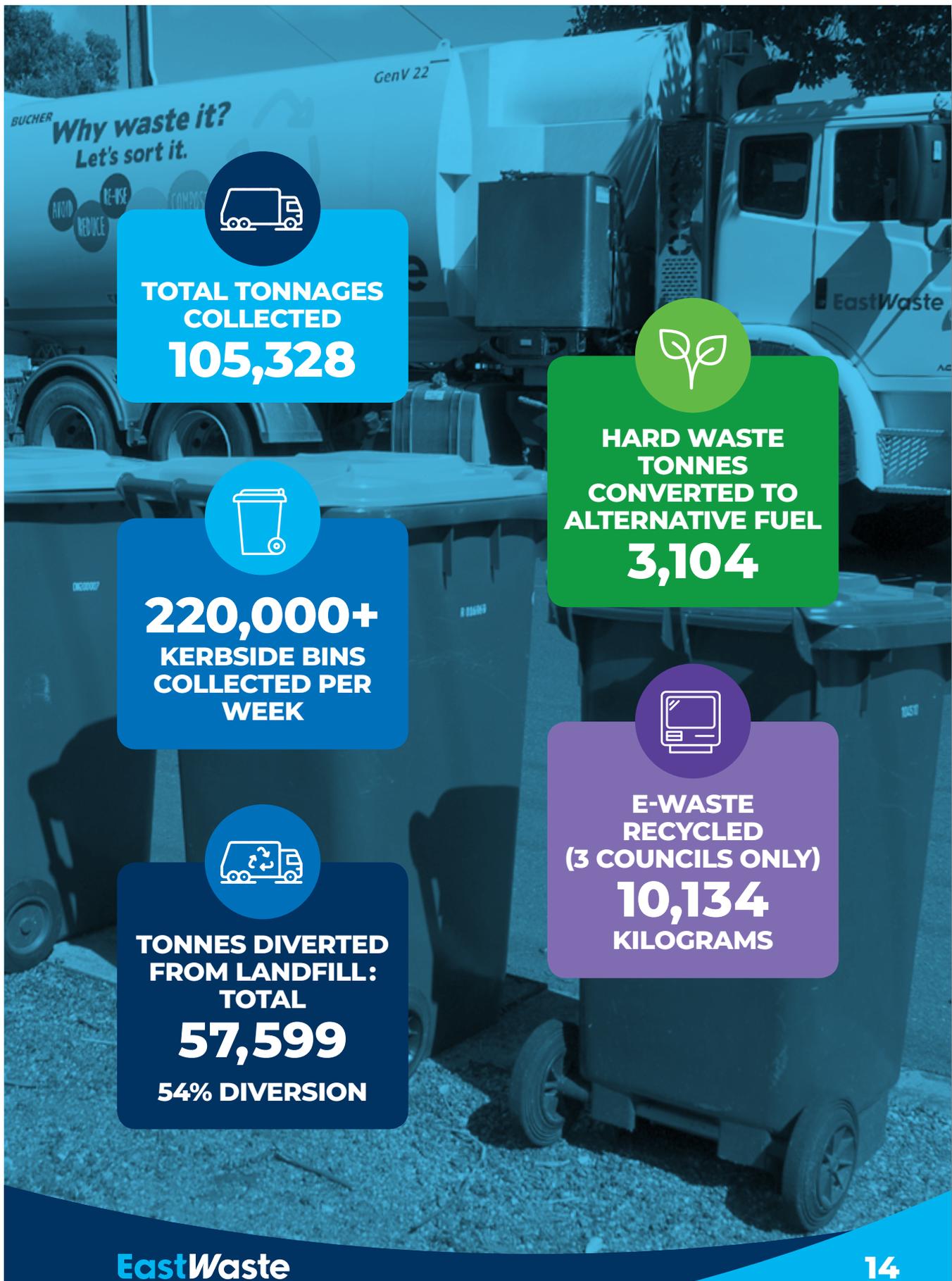
The 2018/19 Financial Year has been busy and challenging one, however was ultimately a successful one, particularly with respect to the positive deliverables and strong operating results. This success would not have been possible without the commitment and work ethic of the East Waste Board, Audit and Risk Management Committee, Member Councils and importantly the East Waste staff.

I would like to thank the Board, Member Councils and the East Waste Executive Team for their support and guidance over the past 12 months.

East Waste has a number of exciting developments as part of the 2019/20 adopted Annual Plan and Budget and I look forward with great excitement to working with Member Councils, the Board and staff to deliver these over the coming 12 months.

**Rob Gregory**  
General Manager

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# Appendices

## EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

### KERBSIDE TONNAGES

### COLLECTED 2018-2019



Member Council	Recyclables	Organics	Waste
Adelaide Hills Council	3,473	3,863	7,027
City of Burnside	4,004	6,649	7,570
Campbelltown City Council	4,103	6,328	9,123
City of Mitcham	5,913	9,373	11,867 <sup>1</sup>
City of Norwood, Payneham & St Peters	3,332	4,526	6,839
City of Prospect	1,682	2,663	3,911
Town of Walkerville	633	1,058	1,392

<sup>1</sup> City of Mitcham undertakes the collection of waste for its residents.



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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

## 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 policies and codes.**

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 eleven formal meetings over the 2018 – 2019 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
Mr Brian Cunningham (Chair)	6/11*
Cr Linda Green (Adelaide Hills Council)	11/11
Cr Grant Piggott (City of Burnside)	9/11
Mr Paul Di Iulio (Campbelltown City Council)	7/11
Cr Karen Hockley (City of Mitcham) *Term expired 25/11/2018	3/4
Mr Matthew Pears (City of Mitcham) *Appointed 25/11/2018 until 12/2/19	2/2
Mayor Heather Holmes-Ross (City of Mitcham) *Appointed 12/2/2019	4/5
Mr Mario Barone (City of Norwood, Payneham & St Peters)	11/11
Cr Gianni Busato (Corporation of the Town of Walkerville) *Term expired 23/11/2018	2/4
Cr Rob Ashby (Corporation of the Town of Walkerville) *Appointed 26/11/2018	6/7
Ms Cate Hart (City of Prospect) *Resignation effective 28 June 2019	8/10

\*In order to appropriately manage a conflict of interest through the recycling tender process, Brian excused himself from meetings where the sole business related to the recycling tender.

# Appendices

## EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

### EAST WASTE GOVERNANCE

DEPUTY DIRECTOR ATTENDANCE	MEETINGS
Mr Simon Bradley (City of Prospect)	2/11
Cr Stephen Fisher (City of Mitcham)	2/11
Mr Andrian Wiguna (Campbelltown City Council)	1/11
Cr Graham Webster (Corporation of the Town of Walkerville)	1/11

#### 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 2018 – 2019 financial year.

The table below details Audit Committee Member attendance.

AUDIT & RISK MANAGEMENT COMMITTEE MEMBER	MEETINGS
Mr Brian Cunningham (Chair)	4/5
Mr Mario Barone (City of Norwood, Payneham & St Peters)	5/5
Cr Karen Hockley (City of Mitcham) *Term expired 25/11/2018	1/1
Cr Grant Piggott (City of Burnside) *Appointed 13 December 2018	3/3
Mr Tim Muhlhausler (Independent Member)	5/5
Mr Leigh Hall (Independent Member)	3/5

The Audited Financial Statements for the year ending 30 June 2019 are provided at page 19.

#### 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)

Mr 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)

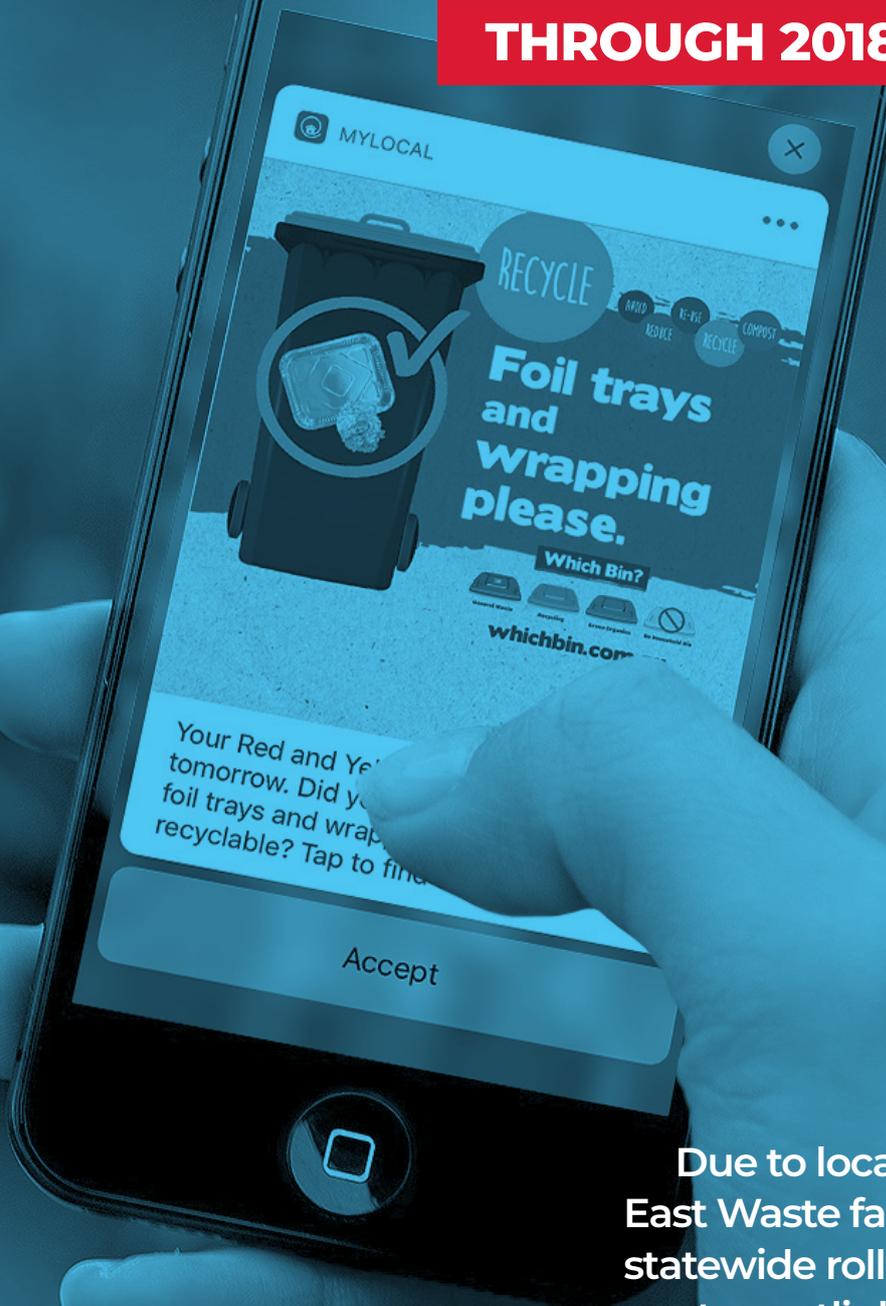
The Committee held two formal meetings in the 2018 – 2019 financial year.

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**MY LOCAL SERVICES APP**

**AVAILABLE TO RESIDENTS**

**THROUGH 2018-2019**



Due to local success, East Waste facilitated a statewide rollout of the waste spotlights on the My Local Services App.

**EastWaste**



# FINANCIAL STATEMENTS 2018-2019

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## FINANCIAL STATEMENTS 2018-2019

### CERTIFICATION OF FINANCIAL STATEMENTS

**EASTERN WASTE MANAGEMENT AUTHORITY INC**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2019**

**CERTIFICATION OF FINANCIAL STATEMENTS**

We have been authorised by Eastern Waste Management Authority Inc. to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.*
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



.....  
Rob Gregory  
EXECUTIVE OFFICER



.....  
Paul Di Iulio  
ACTING CHAIRPERSON

Date: 26/09/2019

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## EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

### FINANCIAL STATEMENTS 2018-2019

#### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 \$'000	2018 \$'000
<b>INCOME</b>			
User charges	2	15,440	12,689
Investment income	2	32	19
Grants, subsidies and contributions		38	15
Other	2	684	413
<b>Total Income</b>		<b>16,194</b>	<b>13,136</b>
<b>EXPENSES</b>			
Employee costs	3	5,580	5,605
Materials, contracts & other expenses	3	8,229	5,776
Finance costs		290	321
Depreciation, amortisation & impairment	3	1,959	1,767
<b>Total Expenses</b>		<b>16,058</b>	<b>13,469</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>136</b>	<b>(333)</b>
transfer to Equity Statement			
Asset disposal & fair value adjustments	4	32	10
Amounts received specifically for new/upgraded assets		-	-
<b>NET SURPLUS / (DEFICIT)</b>		<b>168</b>	<b>(323)</b>
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>168</b>	<b>(323)</b>

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

# Appendices

## EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

### FINANCIAL STATEMENTS 2018-2019

#### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	2019 \$'000	2018 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	1,967	1,376
Trade & other receivables	5	717	1,127
<b>Total Current Assets</b>		<b>2,684</b>	<b>2,503</b>
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	6,100	6,165
<b>Total Assets</b>		<b>8,784</b>	<b>8,668</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7	771	821
Provisions	7	540	530
Borrowings	7	1,987	2,007
<b>Total Current Liabilities</b>		<b>3,298</b>	<b>3,358</b>
Non-current Liabilities			
Borrowings	7	4,702	4,774
Provisions	7	78	63
<b>Total Non-current Liabilities</b>		<b>4,780</b>	<b>4,837</b>
<b>Total Liabilities</b>		<b>8,078</b>	<b>8,195</b>
<b>NET ASSETS</b>		<b>706</b>	<b>473</b>
<b>EQUITY</b>			
Accumulated Surplus		706	473
<b>TOTAL EQUITY</b>		<b>706</b>	<b>473</b>

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

# Appendices

## EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

### FINANCIAL STATEMENTS 2018-2019

#### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
<b>2019</b>		
Balance at end of previous reporting period	473	473
Net Surplus/ (Deficit) for Year	168	168
<b>Other Comprehensive Income</b>		
Contributed Equity	65	65
Distributions to Member Councils	-	-
<b>Balance at end of period</b>	<b>706</b>	<b>706</b>
<b>2018</b>		
Balance at end of previous reporting period	611	611
Net Surplus/ (Deficit) for Year	(323)	(323)
<b>Other Comprehensive Income</b>		
Contributed Equity	185	185
Distributions to Member Councils	-	-
<b>Balance at end of period</b>	<b>473</b>	<b>473</b>

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

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## EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

### FINANCIAL STATEMENTS 2018-2019

#### STATEMENT OF CASH FLOWS AS AT 30 JUNE 2019

	Notes	2019 \$'000	2018 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>Receipts</i>			
Operating receipts		16,572	12,400
Investment receipts		32	20
<i>Payments</i>			
Employee costs		(5,555)	(5,548)
Materials, contracts & other expenses		(8,260)	(5,808)
Finance payments		(309)	(320)
<b>Net Cash provided by (or used in) Operating Activities</b>	8	<b>2,480</b>	744
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<i>Receipts</i>			
Sale of replaced assets	4	35	11
Sale of surplus assets	4	-	-
<i>Payments</i>			
Expenditure on renewal/replacement of assets	6	(1,897)	1,887
Expenditure on new/upgraded assets		-	-
Distributions to member councils		-	-
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(1,862)</b>	(1,876)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<i>Receipts</i>			
Capital contribution by member councils		65	185
Proceeds from Borrowings		1,814	1,971
<i>Payments</i>			
Repayments of Borrowings		(1,906)	(1,632)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(27)</b>	<b>524</b>
<b>Net Increase (Decrease) in cash held</b>		<b>591</b>	(608)
Cash & cash equivalents at beginning of period	5	1,376	1,984
<b>Cash &amp; cash equivalents at end of period</b>	5	<b>1,967</b>	1,376

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

# Appendices



**EAST WASTE COLLECTED**

**34,459 TONNES OF**

**ORGANIC WASTE**

## FINANCIAL STATEMENTS 2018-2019

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### 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.

## FINANCIAL STATEMENTS 2018-2019

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### 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.

## FINANCIAL STATEMENTS 2018-2019

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### 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 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.

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 Statewide Super. The Scheme has two types of membership, each of which is funded differently.

###### Accumulation Fund Members

*Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2018/19; 9.5% in 2017/18). 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, 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 the Authority's contribution rates at some future time.

## FINANCIAL STATEMENTS 2018-2019

### 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.

#### 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.

## FINANCIAL STATEMENTS 2018-2019

### 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

Certain new accounting standards have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

The Authority is of the view that AASB 16 Leases will have an immaterial impact on the future financial performance and position of the Authority. It is estimated that AASB 16 will result in the Authority recognising an additional \$44,000 operating expense in FY2020 to account for different accounting treatment of its operating leases compared to the current adopted accounting policies of the Authority.

The Authority is expected to record a 'Right-of-Use' asset and a corresponding liability of equal value of \$1.32 million as at 1 July 2019 as a result of the introduction of AASB 16.

##### 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.

# Appendices

## EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

### FINANCIAL STATEMENTS 2018-2019

#### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

##### NOTE 2 - INCOME

	Notes	2019 \$'000	2018 \$'000
<b>USER CHARGES</b>			
Waste Collection Income		11,768	11,215
Waste Processing Income		3,456	1,643
Administration		216	239
Recycle Rebate		-	306
Recycle Rebate - Member Councils		-	(306)
Member Council Waste Collection Rebate		-	(408)
		<b>15,440</b>	<b>12,689</b>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		32	19
		<b>32</b>	<b>19</b>
<b>OTHER INCOME</b>			
Bin Supply		201	106
Replacement Bins		439	271
Sundry		44	36
		<b>684</b>	<b>413</b>
<b>NOTE 3 - EXPENSES</b>			
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		4,434	4,120
Employee leave expense		25	38
Superannuation		369	330
Wages Casual Agency		522	787
Workers' Compensation Insurance		120	166
Other		110	164
<b>Total Employee Costs</b>		<b>5,580</b>	<b>5,605</b>
<i>Total Number of Employees (Full Time Equivalent as at reporting date)</i>		<b>55</b>	<b>50</b>

# Appendices

## EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

### FINANCIAL STATEMENTS 2018-2019

#### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

##### NOTE 3 - EXPENSES (Cont.)

	Notes	2019 \$'000	2018 \$'000
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
Auditor's Remuneration		9	9
Board Expenses		26	28
Lease costs		316	316
Subtotal - Prescribed Expenses		<u>351</u>	<u>353</u>
<i>Other Materials, Contracts &amp; Expenses</i>			
Waste Processing Costs		3,479	1,657
Electricity		25	41
Fuel, Gas & Oil		1,180	971
GPS Expenses		17	63
Legal Expenses		88	70
Maintenance		1,815	1,736
Parts, Accessories & Consumables		9	84
Printing, Stationery & Postage		55	65
Professional Services		440	286
Registration & Insurance - Trucks		358	227
Sundry		370	176
Telephone		42	47
Subtotal - Other Materials, Contracts & Expenses		<u>7,878</u>	<u>5,423</u>
		<b>8,229</b>	<b>5,776</b>
<b>DEPRECIATION</b>			
Buildings & Other Structures		8	-
Plant, Machinery & Equipment		1,951	1,767
		<u>1,959</u>	<u>1,767</u>
<b>NOTE 4 - ASSET DISPOSAL</b>			
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
Assets renewed or directly replaced			
Proceeds from disposal		35	11
Less: Carrying amount of assets sold		(3)	(1)
<b>Gain (Loss) on disposal</b>		<u>32</u>	<u>10</u>
<b>NOTE 5 - CURRENT ASSETS</b>			
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		1,548	1,250
Deposits at Call		419	126
		<u>1,967</u>	<u>1,376</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Debtors - general		716	1,098
Accrued Income		1	-
Prepayments		-	29
		<u>717</u>	<u>1,127</u>

# Appendices

## EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

### FINANCIAL STATEMENTS 2018-2019

#### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

##### NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2019 \$'000	2018 \$'000
Buildings & Other Structures - At Cost		106	78
Accumulated Depreciation		(56)	(48)
		<u>50</u>	<u>30</u>
Plant, Machinery & Equipment		15,068	14,448
Accumulated Depreciation		(9,018)	(8,314)
		<u>6,050</u>	<u>6,134</u>
Work in Progress (WIP)		-	1
		<u>-</u>	<u>1</u>
<b>Total Property, Plant &amp; Equipment</b>		<b><u>6,100</u></b>	<b><u>6,165</u></b>

	2018 \$'000	CARRYING AMOUNT MOVEMENT DURING YEAR \$'000					2019 \$'000
	Carrying Amount	Additions		Disposals	Depreciation	Transfer	Carrying Amount
		New/ Upgrade	Renewal				
Buildings & Other Structures	30	28	-	-	(8)	1	50
Plant, Machinery & Equipment	6,134	1,869	-	(3)	(1,951)	1	6,050
Work in Progress	1	-	-	-	-	(1)	-
<b>Total Property, Plant &amp; Equipment</b>	<b>6,165</b>	<b>1,897</b>	<b>-</b>	<b>(3)</b>	<b>(1,959)</b>	<b>1</b>	<b>6,100</b>
<i>2018 Totals</i>	<i>6,046</i>	<i>1,887</i>	<i>-</i>	<i>(1)</i>	<i>(1,767)</i>	<i>-</i>	<i>6,165</i>

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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

## FINANCIAL STATEMENTS 2018-2019

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### NOTE 7 - LIABILITIES

	Notes	2019		2018	
		\$'000		\$'000	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		554	-	697	-
Accrued expenses - other		217	-	124	-
		<b>771</b>	<b>-</b>	<b>821</b>	<b>-</b>
<b>BORROWINGS</b>					
Loans		1,987	4,702	2,007	4,774
		<b>1,987</b>	<b>4,702</b>	<b>2,007</b>	<b>4,774</b>
<b>PROVISIONS</b>					
Annual Leave		236	-	223	-
Long Service Leave		304	78	307	63
		<b>540</b>	<b>78</b>	<b>530</b>	<b>63</b>

## FINANCIAL STATEMENTS 2018-2019

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### 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	2019 \$'000	2018 \$'000
Total cash & equivalent assets	5	1,967	1,376
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		1,967	1,376

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

Net Surplus (Deficit)		168	(323)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,959	1,767
Net increase (decrease) in unpaid employee benefits		25	38
Net increase (decrease) accrued interest charges		(32)	2
(Gain) / Loss on Disposal		(19)	(10)
		2,101	1,474
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		410	(717)
Net increase (decrease) in trade & other payables		(31)	(5)
Net increase (decrease) in other provisions		-	(8)
<b>Net Cash provided by (or used in) operations</b>		<b>2,480</b>	<b>744</b>

##### (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

-	-
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##### (d) Financing Arrangements

Corporate Credit Cards	15	15
Cash Advance Debenture Facility	1,000	1,000

## FINANCIAL STATEMENTS 2018-2019

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### 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 1.25% - 1.85% (2018: 1.5%).

**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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## EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2018-2019

### FINANCIAL STATEMENTS 2018-2019

#### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

##### NOTE 9 - FINANCIAL INSTRUMENTS (CONT)

###### Liquidity Analysis

2019	Floating Interest Rate	Fixed Interest ≤ 1 year	Fixed Interest > 1 year ≤ 5 years	Fixed Interest > 5 years	Non-Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>						
<b>Fair Value through P&amp;L</b>						
Cash Assets	1,548	419	-	-	-	1,967
<b>Loans &amp; Receivables</b>						
Receivables	-	-	-	-	716	716
<b>Total</b>	<b>1,548</b>	<b>419</b>	<b>-</b>	<b>-</b>	<b>716</b>	<b>2,683</b>
<i>Financial Liabilities</i>						
Payables	-	-	-	-	554	771
Current Borrowings	-	1,987	-	-	-	1,987
Non-Current Borrowings	-	-	3,390	1,312	-	4,702
<b>Total</b>	<b>-</b>	<b>1,987</b>	<b>3,390</b>	<b>1,312</b>	<b>554</b>	<b>7,460</b>
<b>EXCESS OF FINANCIAL ASSETS OVER LIABILITIES</b>	<b>1,548</b>	<b>(1,568)</b>	<b>(3,390)</b>	<b>(1,312)</b>	<b>162</b>	<b>(4,777)</b>

2018	Floating Interest Rate	Fixed Interest ≤ 1 year	Fixed Interest > 1 year ≤ 5 years	Fixed Interest > 5 years	Non-Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>						
<b>Fair Value through P&amp;L</b>						
Cash Assets	1,250	126	-	-	-	1,376
<b>Loans &amp; Receivables</b>						
Receivables	-	-	-	-	1,098	1,098
<b>Total</b>	<b>1,250</b>	<b>126</b>	<b>-</b>	<b>-</b>	<b>1,098</b>	<b>2,474</b>
<i>Financial Liabilities</i>						
Payables	-	-	-	-	697	698
Current Borrowings	-	2,007	-	-	-	2,007
Non-Current Borrowings	-	-	3,153	1,621	-	4,774
<b>Total</b>	<b>-</b>	<b>2,007</b>	<b>3,153</b>	<b>1,621</b>	<b>697</b>	<b>7,479</b>
<b>EXCESS OF FINANCIAL ASSETS OVER LIABILITIES</b>	<b>1,250</b>	<b>(1,881)</b>	<b>(3,153)</b>	<b>(1,621)</b>	<b>401</b>	<b>(5,005)</b>

## FINANCIAL STATEMENTS 2018-2019

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### NOTE 10 - COMMITMENTS FOR EXPENDITURE

	Notes	2019 \$'000	2018 \$'000
<b>Expenditure Commitments</b>			
Other expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		-	9
Truck Fleet Replacement		-	1,810
		<u>-</u>	<u>1,819</u>
These expenditures are payable:			
Not later than one year		-	1,819
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		<u>-</u>	<u>1,819</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	263	252
Later than one year and not later than 5 years	1,159	834
Later than 5 years	80	603
	<u>1,502</u>	<u>1,689</u>

#### NOTE 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events after Balance Date that are require to be disclosed.

## FINANCIAL STATEMENTS 2018-2019

### 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:

	2019 \$'000	2018 \$'000
Salaries, allowances & other short term benefits	467	405
Long term benefits	-	-
<b>TOTAL</b>	<b>467</b>	<b>405</b>

#### Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
Adelaide Hills Council	2,988	107	Provision of kerbside waste collection and hardwaste
City of Burnside	2,425	128	Provision of kerbside waste collection and hardwaste
City of Mitcham	2,438	193	Provision of kerbside waste collection and hardwaste
City of Norwood, Payneham & St Peters	2,249	96	Provision of kerbside waste collection and hardwaste
City of Prospect	1,108	49	Provision of kerbside waste collection and hardwaste
Corporation of the City of Campbelltown	2,658	117	Provision of kerbside waste collection and hardwaste
Corporation of the Town of Walkerville	502	23	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.



## FINANCIAL STATEMENTS 2018-2019

### INDEPENDENT AUDITOR'S REPORT

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EASTERN WASTE MANAGEMENT AUTHORITY INC

**Opinion**

We have audited the accompanying financial report of the Eastern Waste Management Authority Inc, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of the Eastern Waste Management Authority Inc as of 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *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 entity 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 other 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.

**Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and for such internal control as the committee and management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.



**Bentleys**  
THINKING AHEAD

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-  Advisors
-  Accountants
-  Auditors

## FINANCIAL STATEMENTS 2018-2019

### INDEPENDENT AUDITOR'S REPORT



#### 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 'David Papa', written over a light blue horizontal line.

DAVID PAPA  
PARTNER

Dated at Adelaide this 29<sup>th</sup> day of September 2019

**EAST WASTE CONTINUED THEIR**

**FOCUS ON DIVERTING WASTE**

**FROM LANDFILL IN 2018-2019**



# Appendices



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