

Annual Report

2019/2020



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INTRODUCTION



Mayor's Reflections

What an opening - enjoyed by thousands of locals!

After 40 years apart, on 14 October 2019 Council consolidated all indoor activities into Payinthe, our wonderful new civic centre. Extraordinarily however, barely five months later, it was largely closed to the public, in line with the broader COVID-19 restrictions that swept the nation.

Pleasingly, the buzz that accompanied the advent of the new facility flowed into our response to the COVID-19 global pandemic. Staff reinvented their roles, redoubled their efforts and innovated to not just continue serving the community, but to step up and increase services in many areas of need.

Packaging and delivering library books, initiating regular telephone contact with our elderly, taking Rhyme Time online, podcasting Story Time, escalating public health education, offering rate relief to badly affected businesses, and providing 4,400 free meal vouchers to help keep our hospitality sector alive.

These and many other initiatives were seamlessly delivered alongside unabated service levels in a range of areas such as development assessment and public health inspections, through to outdoor maintenance and projects.

Elected Members met safely online, determined to ensure we left no stone unturned in our efforts to protect our community's health, both physically and economically. We were delighted to be supported by such a willing and innovative cohort of staff, inspired by the leadership of our new CEO, Nigel McBride.

In addition to our COVID-19 response from March 2020, it was certainly a busy and achievement packed year in total.



Our largest project completion was the final stage of the Prospect Road upgrade north of Regency Road, with powerlines placed underground, infrastructure renewed and landscaping installed - beautifying a part of our city that has languished far too long.

Other project completions included:

- Charles Cane Reserve / Parndo Yerta Public Toilet and Change Rooms Upgrade; and
- Stage one of the Collinswood Shops Precinct Upgrade.

To guide future investment at a precinct level, master plans were advanced for:

- Prospect Oval / Payinthe yarta at the initiation of the North Adelaide Football Club and Prospect District Cricket Club; and

Mayor's Reflections

- Broadview Sports & Recreation Precinct / Yarnta Tutu yarta, which was revisited in consultation with key stakeholders ahead of broader public consultation in the new financial year.

Demonstrating the value of having master plans and designs to hand, Council was fortunate to win grant funding for the following, for implementation next year:

- \$750,000 Churchill Road Master Plan (Stage 3 of 3);
- \$218,500 Prospect Gardens / Narnu Wirra Redevelopment; and
- \$350,000 Broadview Oval / Yarnta Tutu yarta Dog Park and Playspace Upgrade.

Alongside projects, our stewardship of Council's assets and services continued, with resurfacing of nearly 7,000m² of roads, including Mawson Street, Murray Street, Rolfe Street and Second Avenue.

We also co-signed Australia's first Circular Procurement Pilot Project to commit Council to purchasing products made from recycled plastics, sourced from our kerbside collection.

A partnership approach was again adopted this year to stimulate further projects through our Community Facility Upgrade Grants program. Many local clubs received grants to help fund upgrades or replacement of dated facilities.

Never idle, our Business and Innovation team excelled during the COVID-19 restrictions, increasing training support by switching it to online, establishing a comprehensive business support package, reducing or eliminating fees, rebating rates, and engineering the very successful Prospect Delivers meal voucher program, which saved many local cafes and restaurants.

In addition we launched our inaugural

Prospect Innovation Awards in June 2019 at Prospect Palace Nova with four local applicants receiving a total of \$12,500 in grants. The four winners were:

- Enee Solutions – Start Up Award
- The Physio Clinic – SME Award
- 1UP Digital – SME Award
- Blackfriars Priory School – Education Award

Confirmation our Smart City strategy is on the right track was received in the form of international and national recognition with the City winning two Smart City awards:

- Top 21 Intelligent Community Forum Smartest Cities in the World; and
- National Built Environment Award for Connected Cities network, from the Australian Smart Cities Council.

In September 2019 City of Prospect established the Prospect Property Network group to work with the property sector to promote the benefits of development in the Council area. To guide our promotion activities, Council developed a Strategic Sites Program and guidelines in April 2020, and a more targeted French Quarter Plan - to capitalise on the increase in French residents attracted to SA to work on the submarine program.

City of Prospect's 2020 Citizen of the Year Awards were presented at the 2020 Tourrific Prospect Street Party to the following very worthy recipients:

- Robert Roocke was awarded the City of Prospect's 2020 Citizen of the Year Award.
- Dual recipients for the Young Citizen of the Year, Charlotte Crosby and Max Weir.
- Broadview Football Club for the 2020 Community Event of the Year for taking

Mayor's Reflections

a lead role in collaborating with three other amateur league clubs to arrange a "Community Day at the Footy" in August 2019.

Many locals volunteer their time to help others. It is a welcome generosity of spirit which we again recognised this year via the Community Service 2020 Awards, awarding certificates to:

- Prospect District Cricket Club
- Rotary Club of Prospect
- Australian Plangon (Antique & Modern Doll Collectors) Club Inc.
- Prospect Community Early Education and Care
- Dennis Rigney
- Lesley Attema
- Derek Williamson
- Hanni Howe
- Wendy Stephens
- Lynn Hughes
- David Johnston
- Nola Bellenger

Prospect Gallery, SA's first purpose-built community gallery, held its last exhibition at the Thomas Street Centre in August 2019 after being open since 1988.

Also making history, Council resolved to open the new gallery at Payinthe under a new name. The official opening of Newmarch Gallery was on Thursday 5 December 2019 and served as the opening of the 10th Prospect Portrait Prize in Payinthe. Ann Newmarch is the City's greatest living artist and was particularly honoured by Council's recognition of the calibre and impact of her life's work.

Prospect Spring Fair was held on Saturday 26 October 2019 at Broadview Oval / Yarnta Tutu yarta for the third consecutive year. Its success has led to Council determining to make Broadview Oval its permanent home.

The Tourrific Prospect street party was again held in January 2020, attracting nearly 17,000 patrons. Tours of the new Payinthe facilities were a highlight with thousands taking the opportunity for a tour.

The 25th Twilight Sessions at Prospect Memorial Gardens were once again a success, presenting four nights of live music and entertainment throughout February within the very picturesque Memorial Gardens precinct.

Prior to the advent of restrictions the popular Club5082 ran sold out shows with a particular highlight being the induction of GANGgajang into the South Australian Music Hall of Fame. An incredible night, packed with longtime fans and new devotees. We were honoured to be chosen to host the event, not least because band member Geoffrey Stapleton is a long term resident of our city.

Financially, this year Council either achieved or exceeded all of its Key Financial Indicators. The focus of 2019/2020 budget was on the continuation of the replacement and renewal of existing infrastructure assets, while completing the construction of Payinthe - Council's largest ever project.

Council achieved 2 out of 3 key financial indicators targets set out in its Annual Business Plan and surpassed the third. Indicators continue to be on track with the target ranges identified in the Long Term Financial Plan, reflecting positively on the work of staff and Council Members during 2019/2020.

Council presented an operating deficit for the 2019/2020 year of approximately \$11k.

In 2019/2020 approximately \$8.95m was spent on capital expenditure. \$5.9m of this was spent in the rejuvenation or replacement of long term assets.

We recognise these results would not be possible without the assistance of State and Federal Government recurrent grants which account for approximately 7% of our revenue. Without these annual grants local ratepayers would have to fill the gap by paying higher rates, or decide which of our valuable services would be cut - an unenviable task.

In summary, a year of significant challenge and extraordinary achievement. The opening of Payinthe, our COVID-19 response, the very positive attitude our team applied to stepping up to the challenges, rather than stepping back, and in maintaining services elsewhere confirms we have a great team and leadership. Our financial results confirm our approach to stewardship is sustainable and robust, perfectly positioning us to face the new, uncertain year.

Mayor David O'Loughlin

OUR COUNCIL



Our Council

Our Council Members



Mayor

MAYOR DAVID O'LOUGHLIN

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CR ALISON DE BACKER

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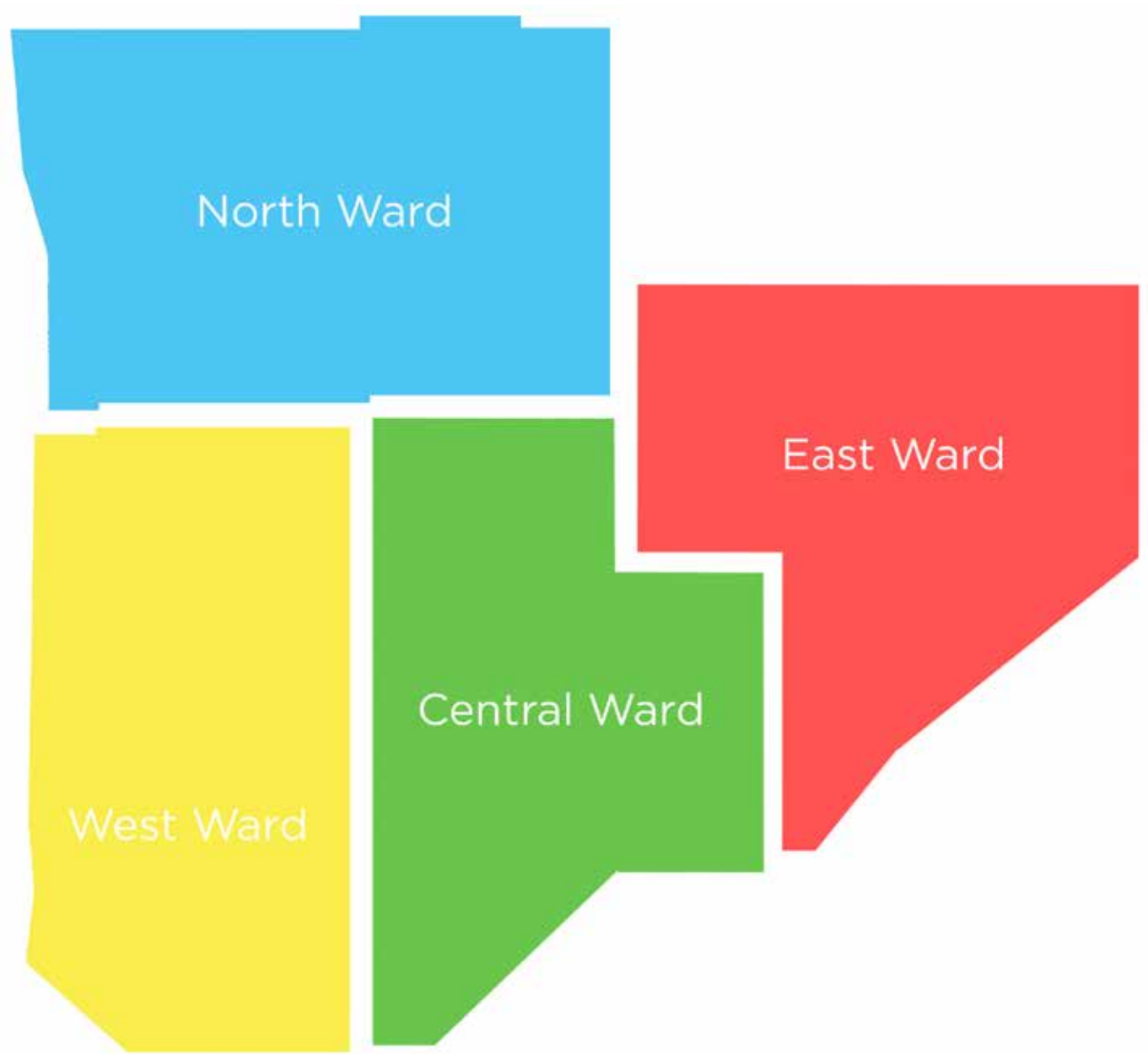
CR STEVEN RYPP

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Our Council

Council Boundaries



	North Ward - Prospect
	East Ward - Nailsworth, Collinswod, Broadview, Sefton Park
	Central Ward - Prospect, Nailsworth, Thorngate, Medindie Gardens
	West Ward - 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 1,696.

Council	Number of Electors	Number of Council Members	Ratio
Walkerville	5,720	9	1:635
Prospect	14,825	9	1:1,647
Norwood, Payneham & St Peters	25,334	14	1:1,810
Unley	27,247	13	1:2095
Adelaide	27,533	12	1:2,294

Source: Electoral Commission of SA (ECSA), current as at 28 February 2020

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 upcoming year starting October 2020 and ending October 2021.

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 Local Government Act provides that Council Member allowances must be adjusted in accordance with the Consumer Price Index. Following the determination, the allowance was adjusted in accordance with the Consumer Price Index on the first anniversary of the periodic election.

The allowances came into operation following the November 2018 Council elections, and were adjusted on the 9 November 2019:

Prescribed Allowance	2018/19	2019/20
Mayor	\$69,080	\$71,648
Deputy Mayor	\$21,587	\$22,390
Council Member	\$17,270	\$17,912

Our Council

Payments for 2019/2020

Name	Council Member Allowance Entitlement ¹	Council Member Allowance Paid
Mayor O'Loughlin ¹	\$71,006	\$65,035
Cr Nguyen	\$17,751	\$17,751
Cr Pearce	\$17,751	\$17,751
Cr Barnett	\$17,751	\$17,751
Cr Larwood	\$22,186	\$22,189
Cr Groote	\$17,751	\$17,751
Cr De Backer	\$17,751	\$17,751
Cr Harris	\$17,751	\$17,751
Cr Rypp	\$17,751	\$17,751

¹ The Mayor's entitlement is paid on a monthly basis. The final payment for the 2019/2020 financial year was received on the 1 July 2020, and is therefore not included in the final amount paid.

Council Member Conferences, Education & Development

In accordance with City of Prospect's Council Member Conferences, Education & Development Policy, the Council Members were provided the opportunity to undertake training and development activities during 2019/2020 as per the table below:

Name	Date	Details
Cr Robin Pearce	18 October 2019	2019 Planning, Development & Environment Master Class
Cr Robin Pearce	23-25 October 2019	International Cities, Town Centres & Communities Conference 2019 (Townsville)
Mayor David O'Loughlin	10-11 November 2019	Mainstreet SA State Conference and AGM (Adelaide)
Cr Thuy Nguyen Cr Alison De Backer	13 November 2019	Public Speaking for Council Members
Cr Kristina Barnett Cr Alison De Backer	5 December 2019	PLANET 2019 - Balancing Heritage Conservation and Development Opportunity (Adelaide)
Cr Thuy Nguyen	February 2020	Council Member Mandatory Training Module 3 (online)
Cr Kristina Barnett	17 February 2020	Leadership Skills Development - 'Strategic Development'
Mayor David O'Loughlin	25 May 2020	FACCI Webinar Economic Outlook Briefing (Video Conferencing)

Our Council

Meetings, Workshops, Panels And Committees

Ordinary Meetings of Council are held on the fourth Tuesday of the month starting at 7:00pm. Councillor Information and Workshop Sessions are held on an as-required basis (as determined by the Chief Executive Officer), with a preference for them being on a Tuesday evening commencing at 6.15pm.

Meetings attended by Council Members 1 July 2019 to 30 June 2020						
	Council	Councillor Information Workshop	Audit Committee	Strategic Planning & Development Policy Committee	Council Assessment Panel (CAP)	CEO Performance Review Committee
Total Meetings	13	18	4	2	13	3
Mayor D O'Loughlin	12	14	3	2	-	3
Cr Barnett	12	17	-	2	-	-
Cr Larwood	13	14	-	-	-	3
Cr Groote	12	13	-	1	-	3
Cr De Backer	12	15	-	1	4*	3
Cr Harris	11	16	-	-	-	-
Cr Nguyen	13	17	-	1	-	-
Cr Pearce	12	17	-	-	8**	-
Cr Rypp	13	17	4	-	-	3

* Cr A De Backer held membership on CAP for the period of July 2019 to January 2020.

** Cr R Pearce was the Deputy Elected Member on CAP from November 2019 and the Elected Member Position from February 2020

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 for the Independent Members were increased to \$475 in November 2019.

Council Assessment Panel Independent Members Allowances for the period July to October 2019

Council Assessment Panel Independent Members Allowances paid			
Sitting Fees per meeting		Allowances paid July to October 2019	
Presiding Member	\$550	Mr David Cooke (Presiding)	\$1,650
Independent Member	\$450	Mr Sam Green	\$1,800
Independent Member	\$450	Mr Julian Rutt	\$1,900
Independent Member	\$450	Mr Robert Ggetti	\$1,350
Deputy Member	\$450	Mr Ruan Perera	\$1,350

Council Assessment Panel Independent Members Allowances for the period October 2019 to June 2020

Council Assessment Panel Independent Member Allowances			
Sitting Fees per meeting		Allowances paid October 2019 to June 2020	
Presiding Member	\$550	Mr Donato Donaldson (Presiding)	\$4,675
Member	\$475	Mr David Cooke	\$4,037.50
Member	\$475	Mr Ruan Perera	\$3,325
Member	\$475	Mr Robert Ggetti	\$4,037.50
Deputy Member	\$475	Mr Julian Rutt	\$475

Audit Committee

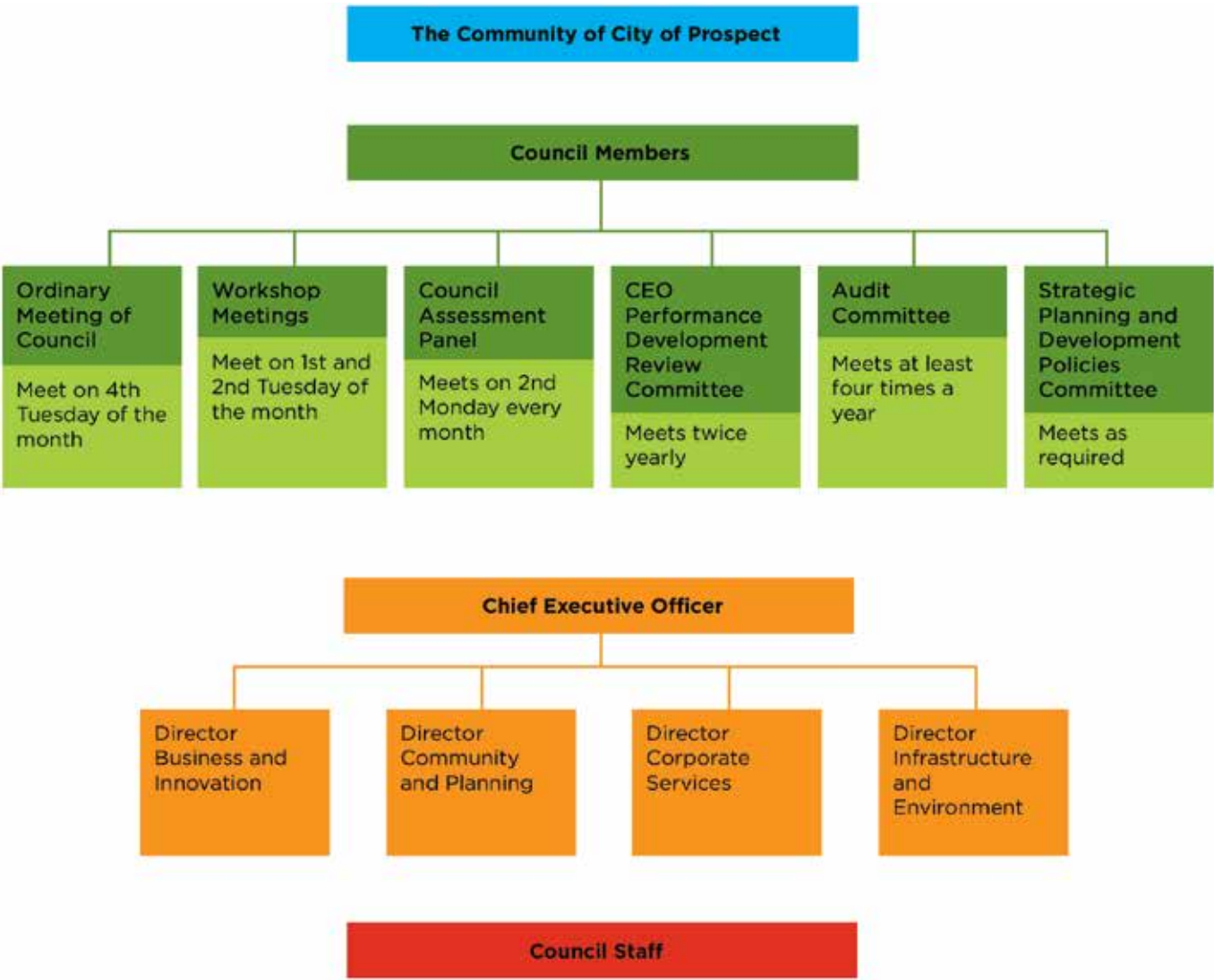
The Audit Committee is established to oversee risk management and audit initiatives of council activities and to act as a source of advice to the Council and Chief Executive Officer in relation to these matters. The Committee are expected to meet at a minimum of four times per year.

Audit Committee Independent Member Allowances			
Sitting Fees per meeting		Allowances paid 2019/2020	
Presiding Member	\$500	Ms Corinne Garrett (Presiding)	\$1,500
Member	\$400	Mr David Moffatt (until March 2020)	\$1,300
Member	\$400	Mr Peter Fairlie-Jones	\$1,200
Member	\$400	Mr Peter Scargill (from April 2020)	\$400

Our Council

Council Decision Making Structure

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



Our Council

Executive Leadership

Nigel McBride

Chief Executive Officer (from 14 October 2019)

The Chief Executive Officer is responsible for the overall administration of the Council and the employment and management of all staff. The CEO is also the Work Health Safety responsible officer. He reports to Council and often acts as Council's delegate across a range of its powers and responsibilities.

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, Information Management, Risk Management, Work Health & Safety, Human Resource Management, Customer Service, Financial Services and Rates Administration.

Nathan Cunningham

Director Community & Planning

The Director of Community & Planning is responsible for a broad portfolio covering Community Development, Aged and Youth Programs, as well as Public Art and programming the Newmarch Gallery. These programs and services are delivered together with city-wide Events, 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.

Our Council

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.

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

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

Employees are engaged under the South Australian Municipal Salaried Officers Award and the Local Government

Employees Award. Service delivery standards and employment conditions are enhanced through the enterprise bargaining process, which involves negotiation between Council employees and management.

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 2019/2020, with four employees leaving the organisation to pursue other promotional or career opportunities and one employee retiring.

Council continues to develop strategies to attract and retain quality employees. Council seeks to balance the inevitable employee turnover generated by the tight labour market with core employees who have dedicated significant periods of their working life to serving the residents and community organisations within Prospect.

The tables below summarise the age profile and length of service of

Age of Workforce	Male	Female	Total
18-29	4	5	9
30-39	7	13	20
40-49	12	12	24
50-59	14	14	28
60+	7	2	9
Total Employees	44	46	90

Length of Service	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
0 to 5	34	40	34	33	32
5 to 10	33	29	26	25	26
10 to 15	9	14	19	18	20
15 to 20	4	6	7	4	4
20+	5	5	6	7	8
Total	85	94	92	87	90

Our Council

employees with City of Prospect as at 30 June 2020.

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

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

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 2019/2020 was adopted by Council on 25 June 2019 along with 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 2019/2020, the total revenue raised from rates increased by 4.47%. This

Our Council

increase was made up of average residential rate increases of 3.33% plus growth of 1.14%. Local residential property valuations increased by an average of 7.22% 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 \$1,200 to \$1,239 for the 2019/2020 financial year.

Payments

Council rates can be paid through a variety of methods:

- EFTPOS
- Telephone
- Internet
- Direct Debit
- Australia Post
- BPay
- Cheque
- Cash

Every \$100 spent by Council

Service	\$
Waste Management	\$8.12
Sanitation	\$0.21
Community Arts, Events & Gallery	\$4.35
Library	\$3.98
Community Wellbeing & Development	\$13.27
Street Trees, Nature Strips, Parks & Landscapes	\$1.86
Stormwater Drainage	\$1.02
Business & Economic Development	\$2.24
Street Lighting	\$1.66
Public Health & Safety	\$1.35
Streets & Footpaths	\$9.97
Traffic Management	\$1.27
City Planning & Development	\$3.28
Fleet & Depot Operations	\$9.03
Governance & Administration	\$10.83
Information Technology	\$5.51
Rates Administration	\$3.16
Financial Management (includes NRM Levy)	\$2.41
Reserves & Loans	\$9.84
Sports, Recreation & Playgrounds	\$5.58
Communication	\$1.06

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.

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Valuation of the City (Million)	\$4,783	\$4,877	\$4,962	\$5,205	\$5,629	\$5,981	\$6,280
Minimum Rate	\$980	\$1,050	\$1,090	\$1,118	\$1,160	\$1,200	\$1,239
Residential Rate (in dollar)	0.314506	0.321690	0.322342	0.319577	0.303805	0.306640	0.298080
Non-residential rate (in dollar)	0.609000	0.658500	0.683288	0.654307	0.637904	0.631026	0.592218
Average Residential Rate	\$1,531	\$1,605	\$1,683	\$1,732	\$1,780	\$1,839	\$1,899
Vacant Land Rate	0.393132	0.402112	0.402927	0.399471	0.379756	0.383300	0.372600
Vacant Land Rate (Non-residential)	0.761250	0.823125	0.854110	0.817884	0.797380	0.788783	0.740273

Mandatory Rebates

During the 2019/2020 financial year, 143 properties were granted mandatory rebates as follows:

No. of Rebates	Reason	Value of Rebate
1	Cemetaries	\$8721.81
112	Community Services	\$149,674.83
10	Education	\$148,767.22
20	Religious	\$147,206.93
Total 135		\$454,370.79

Discretionary Rebates

Eight applications for discretionary rebates were approved by Council during the 2019/2020 financial year.

No. of Rebates	Reason	Value of Rebate
3	Community Services	\$8,781.95
5	Separate Rate	\$750
Total 8		\$9,531.95

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. For 2019/2020, the zone was extended to the South, up to Buller Street and Ballville Street. Each business was billed a fixed contribution of \$150 annually, with a rebate available to ensure that this is only paid once per business per year. Council waived the 4th Quarter instalment of this separate rate (\$37.50) as part of the COVID-19 financial support package.

Policy & Administration Documents

National Competition Policy – Clause 7 Statement Reporting

The National Competition Policy was last revised in July 2002 and applies to all Local

Government authorities in South Australia, including City of Prospect. The Policy aims to:

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

a result of their public ownership, and

- Ensure that regulation of business activities that 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 2019/2020.

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

List of Codes of Conduct / Practice

During 2019/2020 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 Access to Meetings and Documents
- Complaints Handling Procedure under the Code of Conduct for Council Members

These documents 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.

Our Council

Information Statement

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 2019/2020 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 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 2019/2020 financial year, the confidentiality provisions of the Act were used by Council a total of eight times to consider matters in confidence.

Council adopted 217 resolutions on a broad range of issues during this period. Matters considered 'in confidence' therefore represents an estimated 3.6% of the total matters considered.

Orders made under Section 90(2) of the Local Government Act 1999 for 2019/2020		
Date of Meeting	Subject	Reason (Section 90(3))
24/9/2019	Item 19.1 CEO Recruitment Process and Appointment	(a)
17/12/2019	Item 18.1 Recycling Legal Matter	(h)
28/1/2020	Item 16.1 Appointment of East Waste Independent Chair	(a)
24/3/2020	Item 16.1 Sale of 82-90 Johns Road and 218 Main North Road, Prospect	(b)
24/3/2020	Item 16.2 Chief Executive Officer Performance Development Review Committee Meeting Minutes	(a)
28/4/2020	Item 16.1 Community Service Awards 2020	(a)
26/5/2020	Item 16.1 CEO Performance Development Review Committee	(a)
23/6/2020	Item 16.1 Sale of 82-90 Johns Road and 218 Main North Road, Prospect	(b)

Orders made under Section 91(7) of the Local Government Act 1999 for 2019/2020		
Date of Meeting	Subject	Reason (Section 90(3))
24/9/2019	Item 19.1 CEO Recruitment Process and Appointment	(a)
17/12/2019	Item 18.1 Recycling Legal Matter	(h)
28/1/2020	Item 16.1 Appointment of East Waste Independent chair	(a)
24/3/2020	Item 16.1 Sale of 82-90 Johns Road and 218 Main North Road, Prospect	(b)
24/3/2020	Item 16.2 Chief Executive Officer Performance Development Review Committee Meeting Minutes	(a)
28/4/2020	Item 16.1 Community Service Awards	(a)
26/5/2020	Item 16.1 CEO Performance Development Review Committee	(a)
23/6/2020	Item 16.1 Sale of 82-90 Johns Road and 218 Main North Road, Prospect	(b)

Orders made under 91(7) that expired, ceased or were revoked during 2019/2020
One Confidential Item was released during the 2019/2020 financial year.

Date of Meeting	Subject	Reason (Section 90(3))	Date Released
17/12/2019	Item 18.2 Australia Day Citizen of the Year Awards 2020 Minutes and Council Report	(a)	31/1/2020

33 Items remain in confidence as at 30 June 2020.

Date of Original Order	Item Title and Description	Nature of Confidentiality under LG Act
25/10/2005	Item 21.4 Supplementary Report - Supported Residential Facility - Proposed cancellation of licence for Emily Grove	90(3)(a) 90(3)(d) 90(3)(h)
22/2/2011	Unauthorised removal of six significant trees at 252 Churchill Road, Prospect	90(3)(h)
19/4/2011	Unauthorised removal of six significant trees at 252 Churchill Road	90(3)(h)
21/2/2012	Item 3.2 Settlement Proposal for removal of six significant trees - 252 CHR - Consideration of Proposal	90(3)(f) 90(3)(h)
13/3/2012	Item 3.2 Settlement Proposal for removal of six significant trees - 252 CHR - Consideration of Proposal	90(3)(f) 90(3)(h)
13/3/2012	Item 3.4 Revised Settlement Proposal for removal of six significant trees - 252 CHR - Consideration of Proposal	90(3)(f) 90(3)(h)
15/5/2012	Item 3.2 Removal of six significant trees - 252 CHR - Consideration of Proposal	90(3)(f) 90(3)(h)
27/11/2012	Item 25.4 Rates Outstanding Report	90(3)(a)
25/3/2014	Item 24.4 Digital Economy Strategy: 2014-2018 - Commercial Information	90(3)(b)
26/6/2017	Item 23.1 Eastern Waste Management Authority Membership	90(3)(b)
28/2/2017	Item 23.2 Recommendation for Award of Waste Contract	90(3)(d) 90(3)(h) 90(3)(k)
27/4/2017	Item 14.1 Award of Waste Contract	90(3)(d) 90(3)(h) 90(3)(k)
9/5/2017	Item 4.1 Award of Waste Contract - Commercial Information and Tender	90(3)(d) 90(3)(h) 90(3)(k)
5/9/2017	Item 3.1 Selection of Architects for the Community Hub, Library and Innovation	90(3)(d)
12/9/2017	Item 3.1 Selection of Architects for the Community Hub, Library and Innovation Centre Project	90(3)(d)
26/9/2017	Item 23.1 Sale of 132-134 Prospect Road, Prospect	90(3)(d)
19/12/2017	Item 18.2 Sale of 82-90 Johns Road and 218 Main North Road, Prospect	90(3)(b)

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6/2/2018	Item 3.1 Appointment of Managing Contractor for the construction of the Community, Library and Innovation Centre	90(3)(d)
6/2/2018	Item 3.2 Sale of 82-90 Johns Road and 218 Main North Road, Prospect	90(3)(b)
13/2/2018	Item 3.1 Sale of 82-90 Johns Road and 218 Main North Road, Prospect	90(3)(b)
27/2/2018	Item 18.1 Waste Disposal Contract	90(3)(d) 90(3)(k)
24/4/2018	Item 19.2 Update on the disposal of recyclable material	90(3)(d)
22/1/2019	Item 18.1 Supported Residential Facilities Act Licencing - Clifford House	90(3)(h) 90(3)(i)
23/4/2019	Item 18.1 East Waste Recycling Contract	90(3)(d) 90(3)(k)
24/4/2019	Item 8.1 Community Hub, Library and Innovation Centre (CLIC) - Risk and Financial Management Report and Project Prudential Report Update	90(3)(d)
24/9/2019	Item 19.1 CEO Recruitment Process and Appointment	90(3)(a)
17/12/2019	Item 18.1 Recycling Legal Matter	90(3)(h)
28/1/2020	Item 16.1 Appointment of East Waste Independent Chair	90(3)(a)
24/3/2020	Item 16.2 Chief Executive Officer Performance Development Review Committee Meeting Minutes	90(3)(a)
24/3/2020	Item 16.1 Sale of 82-90 Johns Road and 218 Main North Road, Prospect	90(3)(b)
28/4/2020	Item 16.1 Community Service Awards 2020	90(3)(a) 90(3)
26/5/2020	Item 16.1 CEO Performance Development Review Committee	90(3)(a)
23/6/2020	Item 16.1 Sale of 82-90 Johns Road and 218 Main North Road, Prospect	90(3)(b)

Our Council

Key Performance Indicators

Council staff achieved approximately 77% completion of all budgeted projects for 2019/2020.

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

- Strategic Plan Development & Resident Satisfaction Survey
- SharePoint Implementation
- Heritage Development Plan Amendment (DPA)
- Broadview Oval / Yarnta Tutu yerta upgrade
- Charles Cane / Pando yerta clubroom upgrade
- Collinswood Shopping Centre Precinct
- Vine Street Plaza upgrade

Whilst every effort was made to complete all projects, eight remaining projects were delayed, predominately by COVID disruptions to supply chains. These project budgets have been carried forward to 2020/2021 and include:

- Heritage Street Signs
- Connected Cities
- InfoCouncil Implementation
- Secured Document Management & Distribution
- Mobile Access for Field Staff
- Major Art Installation
- Maker Space Equipment
- Fleet Replacement

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%	0.0%	Achieved	3.4%
Net Financial Liabilities Ratio	10% - 90%	73%	Achieved	74%
Asset Sustainability Ratio	100% - 120%	169%	Exceeded	285%

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

OUR PEOPLE



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Library Services

Without doubt, 2019/2020 was the most extraordinary period in the 40 year history of the Prospect Library, going from the incredible highs of moving into and opening the new facility in October 2019, to the challenging lows of having to close the facility to the public due to COVID-19 state of emergency closure directives in March 2020. Even without COVID, it was truly a landmark year for Council and its Library Services.

Opening of Payinithi

On Monday 14 October 2019 the new Payinithi library/civic/community facility was opened to the public. The impact was immediate, with the community attending in huge numbers to see, use and experience the new facility.

In the first month of operation nearly 30,000 people walked through the doors, with the reaction upon seeing the facility

for the first time being overwhelmingly positive. Particular highlights of the first months of operation in Payinithi included:

- The 'Experience Payinithi Open Day' event held on Sunday 10 November 2019 where over 2000 people attended to participate in a fantastic day at the facility full of fun and activities;
- Ahead of the opening (in the final weeks of construction) we held fully booked out 'sneak peek' tours, giving community members, visitors and other parties a unique and unforgettable behind the scenes tour hosted by one of Council's project team members;
- High foot traffic through the building on the return of the Council's flagship 'Touriffic' street party on Prospect Road, with nearly 6000 people visiting the building during the event;
- Overall visitations more than doubling in comparison to figures from the



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previous Thomas Street premises (averaging approx. 700 - 800 people a day);

- Library item borrowing increasing by 35%;
- Renewed popularity of regular library programs, headlined by 140+ parents/carers and babies/toddlers attending Rhymetime each week;
- Substantial increases in both standard and also Toy Library memberships.

COVID-19 Closure & Response

Just as these highs of the new building were subsiding and operations were starting to settle into the new rhythm of 'Payinthe', the COVID-19 crisis hit.

Council made the extremely difficult decision to close down library services and limit public access to the Payinthe facility on Friday 20 March 2020 for the safety of the community and staff.

On Tuesday 24 March 2020 this closure was further confirmed with the Federal government issuing a closure order for all

public libraries Australia-wide.

Despite these closures, library staff moved very quickly to implement modified services that could be delivered to people online or in their homes, which included:

- Recording and delivering Storytime and Rhymetime sessions online via the library's Facebook page;
- Contacting customers located within the Prospect council area who had reservations and delivering them to their homes;
- Contacting known vulnerable households and offering home delivery of library items;
- Extending all items out on loan to customers so they did not have to leave their homes to return them;
- Promoting online ebook and audiobook platforms, and diverting funding to purchase additional content for these platforms to cope with the increased demand.

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A substantial amount of positive feedback was received from the community for all of these services and while challenging, the closure period really proved how important the library is to the people of Prospect and served as a great opportunity to connect in a different way, and grow the audience.

Youth

In 2019/2020 our Youth program expanded to include school holiday programs, information and sports sessions, access to 'employment ready' skill lessons, music programs and the provision of basic but fundamental qualifications. We saw increased participation from our primary and secondary schools following a more tailored approach to these organisations, including the electronic distribution of City of Prospect's Children, Youth and Schools Update. This went to over 1,100 people each term and assisted in building the audience and exposing our Youth services

to where they are needed.

For the second year, we scheduled Youth DJ's at our annual Twilight Sessions. A revised engagement process for Local Schools Art Exhibition was undertaken, seeing it move to a 100% online exhibition opening and an evening projection of the exhibition in the window of Newmarch Gallery.

The secondary school Annual Business Plan Budget workshops were refreshed and we finished the year with a range of skills development programs including Responsible Service of Alcohol certification and First Aid courses to support Youth with employment opportunities during COVID-19 recovery.

There was also a stronger link between Newmarch Gallery and Youth programs established, seeing a range of art initiatives take shape throughout the year, including the popular Drawing Bots sessions with renowned Adelaide artist Jimmy Dodd who was part of the opening exhibition



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at the Gallery. We also offered a new program of Street Arts Tours with Seb Humphreys that proved very successful and will now become an ongoing offering at Newmarch Gallery.

Youth FM and Youth Parliament

City of Prospect continues to be an active participant and contributor to these popular regional programs, always offering fully funded places for local Youth to participate. We heavily promote these through local schools, youth organisations, social media and the designated youth electronic mail out.

Each year young people from the participating Council areas come together for training and mentoring that supports them to prepare and present radio programs. One intake was held in September 2019 and we sponsored six young people aged between 15-25 to participate. Due to COVID-19 the program went into recess in March 2020 and is currently under review.

Our support for Youth Parliament also continued and we selected three young people to represent City of Prospect at 2020 Youth Parliament. This included a representative from Blackfriars Priory School, Prescott College and a local community leader who were celebrated on Council's Facebook page during National Youth Week (April 2020). The trio will work as a team to prepare a Bill on a topic of their choice and present it at Parliament House at a week long residential now planned for late September. Developed and run by YMCA South Australia, Youth Parliament is a non-partisan program providing a platform for young people aged 15-25 to have their say on important issues, build skills and parliamentary understanding. It focuses on personal development, empowerment and connecting politicians and decision makers

with youth voices and opinions.

Children's School Holiday Program

This year's program fluctuated in delivery method however still proved very popular within our community. In winter of 2019 we took a traditional approach to the program offering a range of sessions including print making, craft and sports, dance classes and skills workshops, with a majority reaching full capacity. The spring program directly coincided with the relocation to Payinthe, and therefore we conducted skills development sessions in August, and focussed on the opening of George Whittle Reserve in October which attracted hundreds of people throughout an amazing fun day. The planned April program was impacted enormously by COVID-19, so we moved two scheduled Eliza Hall children's shows to online, and postponed the newly designed Get Active Program, the flagship program for this year with it moved to spring 2020 (subject to restrictions).

Youth Sponsorship Program

For the second year in a row the Youth Sponsorship Program offered by City of Prospect in 2019/2020 was fully expended. The program 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.

A total of 36 sponsorships were provided this financial year enabling young people to compete at events held interstate (29) and overseas (7). The successful applications included 15 people that had not received support from City of Prospect previously.

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Our Older Residents

Community Buses

You might have seen them navigating their way around the winding streets of Prospect, colourful buses stopping regularly to allow our older residents to embark and be transported to various locations within our City and further afield. Each journey is as much about catching up with friends as it is to make use of the door to door, low cost bus service.

The buses are driven by Council volunteers who are assisted by a volunteer 'helper' to store any shopping that may have been picked up on the journey or to hold personal belongings while passengers navigate steps on and off the bus. With one of the buses fitted with a wheelchair lift, our volunteers are there to assist our older residents to get out and about in our community, no matter their level of mobility.

Although paused during the COVID-19 health crisis, a door to door pick-up and return service was provided throughout 2019/2020 for the following activities:

- Door to Door Shopping – transport to and from North Park and Sefton Park Shopping Centres, offered each Tuesday and Friday. This is the program's most popular service, offering lots of time for leisurely shopping and even enjoy a coffee with new friends before getting back on board the bus.
- Day Tours – transport to and from popular destinations within greater Adelaide and interesting regional locations, offered on the second Monday of each month.

During the COVID-19 health crisis both of the community buses were used to provide support to our vulnerable



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residents for fresh food and grocery shopping. The size and space of each bus allowed for social distancing requirements to be maintained with only two passengers and the driver each bus trip. This amended service was greatly valued and helped some of our most vulnerable residents through the unprecedented times.

Prospect Community Support

For our older residents who want to continue to live independently in their own home yet need some help with daily tasks or wish to socialise more, the Prospect Community Support team, funded by My Aged Care, continues to help.

My Aged Care is the starting point to access Australian Government funded services. Commonwealth Home Support Program (CHSP) – is the entry level social activity and home help program for older people. City of Prospect, as a service provider, has helped our older residents access these services through the Prospect Community Support team. Services provided to eligible participants have included:

Help at Home services

- Domestic assistance for general house cleaning.
- Minor home maintenance helping with changing tap washes, smoke alarm batteries etc.
- Gardening maintenance assisting with tree trimming and low maintenance of yards.
- Annual services including gutter, spring and window cleaning.
- Home modifications assisting with the installation of grab rails.

Social programs and activities

Mondays

- Chair-based exercises to help maintain or regain flexibility and balance.
- Strength for Life classes promoting strength, balance and flexibility.
- Hotel Lunch Group visiting a variety of metropolitan venues.

Tuesdays

- The Friendship Group offered a variety of indoor activities and afternoon tea.
- Tuesdays, Wednesdays, and Thursdays - Men's Shed enabled the blokes to further their woodworking skills over coffee and a chat.

Wednesdays

- Participating in door-to-door shopping experiences and enjoying the ambiance of the Central Market and other metropolitan shopping centres.
- Regular programs of healthy lunches, cooking lessons as well as wellbeing seminars to promote healthy choices and lifestyles.

Thursdays

- Outings and events to enjoy the company of others and experience something different in and around Adelaide.
- The Community Lunch offered a 3 course meal and entertainment while socialising in the company of other local residents.

Fridays

- Strength for Life classes promoting strength, balance and flexibility.

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COVID-19 Support for our Vulnerable Residents

Where some metropolitan councils cancelled their home support services during the COVID-19 health crisis, Prospect Community Support team maintained their strong connection with the community during this time.

The team made various changes to the way services were delivered, implementing a range of measures to reduce the potential risk of transmission allowing residents to stay safe at home yet connected with their regular home supports.

- Support workers made screening calls with the residents prior to scheduled home visits to ensure residents were symptom free and not in contact with anyone exposed to the virus, maintaining the required social distancing, correct strict hand hygiene

protocols and a no-touch practice regarding pens and paperwork.

- A program of regular welfare telephone calls was newly established during the crisis, ensuring community connection with our older residents was retained during their self-isolation.
- Many residents changed to online or phone ordering and deliveries for their fresh food, grocery and pharmacy needs. Residents with limited or no family or social contacts utilised a one-on-one community bus service to North Park Shopping Centre to obtain cash, pay bills and do grocery shopping.
- Our residents also greatly appreciated the meal service distributed through the Prospect Delivers meal voucher program.

Maintaining these regular home supports, welfare calls and modified services has been important aspects of keeping our



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older residents in our community safe and connected.

Our Awarded Community

City of Prospect's 2020 Citizen of the Year awards.

These awards recognise the outstanding contributions made by our residents who demonstrate strong leadership and commitment to improve community life in City of Prospect, over and above their normal employment duties.

Residents were asked – “Do you know someone who makes a difference in our community?”

The awards acknowledge three categories:

- Citizen of the Year Award - to be eligible, the person must be an Australian Citizen.
- Young Citizen of the Year Award - to be eligible, the person must be an Australian Citizen under 30 years of age on January 26 of the year of award.
- Community Event of the Year Award - this is presented to the person/group who has staged the most outstanding community event during the past year.

Nominations closed Friday 15 November 2019.

City of Prospect proudly presented our Citizen of the Year Awards at our 2020 Tourrific Prospect Street Party on Monday 20 January 2020 to the following recipients.

- Robert Roocke was awarded City of Prospect's 2020 Citizen of the Year Award.
- This year we had dual recipients for the Young Citizen of the Year, Charlotte Crosby and Max Weir.
- Broadview Football Club was presented with the 2020 Community Event

of the Year for taking a lead role in collaborating with three other amateur league clubs to arrange a “Community Day at the Footy” in August 2019.

Acknowledgement of our Community Heroes

Usually, presentation of the Community Service Awards are a feature of our National Volunteer Week event, held in May of each year. This year, because of the restrictions on public gatherings associated with COVID-19, presentation of the awards has been paused to be presented at a later date, in line with social distancing requirements.

We are proud to announce the following recipients will be receiving a City of Prospect Community Service 2020 Award and we look forward to celebrating with them in the next Financial Year.

- Prospect District Cricket Club
- Rotary Club of Prospect
- Australian Plangon (Antique & Modern Doll Collectors) Club Inc.
- Prospect Community Early Education and Care
- Dennis Rigney
- Lesley Attema
- Derek Williamson
- Hanni Howe
- Wendy Stephens
- Lynn Hughes
- David Johnston
- Nolla Bellenger

Community Inclusion

English as a Second Language Program

With a pause to the program because of the COVID-19 health crisis, Council offered free group classes and individual tutoring

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sessions at Payinthe, 128 Prospect Road Prospect.

Classes and tutoring sessions were made available to adults who are newly arrived in Australia or who may have been here for some time, but speak a different language at home. Students are given the opportunity to practice and develop skills and confidence in speaking, listening, reading and writing to assist in everyday life.

Kaurna Warra Karrpanthi

Kaurna Warra Karrpanthi (KWK) is the leading group dedicated to Kaurna language revitalisation and maintenance. The traditional lands and language of the Kaurna people include the Adelaide Plains of South Australia. Council has on a number of occasions consulted KWK to pursue an interest in the use of Kaurna language for naming sites and locations throughout our City as part of respecting and celebrating this ancient connection to the land.

Most recently, Payinthe was the name chosen for the newly constructed library, community hub and administration centre at 128 Prospect Road, Prospect. Payinthe is a simple translation into Kaurna of the English language phrase 'Good Prospects', with correct pronunciation being Pay-in-di.

Other examples of Kaurna language in use throughout our City include our 'dual named' parks and spaces of:

- Narnu Wirra (Prospect Gardens)
- Payinthe yarta (Prospect Oval)
- Yarnata Tutu yarta (Broadview Sports and Recreation Precinct)
- Parndo yarta (Charles Cane Reserve).

Council was keen to seize the opportunity of the new large property development at the northern end of Churchill Road to use Kaurna language for some of the new street names. With the development

opened, you are able to drive, walk or ride a bike down Parnta Avenue or Payinthe Drive or simply sit and enjoy the small park named Pingku Walk. Each of these Kaurna words have the English language translation as follows:

- Parnta - Lime; limestone; brick
- Payinthe - Good Prospects
- Pingku - Bilby.

Council's ongoing commitment to reconciliation with the Kaurna people is most strongly expressed through our Reconciliation Action Plan which concluded at the end of the reporting period after achieving some great results, and now looking forward to continuing the reconciliation journey.

Prospect Active Walkers

With the support of the Heart Foundation, Prospect Active Walkers has a focus upon keeping fit, having fun and socialising with other walkers. The group met each Monday, Wednesday and Friday morning throughout the year, although the program was paused due to COVID-19.

The walkers were able to recommence walking in late June, with some adjustments made to this activity, such as observing social distancing. The walkers were very keen to come together again as a group and this friendly group always welcome new walkers.

Prospect Singing Group

Prospect Singing Group was an informal and fun group, welcome to everyone regardless of age or ability. You didn't need to be a good or experienced singer; all you need was a willingness to 'give it a go'. Until the move to Payinthe, the group was meeting each Tuesday at Broadview Uniting Church Hall.

The group was led each week by well-known Adelaide musicians and experienced choir leaders Heather Frahn

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and Cindy-Anne McDonald who ensure everyone's voice is included within positive uplifting songs, drawing from varied musical influences both popular and lesser known.

A recent comment from a regular singing group member - "I sometimes arrive feeling tired but always leave feeling so much better, Cindy and Heather are so positive and enthusiastic it's impossible to not get caught up in a great group experience." City of Prospect was grateful to the Office for Ageing Well, SA Health for funding this project and is actively pursuing Grant funding to continue the program next year.

Food Safety and our Immunisation program

Eastern Health Authority (EHA) provides free immunisation services to residents on behalf of City of Prospect. EHA provides vaccines recommended for children and adults on the National Immunisation Program (NIP) to people with a current

Medicare card and also provides the School Immunisation Program (SIP) and adolescent catch-up programs for students/residents of our Council area.

During the past two years, City of Prospect residents have been invited to attend EHA's St Peters clinic while the redevelopment of Payinthe was in progress. Up until the COVID-19 health crisis, immunisation services were made available in Prospect on the second Friday of the month at Payinthe. Depending on the progress of responding to COVID-19, there are plans in place to bring back the immunisation program to operate from Payinthe provided it can be safely managed.

Annual Grant Program

The Grants were available to local community groups and organisations for funding to support their activities and to develop new programs and events that will benefit our community.

- Community Support Fund grants were



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available for up to \$5,000 for small equipment purchases, community development programs, facilities improvement and environmental grants. These grants are a great opportunity for local groups to focus on the things they need to improve and enhance the services provided to the community.

- Cultural Festival and Event grants were made available for community groups looking to run large community events and need the financial support with the expertise of our Community Event Coordinator. Grants were available up to \$10,000 to support the development and delivery of public cultural festival and events that celebrate and raise awareness of our inclusive community, especially through the sharing of cross cultural experiences.
- Heritage Grant Fund grants were made available to support local residents and businesses to maintain and upgrade their heritage and character properties through Council's Heritage Grant Program. The type of conservation works granted funding under the program have included:
 - Verandah replacement or repair
 - Chimney repairs
 - Re-pointing, and salt damp repairs to original stone walls
 - Front fencing and
 - Re-roofing.

Examples of activities completed with support of Council's grants program include:

- Eagles Lacrosse Club - Expanding existing workshops that introduce lacrosse programs into schools, keeping this sport affordable and accessible to all children wishing to participate.
- Kiwanis Club of Prospect - Towards funding three buses to transport disadvantaged students on a weekend

day trip to Monarto Zoo.

- Prospect Local History Group - Partially fund the purchase of cleaning equipment, shelving and a storage cupboard for the Air Raid Shelter.
- Prospect and Enfield Kindergym Inc. - Towards the purchase of gymnastic equipment, storage cabinets, and a baby change station for the St Phillips Church Hall.

Have Your Say

Council is committed to involve our communities in our decision-making processes, including the adoption of our Annual Business Plan, Strategic Plan, and local initiatives such as the development of parks and children's play spaces.

Community engagement enables a better understanding of our community's needs and aspirations, leading to more equitable and sustainable public decisions that improve the liveability of our local communities.

Getting involved is as simple as visiting Council's website to find details of current community consultation opportunities. Engagement Hub is our online tool that provides easy access to background information and updates on projects and initiatives, along with community polls, public meetings, surveys and other ways to have your say.

Community input was received for the following projects and initiatives:

- CLIC (Payinthe) Community Reference Group
- Draft Broadview Sports & Recreation Precinct / Yarnta Tutu yarta Master Plan
- Implementation of Churchill Road Master plan - Stage Three
- Annual Business Plan 2020-2021
- Disability Access and Inclusion plan (early input)
- Prospect Gardens / Narnu Wirra

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Playspace upgrade.

Our Volunteering Community

At City of Prospect we are so proud of our volunteers, and so grateful for all they do. One of our volunteer programs is the popular Justice of the Peace program where local JPs volunteer their time to provide a free service to the community. Having a positive attitude is a quality attribute for volunteers in this program, one of these valued volunteers is Richard Harvey who has been a JP since 1962. Richard commenced as a Justice of the Peace with City of Prospect in 2005 and finds his Justice of the Peace work interesting because he meets all sorts of people from different backgrounds, nationalities and experiences.

Council has an active volunteer program featuring many local residents, however in March 2020 the COVID-19 health crisis forced the closure of most of our community programs and our volunteer program was paused until restrictions eased.

At the end of 2019/2020 Council had 143 active volunteers. Over the year 183 local residents applied to take up volunteer roles within Council, with 103 of those referred to local Clubs and Community Groups according to their skills and interests. During the COVID-19 health crisis, a number of our volunteers provided assistance with telephone support and community transport for residents who were unable to leave their home. These people are an invaluable resource for the Council and the Community.



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Community Gallery

Newmarch Gallery and Exhibition Program

In August 2019 we farewelled Prospect Gallery at Thomas Street with the Poles of Art exhibition; a nod to decades of community inspiration, creativity and the hundreds of artists that commenced, developed and delivered programs and exhibitions since its opening in 1988.

Opening its doors for the first time on 14 October 2019, Newmarch Gallery is named after local resident and artist Ann Newmarch (OAM). The Gallery is a testament to the guidance, perseverance and strong determination that Ann, staff, artists and the broader community showed in the 1980s in raising the profile of arts in the community and creating a strong grass roots movement. An outstanding political activist and a trailblazer in feminist art, Ann remains incredibly humbled and community focused, "I feel very privileged in many areas of my life, and this is a real honour."

Newmarch Gallery, through detailed planning by Council, staff and Prospect Arts Action Network (PAAN), provides a modern and contemporary yet community focussed space for exhibitions and programming and has already made waves in Adelaide's arts sector.

Prospect Gallery delivered 2 exhibitions in the 2019/2020 financial year:

- July – Celebrating NAIDOC
- August – Poles of Art
- September – closed to relocate to Prospect Road.

Newmarch Gallery delivered 6 exhibitions in the 2019/2020 financial year:

- Mid October and November – 7 Artists in 7 Weeks - Jimmy Dodd, Laura Wills, Nat Penney, Holy Rollers Studios

(involving 6 artists), Christopher Pope, Fran Callen, Daniel Connell

- December and January – Opening of Newmarch Gallery and 10th Prospect Portrait Prize
- February – An Archaeological Study of the Layering of Graffiti – Seb Humphreys
- March – Dark Places (closed part way through) – Janine Dello, Sharyn Louise Ingham and Kate Dowling
- April/May - Nightlife at Newmarch : Our Digitised Collection (replaced 1000 Ways to Rainbow by Eleanor Zecchin which has been rescheduled to the 2021 program)
- June – Local Schools Art Exhibition.

The highlight of the year was unquestionably the official opening of Newmarch Gallery on Thursday 5 December 2019, a night of celebration combining with the opening of the 10th Prospect Portrait Prize. Many of Ann Newmarch's family attended the event along with past staff, PAAN (current and past members), Councillors, staff and community.

Newmarch Gallery launched into 2020 with DJs at openings, street art tours and school visits to name just some of the fresh new initiatives. As is well documented, the impact of COVID-19 restrictions hit in March 2020, seeing the understandable cancellation of 1000 Ways to Rainbow by artist Eleanor Zecchin. The team moved quickly to establish online content of the Civic Art Collection and produced the first digital exhibition.

Nightlife at Newmarch : Our Digitised Collection was a projection in the Prospect Road window of the Gallery and ran from dusk until dawn every day. This was followed by the Local

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Schools Art Exhibition, also being exhibited predominantly via digital platforms, which included a pre-recorded opening with schools and our Mayor, a Facebook Live opening event and all art work was featured online as a digital exhibition. During Reconciliation Week an outstanding interview with Damien Shen was released and linked our Reconciliation Action Plan (RAP) to the Gallery and PAAN. By June 2020, the doors reopened, albeit with restrictions, and Newmarch Galley was able to recommence 'new normal' programming.

Public Art

The following public art initiatives (capital and operational) were completed with support from the City Wide Public Art Roundtable (CWPAR) for 2019/2020:

- Restoration of two historic murals including Community House Mural and Australian Flora Mural – works completed by Seb Humphreys and Jasmine Crisp.
- Installation of piece by Joseph Stanislaus Ostoja-Kotkowski AM at 91 Prospect Road.
- Collinswood beautification project – artist Matt Stuckey engaged to develop concepts and deliver installations to improve aesthetics of site, and brighten the busy commercial precinct.
- Public Art Collection Management – work has been completed to ascertain size and condition of collection, including documenting and photographing over 90 pieces that make up the collection. A significant portion was also made accessible via an online platform.
- Inside Out – a temporary public art project involving the installation of 50 works on footpaths. This was a response to the increase in residents



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walking and exercising during COVID-19 restrictions, recognising many art institutions were closed or operating with limited hours.

- The Quick Response Public Art Grants program continued with projects including: Kab101 Lane, Stobie Poles in Allan Street, Vinnie, Jack Fran's mural on Wild Fusion and commencing work with Prospect Kindergarten for a mural replacement.
- Public Art Plaques – the purchase of 10 public art plaques to commence the identification of key works throughout the city.
- Community Tile Bench – completed the installation involving over 200 custom tiles for the community bench as part of Payinthe's embedded public art.
- Support to infrastructure projects including:
 - Broadview Oval / Yarnta Tutu yarta Play Space upgrade (concept designs)
 - JW Rattley Reserve (mural).
- Broadview Oval / Yarnta Tutu yarta amenities block – KAB101 upgrade to two murals.
- Street Art Tour with schools – trialled the first public art tour for schools, with intent if successful this becomes linked to Newmarch Gallery programming.
- Repairs to local murals that have been tagged or damaged.

Arts SA Major Commission Grant for Payinthe Foyer

In September 2019 we were announced as the sole recipient of Arts SA's annual Public Art and Design Major Commission Grant. What a fantastic recognition and achievement.

This project was commissioned by Council, with support from Arts South Australia, with artist Karl Meyer in association with

Exhibitions Studios being pre-selected through a robust and competitive Expression of Interest process conducted in May 2019. Karl explains that Threads in Motion, a large scale kinetic piece has been designed 'to create a visual experience that is engaging and unexpected, born of place, and enhances the way people see and experience the City of Prospect It is symbolic of the coming together of these 'threads', the elements of a community when working together actively can not only uplift and inspire through unison, but also create something beautiful.'

This project is the largest commissioned art work by Council. It commenced construction in November 2019 and is scheduled for installation September or October 2020.

Prospect Arts Action Network (PAAN) and City Wide Public Art Roundtable (CWPAR)

PAAN continues to meet monthly to guide and provide advice on Gallery business and exhibition programming, as well as the PAAN member-led arts projects and initiatives whilst also volunteering at Gallery events. The group also continued to play a key role in designing Newmarch Gallery for the CLIC Project team.

PAAN includes Council Members Cr Kristina Barnett and Cr Allen Harris, and community members Peter Lindon, Sue Michael (stepped down May 2020), Cathy Brooks, Katie Harten, Youngsoon Jin, Gus Clutterbuck, Joanna Majchrowska, Sarah Northcott and Claire Chessman.

The City Wide Public Art Advisory Roundtable (CWPAR), a group supporting the direction of Public Art throughout the City, meets bi-monthly to discuss a range of projects including major installations, shared projects with other Council departments and smaller initiatives.

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CWPAR consists of eight members including Mayor David O'Loughlin, Deputy Mayor Matt Larwood and community members Cathy Brooks, Katie Harten, Seb Humphreys, Gerry McMahon (stepped down June 2020), Peter Syndicas and Jason Sims.

Events & Major Programs

Payinthe Opening Event Series

We designed and delivered an ambitious program of events and activations over a period of two months to commemorate the opening of Payinthe and stimulate visitation. Our team celebrated everything from the arts and schools, to significant milestones such as the Kurna Smoking Ceremony of the site and official plaque unveiling.

Notable activities included:

- Kurna Welcome - by Senior Aboriginal Man and descendant of the Kurna and Narrunga peoples, Michael O'Brien (Mickey). This was conducted alongside Councillors and staff on the evening of Friday 4 October 2019.
- Sneak Peek Tours - 'behind the scenes' all access experience for our community in the week prior to the building being opened to the public.
- Your First Day is Our First Day - we welcomed approximately 400 local school students to the building on first day of public operations, with specifically designed 30 minute tours on Monday 14 October 2019.
- Experience Payinthe Open Day - The largest of the events attracted over 2,400 visitors on Sunday 10 November 2019 between 12noon - 5pm. All public areas of the building and Vine Street Plaza were activated.
- Payinthe Official Opening and Mayor's Dinner - a gala night was a fitting event to mark the Official Opening of the building with over 150 attendees being part of the Official Opening and plaque

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unveiling in the Grand Foyer, followed by Mayor's Dinner in Eliza Hall.

- Official Opening of Newmarch Gallery – a designated event coinciding the opening of the 10th Prospect Portrait Prize opening, Newmarch Gallery was declared officially opened on Thursday 5 December 2019.

The range of events saw extensive cross department collaboration in programing and activations, many being done for the first time and setting the scene for exponential growth in visitation for the site.

Prospect Spring Fair

For the third year in a row the Prospect Spring Fair, on Saturday 26 October 2019, was held at Broadview Oval / Yarnta Tutu yarta, cementing itself as our major day time family event for our city and its visitors. This completed the three year trial at the new location, and despite very

challenging weather leading up to the 2019 event, great crowds were recorded for the Fair's 42nd year with the Council committing to the Broadview location for the long term given the success of the trial.

The event made some operational changes including improved and refreshed layout and branding updates, welcomed almost 100 stallholders, and enjoyed entertainment from 25 stage performers, two roving performers, 4 sports zones, a new nature play area, animal rides, a climbing wall and an EcoMaze.

As mentioned, following the consecutive successes over the three year trial period, in November 2019 Council formally adopted the new home of the Prospect Spring Fair as Broadview Oval / Yarnta Tutu yarta, paving the way for the eastern side of our council area to host a major family event annually.



Tourrific Prospect 2020

After a 'year off', the 2020 Tourrific Prospect Street Party was held on Monday 20 January 2020 from 6.00pm – 11.00pm. In its eighth year it is estimated that 16,800 people attended the event despite the weather being the coolest in the event's history (by a significant margin!).

The team adopted a new structure in 2020, and brought the event management in-house with support from specific major event experts. The event was the official 'Rest Day' of the Santos Tour Down Under (STDU), meaning we again had a slot early in the STDU week, and while cool weather was a challenge for the event, feedback was very positive and residents and businesses welcomed the return of this cornerstone event to Prospect Road.

Replicating a similar event site and layout of the very successful 2018 event, Tourrific Prospect 2020 was conducted between Azalea Street and Olive Street and presented five entertainment stages, two DJ areas, 98 traders and stallholders, 13 sponsors, over 30 performers, a dedicated Kid's Zone, a curated market with 11 stalls, a live mural artwork (south wall of Wild Fusion), as well as the annual Loopy Kids Ride with over 200 registrations. For the first time the main Council facility at 128 Prospect Road, Payinthe, was included as part of the event and showcased the incredible community facility to thousands of people.

The 2020 Tourrific Prospect event plans continued to apply the event objectives endorsed 2016-2020:

- Place - Put a spotlight on 'Brand' Prospect to showcase it to the world; where people champion Prospect as a vital place to be and invest. Working with Network Prospect, attracting a huge online following and internationally by being the only event

without a Stage included in the 2020 Santos Tour Down Under booklet and website.

- Prosperity - Leverage the event to stimulate and sustain business activity and community benefit. Working with Network Prospect and local service groups, schools and local artists/makers who, as participants were able to generate sales and increased brand awareness with the almost 17,000 attendees.
- People - Create an inclusive, innovative, culturally diverse and entertaining celebration that is a resident and visitor attractor. The event entertainment program was developed to be as culturally representative and inclusive as possible, including a Kurna Welcome and smoking ceremony and Indigenous dance performances.

Overall, the event was seen as another great success and provides a cut-through in Adelaide's busy event season to showcase City of Prospect as a highly respected destination for work and retail. It provides a lot for local business, it helps to consistently brand the City as a modern, vibrant and progressive council well beyond the event date itself.

2020 Twilight Sessions

The 25th annual event presented four nights of live music and entertainment all in the very popular and relaxed picnic atmosphere at the Prospect Memorial Gardens throughout February.

The series of concerts was a registered event within the world renowned Adelaide Fringe 2020, and attendances were above average with approximately 3,300 people across the four Friday nights.

We continued with the local Youth DJs introduced in 2019, the festoon lighting, MC, food trucks and the expanded kids'

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activities area. The themes over the four weeks varied and in 2020 included Hot Hits, Jour d'amour (Valentine's Day), Soul and the ever-popular Latin Loco.

Club5082

While Club5082 was only able to open for a short time in 2019/2020, it did so with enormous support from the local community with all shows sold out during its short five months of operation from Payinthe opening through to COVID-19 shutdown requirements. Opening on 1 November 2019 after almost 12 months out of the industry, Club5082 propelled into the event season with an album launch of Lazy Eye Band to get the new facility settled in. Then in mid-November 2019, we hosted an incredible night with the induction of GANGgajang into the South Australian Music Hall of Fame, and the re-establishment of the popular OOTS Matinee Series.

The start of the New Year saw the return of Tourrific Prospect to the space, with guests enjoying Amy Winehouse and Cat Empire tribute gigs, and in February 2020 the Prospect Blues and Roots Series recommenced with a line-up of local youth alongside international artists.

Additionally the Club also hosted tribute bands, the first Youth in Blues Program, several designated children's shows during school holidays and was a key part of Experience Payinthe Open Day.

Due to COVID-19 restrictions, Club5082 was closed in March 2020. It remains a key component of social media for Council, and is still engaging with its high audience of over 4,700 followers and will reopen its doors in 2020/2021 once restrictions ease and viability is achievable.



OUR PLACES



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Master Plans

The Draft Broadview Sports & Recreation Precinct / Yarrta Tutu yarrta Master Plan was revisited in consultation with key stakeholders including representatives of the football, tennis, cricket and bowling clubs, as well as relevant peak sporting bodies and the local Lions Club. The Draft Master Plan was endorsed for broader community consultation to provide local residents and other users of the precinct an opportunity to provide feedback, and a final draft to be completed.

An updated Draft Master Plan for Prospect Oval / Payinthe yarrta was developed in consultation with key stakeholders and represents a clear and detailed vision for the future of the precinct. This Draft Master Plan was driven by the North Adelaide Football Club and the Prospect District Cricket Club, who are the key tenants of Prospect Oval / Payinthe yarrta.

Community Safety

Council's Community Safety Team protect the safety of the local community and visitors to City of Prospect by providing services to fulfil Council's obligations under relevant acts and legislation concerned with the safety and wellbeing of the general public for:

- Parking control
- Animal management
- Litter and nuisance control
- Fire prevention
- Enforcing Council's By-Laws
- Public safety

Staff aim to develop positive relationships with the community by using a range of strategies including education and enforcement. With community safety always front of mind, staff conduct a range of proactive patrols in public spaces and are available 24 hours a day, 7 days a week to respond to customer requests.

Parking

Parking patrols are prioritised according to the potential risk associated with motorists parking illegally. Over the past 12 months focus areas have included parking zones around our schools and bicycle lanes on arterial roads.

To monitor compliance and address safety concerns, regular patrols of these key locations are conducted to educate motorists as well as issue warnings and expiations.

In 2019/2020 a total of 1,526 parking expiations and 657 written warnings were issued.

Dog and Cat Management

Pets are an important part of our community and under the Dog and Cat Management Act, Council staff use a range of educational and enforcement strategies to educate pet owners and encourage responsible pet ownership.

Highlights and actions from the Dog and Cat Management Plan in 2019/2020 included:

- No increase to dog registration fees with 2,603 dogs registered and 97% microchipped
- Voluntary registration of 438 cats with 99% microchipped
- Improved engagement with pet owners using social media and text messages regarding registration, microchipping, desexing and pet safety at peak times such as New Year's Eve
- Installing new signage around fenced playgrounds to improve community safety through restricting access to dogs in children's play areas
- Providing community education through articles on relevant issues such as 'scooping the poop' encouraging

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dog owners to do the right thing and clean up after their dogs in public

- Ceasing the hire of cat traps and citronella collars as these practices are no longer recommended by the RSPCA.

2019/2020 Animal Management Statistics:

Issue	Complaints received	Action taken by council
Dogs Wandering at Large	110	35 returned to owner before impounded 36 impounded at AWL 28 returned to owner from AWL 32 expiations issued

Issue	Complaints received	Action taken by council
Nuisance Barking Complaints	12	Positively resolved 0 expiations issued
Dog Harassment /Attack Complaints	13	8 expiations issued
Cats Complaints	29*	90 impounded at AWL (generally feral/ un-owned/ litters)

*Note: one complaint may relate to multiple cats



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Local Nuisance and Litter Control

Under the Local Nuisance and Litter Control Act 2016, Council has a responsibility to investigate complaints relating noise, smoke, dust, odour, litter, waste and unsightly conditions, and take appropriate action including education and enforcement.

2019/2020 Local Nuisance and Litter Control Statistics:

Issue	No of complaints received	No of expiations issued	No of abatement notices issued
Noise nuisance	57	0	0
Smoke/ dust/ odour	26	0	1
Unsightly conditions	21	2	5
Litter/ waste	468	6	0

Bees and Wasps

Council Officers attended to 66 complaints relating to both bee and European Wasp issues and located and destroyed 7 European wasp nests.

Development Services

Development Assessment

During 2019/2020, City of Prospect received 584 development applications, which is an increase of 30 applications compared with the previous year. The total value of applications received (excluding project staging applications) was \$103.9 million, which is \$3.8 million more than the 2018/2019 financial year. These figures show a continuing level of development activity and despite economic impacts of COVID-19 from March 2020, this outcome represents the fifth consecutive financial year in which the value of development applications lodged with City of Prospect exceeded \$100 million. 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.

Ninety one Development Applications were lodged within the Urban Corridor Zone during the 2019/2020 financial year, with a total value of \$58 million (excluding project staging applications). This is \$25 million more than the total value of applications lodged within the Urban Corridor Zone in the 2018/2019 financial year.

City Planning

City of Prospect's Heritage Grant Program approved ten properties for funding in a range of Historical Conservation Policy Areas or to Local Heritage Items.

One grant application was not allocated funding as part of the 2019/2020 process. The \$16,000 allocated by Council will lead to restoration work with a value of \$64,060 (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 as

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well as repairs of front windows.

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 is continuing to provide commentary to the State on a number of technical matters as part of the consultation processes on the Planning and Design Code.

In early 2020, the State Planning Commission and Department of Planning, Transport and Infrastructure (DPTI) indicated that councils can undertake a Development Plan Amendment (DPA) to 'upgrade' Contributory Items to Local Heritage Places if they are able to be assessed as meeting the Local Heritage Criteria. A detailed investigation by Council staff and independent heritage consultant Hosking Willis Architects considered each of the existing 169 Contributory Items to determine whether they are suitable for inclusion in the Planning and Design Code as Local Heritage Places. Ultimately, Hosking Willis Architects consider that 59 Contributory Items achieve the Local Heritage Place criteria and were recommended to be upgraded. A draft Statement of Intent is being prepared to commence that formal process.

The planning team were reaching conclusion of the Housing Diversity and Desirable Neighbourhoods Study during the reporting period; which includes a suite of investigations as well as stakeholder and community engagement to assist Council in advocating for an updated policy position for the future of the Residential Zones under the provisions of the Planning and Design Code. It is also designed to inform the development of guidelines and related documents that will assist stakeholders to comprehensively understand Prospect's existing and desired built form landscape characteristics.

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 renewal, upgrade, 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 documents the way Council manages its assets, and ensures compliance with legislative requirements. Asset Management Plans set out the costs to Council to provide the required levels of service over the 10 year long term financial planning period (LTFP).

Draft Asset Management Plans are developed for all Council owned assets, including:

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, public 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 in the process of finalising Asset Management Plans to present to Council in late 2020.

Kerb and Gutter Reconstruction Program

Council completed the renewal of close

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to one kilometre of kerb and gutter throughout the City, which included a full kerb renewal in Rolfe Street, Murray Street and Winter Terrace. The works consist of the reconstruction of kerb in conjunction with road works where the existing kerb has either lifted due to tree roots to cause ponding issues, or has exceeded its useful life and has deteriorated beyond the point of repair.

New kerbs and gutter improves stormwater management along a road by ensuring adequate flow of water to our underground drainage systems, and improves the amenity and integrity of a new road surface.

We have continued to include tree inlet watering system installation when undertaking kerb renewals, to provide additional watering for street trees, and to prevent issues with ponded water should the kerb lift again due to tree roots.

Road Resurfacing and Reconstruction Program

Council's 2019/2020 Road Renewal Program included the resurfacing of close to 7,000m² of roads in the City, which equates to over one thousand tonnes of asphalt. The roads were resurfaced with asphalt containing 50% recycled materials, and included the renewal of Murray Street, Mawson Street, Stuart Road, Second Avenue and Rolfe Street.

The local road network forms part of the City's streetscape and amenity, and is a key asset. Council is committed to providing a high level of service to improve road safety for motorists, pedestrians and cyclists moving within and throughout the City.

Streetscape Upgrade of Prospect Road

The undergrounding of power lines along Prospect Road (from Regency Road to Angwin Avenue) and improvements to



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the footpaths marked the completion of a 12 stage project over 25 years in a joint project between SA Power Networks, City of Port Adelaide Enfield and City of Prospect, with a total cost of \$13.14m (of which City of Prospect contributed \$2.36m).

Grant Funding for Infrastructure Projects

The projects that Council delivers would not be possible without grant funding, and as such we actively seek funding from Federal and State governments to minimise the reliance on rate income to deliver improved new and improved facilities and spaces for our community. Council was successful in securing funding contributions as below to deliver great projects for our community.

Grant funding is usually subject to a 50/50 contribution by the funding body and Council, although this can vary depending on the grant conditions.

Source	Project
State Government's 2019/2020 Planning and Development Fund	Churchill Road Master Plan (Stage 3 of 3)
State Government's 2019/2020 Planning and Development Fund	Prospect Gardens / Narnu Wirra Redevelopment
Fed Gov: Open Space and Places for People funding	Broadview Oval / Yarnta Tutu yarta Dog Park and Playspace Upgrade
Fed Gov: Open Space and Places for People funding	Charles Cane Reserve / Parndo Yerta

Property Maintenance and Renewal

Council owns and maintains a number of community assets that are highly utilised by residents and visitors, which require ongoing maintenance and periodic upgrades or renewals to ensure that their important function continues. Significant maintenance and upgrade projects that were undertaken this year (including projects straddling two financial years) included:

- Broadview Sports & Recreation Precinct / Yarnta Tutu yarta Dog Park and Playspace Upgrade
- Charles Cane Reserve / Parndo Yerta Public Toilet and Change Rooms Upgrade
- Charles Cane Reserve / Parndo Yerta Playspace and Fitness Hub (design)
- JW Rattley Reserve Playground Upgrade
- Vine Plaza Upgrade (design)
- Nailsworth Hall Upgrade (design)
- Prospect Gardens / Narnu Wirra Upgrade
- Collinswood Shopping Centre Precinct Upgrade
- Asbestos removal at St Helens Park Rotunda and the Prospect District Cricket Club

In addition to works identified and delivered by Council, the Community Facility Upgrade Grant Program provided local groups and organisations an opportunity to apply for part funding to support facility upgrades that will be of benefit to the Prospect community. Grants of up to 50% of total costs for facility upgrades or equipment purchases were made available and Council received a large number of applications.

Priority was given to projects that are new and innovative and aim to satisfy an unmet community need, as well as projects that

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have no alternative sources of funding and that have not previously received funding from Council. Successful projects included:

- Blair Athol Tennis Club – a new defibrillator
- Prospect Broadview Bowling Club – new storage facility and signage
- Prospect Community Garden – replacement of a pergola
- Prospect Petanque Club – new dishwasher and external pavement
- Prospect RSL – new solar panel system
- Prospect Tennis Club – new nets and facility upgrades
- North Adelaide Croquet Club – new air conditioning unit
- Prospect and Enfield Kindergym – new play equipment
- Prospect District Cricket Club – new nets.

Tree Planting

Green Tunnel Program

The Green Tunnel Program targets areas throughout our City identified as having low tree canopy cover as well as locations where street trees have been removed either due to age, ill health or damage. The aim is to plant these areas with additional street trees so as to form a green leafy tunnel in future years.

The Green Tunnel Program will provide a range of environmental, social and economic benefits, and 302 street trees were planted throughout the City in 2019/2020.

Park Trees

A total of 26 trees were also planted throughout our parks and reserves to either replace trees or increase tree plantings.

City Maintenance

Maintenance preserves the overall character and amenity of our streetscapes and much loved, well used open spaces. The City Maintenance Team's purpose is to create a safe and enjoyable environment for all to enjoy through the provision of a range of reactive and programmed maintenance services.

Reactive Services and Customer Requests

We welcome customer feedback from the community regarding maintenance issues identified throughout the City and apply a risk based approach to prioritise repairs.

With community safety always front of mind, Rapid Response staff are available staff 24 hours a day, 7 days a week to respond to customer requests for urgent issues such as those that occur during storm events.

In 2019/2020, approximately 3,404 requests were entered into Council's Customer Request Management System for City Maintenance related issues. These include not only requests from members of the community but also those entered by staff who identify and record issues when out in the field.

Proactive Maintenance Services

The City Maintenance team is an agile multi-skilled team capable of delivering both horticulture and civil maintenance across our City. Works are programmed in accordance with the Annual Works Plan that has been developed to ensure the following services are routinely scheduled and delivered across the year:

Seasonal and Cyclic Works

- Street sweeping/blowing
- Sanitation
- Weed spraying
- Tree watering

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Parks and Reserves Maintenance

- Lawn mowing and maintenance
- Garden bed and plant maintenance
- Tree maintenance
- Irrigation maintenance
- Playground safety inspections and maintenance
- Sanitation
- Paving/bitumen repairs
- Graffiti removal

- Sign maintenance
- Drain maintenance

Main Roads

- Garden bed maintenance and weeding
- Footpath maintenance
- Tree maintenance
- Graffiti removal
- Irrigation maintenance
- Sanitation

Sporting Grounds (turf maintenance)

- Turf mowing and maintenance
- Cricket wicket preparation
- Line marking
- Irrigation maintenance

Precinct Services

- Footpath repairs
- Road repairs
- Kerb and gutter repairs
- Street tree pruning (footpath and road clearance)



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Environmental Sustainability

Waste Processing

Waste management continues to be a key focus of Council. City of Prospect collected 8,746.78 tonnes of waste as part of its kerbside collection. 54.07% of this waste, namely compostable waste, recyclables and E-waste, was diverted from landfill.

	2020	2019	Trend
Tonnes recycling waste diverted from landfill	1,787.34	1,682.18	▲
Tonnes food and organic waste diverted from landfill	2,943.24	2,662.64	▲
Tonnes general waste collected	4,016.20	3,910.55	▲
Tonnes hard waste collected	339	345.22	▼
Kerbside collection diversion from landfill rate	54.07%	52.56%	▲

Waste Education

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

- Articles in Your Prospect magazine.
- Waste education on Council's website including brochures, recycling and composting information, E-waste and hard waste information.
- Delivered community workshops in partnership with East Waste and KESAB Environmental on Cooking with food scraps, Why waste it when you can compost it?, How to set up a worm farm, Composting at home, Is it really being recycled? National Recycling Week Presentation, Virtual tours of Jeffries composting plant, NAWMA's recovery materials facility, landfill sites

and local business involved in circular economy, Which bin and where does it go?, Make your own beeswax wraps and DIY cleaning and personal care products.

- Delivered education workshops to school in partnership with East Waste and KESAB Environmental. Activities included: Statewide Education Centre excursion, Waste and Recycling Presentation, Papermaking incursion and supply of the Mini Bin Game.
- Promotion of MyLocalServices apps for access to collection calendars, waste tips and A-Z information on what goes where straight from your phone.
- Promotion of State Government's Which Bin? campaign.
- Moving towards zero waste at all Council community events.
- 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.

Household Bin Audit 2019

A comprehensive bin audit was conducted by East Waste. Material from 100 households in Prospect was collected, separated into approximately 100 categories, weighed, and counted. The results provide an enormous insight into the disposal behaviours of our community and the opportunities to improve landfill diversion rates to reduce Council's waste processing costs and improve environmental outcomes related to resource recovery.

Kitchen Organics Basket

Council continues to offer and supply residents with kitchen organics baskets, including 150 compostable (corn starch) bags to help assist with the collection

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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 and is cheaper than sending to landfill.

A Green Industries SA grant for the Kerbside Performance plus Food Organics Incentive Scheme provides kitchen organics baskets and education materials for another 1,000 households.

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.

Circular Procurement Pilot Project

Nine SA councils, including Prospect, have bought over 17,000 tonnes of recycled materials in the first six months of a pilot project aimed at supporting the development of a circular economy in South Australia. The nine councils, led by the Local Government Association (LGA), signed a Memorandum of Understanding in September 2019 with funding provided through a Green Industries SA grant, committing them to prioritising recycled content through their procurement processes.

Since tracking purchases from January 2020, the councils have:

- Identified over 150 suppliers of recycled-content products and materials available in SA,
- Made more than 450 individual purchases of these products,
- Bought over 17,000 tonnes (or 13,000



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- cars worth!) of recycled materials,
- Bought 106 tonnes of recycled plastic (the equivalent of 17,000 households' milk bottles for a year!).

As part of City of Prospect's Annual Road Renewal Program in 2019/2020 we partnered with our asphalt contractor to install asphalt with 50% recycled content on all our roads, including recycled aggregate, glass, toner cartridges, rubber, and plastic bags.

Our roads alone diverted over 741,000 plastic bags and 21,000 printer cartridges from landfill.

Implementation of Resilient East, Climate Ready Eastern Adelaide

Resilient East is a regional climate initiative between state and local government organisations in eastern Adelaide. The year saw a range of research, collaboration, trialling, community projects and outreach that have continued to optimise understanding, future investments and prioritise work for future years, this includes:

- Completion of a study looking at the monetised benefits of water sensitive urban design (WSUD) for five Resilient East on-ground projects,
- Participation in the Australian Red Cross Climate Ready Champions program, expanding our understanding of community needs,
- WSUD for a Resilient East report, demonstrating the breadth and diversity of WSUD use, effectiveness and knowledge within our region,
- A research project on the risk to productivity for councils during days of extreme heat,
- Organising a Cool Infrastructure Forum for staff, and subsequent trials of cool

road products in City of Adelaide and Campbelltown City Council,

- Analysis of canopy LIDAR (light detection and ranging) data, to improve data of current canopy percentages and provide a benchmark to work with for potential analysis,
- Multiple submissions, advocacy and engagement on State Government's planning reform, most specifically on the draft Phase Three of the Planning and Design Code,
- Renewal of the Sector Agreement for another five years,
- Developing the draft action plan to 2025,
- Fostering stronger partnerships, working collaboratively, storytelling and sharing learnings within councils, across councils and with governments, external organisations and communities.

OUR PROSPERITY



Our Prosperity

Business and Economic Development

During the COVID-19 lockdown City of Prospect quickly adapted to provide a new level of support for local businesses. City of Prospect responded to the unprecedented COVID-19 pandemic with a \$620,000 Prospect COVID Recovery Package. This is in addition to an improved hardship provision for all community and business ratepayers to enable deferment of rates to take pressure off of cash flow.

The response was in two key areas: the Prospect Delivers program and Rate Remissions.

Prospect Delivers

The Prospect Delivers program provided meals to vulnerable community members from Prospect's 'locked down' café and food service sector, and injected up to \$120,000 directly into the local economy.

Prospect Delivers was rolled out within 10 days of the decision by Council on 22 April 2020, with the first vouchers being hand delivered into targeted letter boxes on 1 May 2020.

Over a seven week period 555 vulnerable residents (generally locals over the age of 65) were delivered over 4,400 meal vouchers at a value of \$25 each to spend on meals from 25 of Prospect's cafes and restaurants. This provided much needed cash for businesses whose visitation had collapsed, while helping the vulnerable stay home and limit their potential exposure to the pandemic.

The program received excellent community response from the vulnerable residents with 29 unsolicited emails and a number of thank you cards. An example of the appreciation is:

"Thank you to the Prospect Council very much for the meal vouchers ... it's been

absolutely a joy... it's been lovely able to try different cuisines ... a real bright spot in my life".

Rate Remissions

City of Prospect further responded to the pandemic by waiving and remitting of rates was estimated to be \$500,000. The key components included rate remissions for commercial businesses who had been:

- Forced to close or had their trade modified by Government regulation. These businesses received 100% remission for rates in the current quarter.
- Closed/impacted trade due to impact of COVID-19. These businesses received 50% remission for rates in the current quarter.

Network Prospect Webinar Series

As part of City of Prospect's COVID response, Network Prospect shifted its business events (designed to upskill local operators) from in-person events held every month, to fortnightly webinars specifically targeted to help businesses in their rapid digital transformation bought on by the pandemic. City of Prospect has increased a sharp spike in registrations by shifting online, holding 5 live streamed events between mid-April 2020 and the end of financial year. This format has allowed registered participants to rewatch the webinars online, creating hundreds of additional views after the event on private links.

Village Heart Marketing Fund

Mainstreets like Prospect Village Heart are in competition with a wide range of other main streets and retailers, including the Parade at Norwood, Burnside Village, O'Connell Street North Adelaide and Adelaide's CBD.

Prospect Road has had the Village Heart

Our Prosperity

Marketing Fund for three years and following requests from local business and property owners, extended the geographical area in 2019/2020, increasing the budget.

Fees for the Village Heart Marketing Fund, Separate Rate were waived for the fourth quarter 2019/2020. Council has continued its digital marketing efforts and local businesses have been enjoying a busy mainstreet as a result of increased visitation following Council initiatives to keep businesses open.

Prospect Innovation Awards

The Prospect Innovation Awards were announced at Prospect Palace Nova theatre on 25 June 2020.

The event was attended by Minister for Innovation and Skills Hon David Pisoni, local MP and Minister for Child Protection Hon Rachel Sanderson, Mayor David O'Loughlin, Deputy Mayor Matt Larwood,

Councillor Alison De Backer, Prospect CEO Nigel McBride, Marissa Schulze, Chair of Prospect Business Leaders and a wide range of local innovators.

A judging panel of leading innovators, academics, business and entrepreneurs awarded four local applicants \$12,500 in grants in three categories.

The four winners of the Prospect Innovation Awards were:

- Enee Solutions - Start Up Award. Received \$5,000 for the Business Continuity Planner to help businesses develop a plan during an emergency.
- The Physio Clinic - SME Award. Received \$4,000 for the Standing up for Hips and Knees program to develop fitness programs during isolation.
- 1UP Digital - SME Award. Received \$2,500 for three Prospect Road Trivia Crawl nights to promote Prospect Road to local audiences using social media.



- Blackfriars - Education award. Received \$1,000 for the Back Yard Poultry project to promote sustainability and business skills.

Prior to COVID-19

The Business & Innovation team 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.

As a result of our revitalisation of Prospect and Churchill roads and the new Urban Corridor Zones, Prospect has seen a spectacular increase in apartment and commercial development. One of the most recent developments, the cinema complex on Prospect Road, has seen foot traffic and vibrancy increase. Council has also introduced a GigCity Network on Prospect Road that delivers 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 for Main North Road and North East Road is being implemented. 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.

Investment Attraction

City of Prospect is seeking to attract new businesses and development to increase the vitality of its commercial roads. Prospect Road has been a consistent winner of Mainstreet Awards both for its

marketing and its vibrancy. In an effort to further this type of local investment, Business and Innovation staff are taking a hands-on, one-on-one approach to meet with potential investors, property owners, and businesses. This approach has seen number of new investments and projects begin to take shape, both in the Village Heart and across the City, including the sale of a long held development site. We look forward to these projects beginning soon.

Nature Foundation

We were pleased to welcome Nature Foundation to the top floor tenancy at Payinthei, Council's new premises on Prospect Road. Nature Foundation is a leading not-for-profit foundation that invests in conserving, restoring and protecting South Australian landscapes, flora and fauna. Active in South Australia for nearly 40 years, they have helped protect over one million hectares of the state. Hugo Hopton, Nature Foundation's CEO said they were attracted to Prospect by the excellent community vibe on Prospect Road and the world class connectivity. The GigCity Adelaide network with its super-fast broadband has been useful for everything from phones to GIS mapping work.

Smart City

Prospect is now the most-awarded Smart City in the nation. City of Prospect won two Smart City awards in 2019/2020:

- Once again, being named one of the Intelligent Community Forum, Smart 21 Smartest Cities in the world (October 2019);
- Received a National Built Environment Award for Connected Cities network, Smart Cities Council (October 2019).

The most prestigious award is Prospect's inclusion in the top 21 Smart Cities in

the world. The awards were announced in Rochester, New York on 22 October 2019. This is the seventh time that City of Prospect has won this award! The top 21 Intelligent Communities were from 10 nations including Issy-les-Moulineaux, France and Rochester, New York. Prospect is one of three Australian cities on the list.

Prospect Property Network

In September 2019 City of Prospect established the Prospect Property Network group to work with the property sector to promote the benefits of development in the Council area.

The first Prospect Property Network event was held at Northpoint Toyota with presentations from Kate Gray of Colliers International and Pat Gerace, CEO of the Urban Development Institute of Australia (SA). This event was attended by 80 people, representing a mix of property developers, real-estate professionals, and investors. This project represents a strong first step into Prospect's new approach to investment attractions, by strengthening the relationship between City of Prospect and investors.

The Prospect Property Network also hosted an event in the new Payinthe building to promote the Bloom development which is currently under construction at 132 Prospect Road adjacent to Payinthe. This event resulting in a number of properties being sold off the plan.

Strategic Sites

In April 2020, the Council adopted guidelines for the Strategic Sites Program.

The Program seeks to:

- promote quality urban design outcomes in Prospect;
- promote the development of larger and underutilised sites.

This project will roll out in 2020/2021, with an initial focus on helping bring underutilised sites to market, and supporting local construction jobs.

French Quarter Plan

City of Prospect adopted the Creating a French Quarter plan in February 2020. The creation of a French Quarter in Prospect is the aim of the Plan. The Plan seeks to build off the \$50 Billion submarine contract to work on a number of levels, from cultural events to residential housing, to education programs, and business attraction.

Communications Strategy

City of Prospect Website

The new look and feel of our Council website was launched in March 2019. During the development of the new look Council website, the Local Government Association engaged a new supplier to deliver a replacement Content Management System to operate the 'back end' of our website. Prospect worked closely with staff at the Local Government Association to perform a seamless migration with minimal impacts to user experience. Transferring to this Content Management System has also allowed for improvements to be made to our website.

Prospect Magazine – Your Prospect

In September 2019, a decision was made to change the look and feel of 'Your Prospect' magazine. The changes included moving the magazine to a 'non-glossy', uncoated paper, and changing the design of the content. In January 2020, we moved to an Australia Post unaddressed mail drop delivery system, being the first council in Australia to trial this system. This allowed us to move away from plastic sleeves and also represents big cost savings for our community.

OUR SERVICES



Our Services

Financial Management

For 2019/2020, Council has either achieved or exceeded all of its Key Financial Indicators. The focus of 2019/2020 budget was on the continuation of the replacing and renewing of existing infrastructure assets, while completing the construction of Payinithi.

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 Council's 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 2019/2020, Council has continued to keep its overall rate increase at a 'modest' level, with the average residential rate increase for 2019/2020 being 3.33% plus Growth.

Council presented an operating deficit for the 2019/2020 year of approximately \$11k. This surplus represents 0.0% of the total adopted Operating Income for 2019/2020. In 2019/2020 approximately \$8.95m was spent on capital expenditure. \$5.9m of this was spent in 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 Council Members during 2019/2020.

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 \$371,063 for the 2020/2021 year in June 2020.

2020/2021 Draft Annual Business Plan and Budget Consultation

Various forms of community consultation were provided regarding the Annual Business Plan 2020/2021. These were modified to support physical distancing requirements at the time due to the COVID-19 global pandemic but to maintain a level of connection and feedback from the community, the following events were held:

- Engagement Hub:
 - Online poll
 - Online ideas wall
 - Submission feedback form
- Youth Focus Group Forums with local high school students (Blackfriars Priory and Prescott College)
- Interactive public webinar
- Website and other written submissions

The results of the consultation were reported to Council on 23 June 2020.

Our Services

Rates and Property Administration

Property values are used as a basis for determining what share of the total rate revenue individual ratepayers are to pay. The property values used by the Council are independently set by the Valuer-General.

Ratepayers can object to the valuation if they believe it is inaccurate. A total of 52 valuation objections were received by Council via the Valuer-General in respect of 2019/2020 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 \$20.2m to \$21.1m in 2019/2020.

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 2020/2021 was presented and discussed as part of activities for the 2020/2021 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.

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.

Several months of IT infrastructure planning was completed to prepare Payinthe for our community and occupation by Council, including time to fine tune services in the new building. Significant effort was spent refreshing IT desktop equipment and vacating the Thomas Street Centre and Walkerville Depot sites and included the disposal of redundant and end of life IT equipment.

Following the introduction of COVID-19 restrictions in early 2020, City of Prospect's IT team prepared laptops and PCs for staff to work remotely. Approximately 55 staff had Council hardware prepared and enabled to work from home. Customer Services similarly worked remotely, operating the phone system and call queues with mobile phones, whilst also continuing to deliver council services at the front counter. Several operational procedures were reviewed and modified to ensure core services were maintained during the COVID-19 crisis.

Various 'behind the scenes' activities were impacted by the COVID-19 crisis during the year, but have since gained momentum, including software and hardware upgrades to ensure equipment, tools and systems are available for employees to perform their work and interact with the community. This includes the progressing of a major upgrade of City of Prospect's enterprise application suite and additional technology to assist general operations for field staff.

APPENDICES



Appendices

City of Prospect

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020



Appendices

City of Prospect

Financial Statements 2020

General Purpose Financial Statements for the year ended 30 June 2020

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City of Prospect

General Purpose Financial Statements for the year ended 30 June 2020

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 2020 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

27 October 2020



David O'Loughlin
Mayor

27 October 2020

City of Prospect

Financial Statements 2020

Statement of Comprehensive Income for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Income			
Rates	2a	21,713	20,902
Statutory Charges	2b	598	573
User Charges	2c	221	265
Grants, Subsidies and Contributions	2g	1,682	2,266
Investment Income	2d	109	186
Reimbursements	2e	77	70
Other income	2f	454	288
Net Gain - Equity Accounted Council Businesses	19(a)	32	20
Total Income		24,886	24,570
Expenses			
Employee costs	3a	9,305	8,280
Materials, Contracts and Other Expenses	3b	10,144	10,621
Depreciation, Amortisation and Impairment	3c	4,605	4,126
Finance Costs	3d	836	702
Net loss - Equity Accounted Council Businesses	19(a)	7	-
Total Expenses		24,897	23,729
Operating Surplus / (Deficit)		(11)	841
Asset Disposal & Fair Value Adjustments	4	1,898	(541)
Amounts Received Specifically for New or Upgraded Assets	2g	234	1,075
Net Surplus / (Deficit)		1,921	1,375
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	-	12,221
Total Amounts which will not be reclassified subsequently to operating result		-	12,221
Total Other Comprehensive Income		-	12,221
Total Comprehensive Income		1,921	13,596

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Appendices

City of Prospect

Financial Statements 2020

Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	391	1,069
Trade & Other Receivables	5b	1,666	2,987
Non-Current Assets Held for Sale	20b(ii)	1,771	3,451
Total current assets		3,828	7,507
Non-current assets			
Financial Assets	6a	1,341	1,344
Equity Accounted Investments in Council Businesses	6b	139	114
Other Non-Current Assets	6c	460	14,511
Infrastructure, Property, Plant & Equipment	7a	192,603	174,845
Total non-current assets		194,543	190,814
TOTAL ASSETS		198,371	198,321
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	3,163	5,274
Borrowings	8b	1,369	997
Provisions	8c	1,953	1,795
Total Current Liabilities		6,485	8,066
Non-Current Liabilities			
Borrowings	8b	15,007	15,331
Provisions	8c	116	82
Total Non-Current Liabilities		15,123	15,413
TOTAL LIABILITIES		21,608	23,479
Net Assets		176,763	174,842
EQUITY			
Accumulated surplus		78,655	77,065
Asset revaluation reserves	9a	95,343	95,343
Other reserves	9b	2,765	2,414
Total Equity		176,763	174,842

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

City of Prospect

Financial Statements 2020

Statement of Changes in Equity for the year ended 30 June 2020

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2020					
Balance at the end of previous reporting period		77,065	95,343	2,414	174,842
Adjustments (Correction of Prior Period Errors)		—	—	—	—
Restated opening balance		77,065	95,343	2,414	174,842
Net Surplus / (Deficit) for Year		1,921	—	—	1,921
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	—	—	—
Other comprehensive income		—	—	—	—
Total comprehensive income		1,921	—	—	1,921
Transfers between Reserves		(351)	—	351	—
Balance at the end of period		78,655	95,343	2,765	176,763
2019					
Balance at the end of previous reporting period		74,375	83,122	1,896	159,393
Adjustments (Correction of Prior Period Errors)		1,853	—	—	1,853
Restated opening balance		76,228	83,122	1,896	161,246
Net Surplus / (Deficit) for Year		1,375	—	—	1,375
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	—	12,221	—	12,221
Other comprehensive income		—	12,221	—	12,221
Total comprehensive income		1,375	12,221	—	13,596
Transfers between Reserves		(518)	—	518	—
Balance at the end of period		77,085	95,343	2,414	174,842

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Appendices

City of Prospect

Financial Statements 2020

Statement of Cash Flows for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Cash flows from operating activities			
<u>Receipts</u>			
Rates Receipts		21,277	20,958
Statutory Charges		598	573
User Charges		221	265
Grants, Subsidies and Contributions (operating purpose)		2,739	1,273
Investment Receipts		109	186
Reimbursements		77	70
Other Receipts		455	287
<u>Payments</u>			
Finance Payments		(836)	(702)
Payments to Employees		(8,989)	(8,266)
Payments for Materials, Contracts & Other Expenses		(12,770)	(8,928)
Net cash provided by (or used in) Operating Activities	11b	<u>2,881</u>	<u>5,716</u>
Cash flows from investing activities			
Amounts Received Specifically for New/Upgraded Assets		1,203	1,075
Sale of Replaced Assets		4,734	142
Repayments of Loans by Community Groups		124	154
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(5,887)	(9,943)
Expenditure on New/Upgraded Assets		(3,063)	(6,237)
Net cash provided (or used in) investing activities		<u>(2,889)</u>	<u>(14,809)</u>
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Borrowings		—	4,483
<u>Payments</u>			
Repayments of Borrowings		(608)	(1,045)
Repayment of Finance Lease Liabilities		(62)	—
Net Cash provided by (or used in) Financing Activities		<u>(670)</u>	<u>3,438</u>
Net Increase (Decrease) in Cash Held		<u>(678)</u>	<u>(5,655)</u>
plus: Cash & Cash Equivalents at beginning of period		1,069	6,724
Cash and cash equivalents held at end of period	11a	<u>391</u>	<u>1,069</u>
Additional Information:			
Total Cash, Cash Equivalents & Investments		<u>391</u>	<u>1,069</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Appendices

City of Prospect

Financial Statements 2020

Notes to and forming part of the Principal Financial Statements
for the year ended 30 June 2020

Contents of the Notes accompanying the General Purpose Financial Statements

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City of Prospect

Notes to the Financial Statements

for the year ended 30 June 2020

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 27 October 2020.

1.2 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.

1.3 Rounding

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

1.4 Impact of COVID-19 Global Pandemic

The COVID-19 pandemic has impacted the 2019-2020 financial statements, which may impact on the comparability of some line items and amounts reported in this financial report.

The financial impacts are a direct result of either Council's response to the pandemic or due to the mandatory shut downs as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

The impacts on the Council's financial performance and financial position are outlined below:

- Decrease in rates revenue of approx. \$83,471.85 due to the remission of Quarter 4 commercial rates
- Decrease in rates revenue of approx. \$15,000 due to the suspension of fines and interest on late installments, as well as debt collection procedures.
- Reduction in income of \$60,000 related to business support in the form of temporary suspension of footpath trader fees and rent (including sports fields, clubrooms and licence fees)

Council estimates that the reduction in revenue and increase in expenditure resulted in a decrease of approximately \$160,000 in the 2019-2020 net surplus. It is expected that further financial impacts, though not significant, will flow into the 2020-2021 financial year.

Council has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Council's ability to continue as a going concern.

(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:

continued on next page ...

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City of Prospect

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

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

The Council recognises revenue under AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) or AASB 15 *Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In recent years the payment of untied grants (financial assistance grants / local roads / supplementary local road grants) has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2017/18	\$768,746	\$740,664	+ \$28,082
2018/19	\$946,986	\$748,646	+ \$198,120
2019/20	\$684,911	\$759,152	- \$74,241

Inclusive above, the 2019-2020 and 2020-2021 Supplementary Local Road Grants of \$201,204 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.

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. 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 are recognised over time using the input method, with costs incurred compared to total expected costs used as a measure of progress. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(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, except for trade receivables from a contract with a customer, which are measured at the transaction price. 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 thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

No capitalisation threshold is applied to the acquisition of land or interests in land.

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.

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Notes to the Financial Statements

for the year ended 30 June 2020

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.

Building & 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.

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(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 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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(11) Leases

Accounting policy applicable from 01 July 2019

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

11.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-Use-Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land & Buildings (Depot Cohabitation)	10 years
---------------------------------------	----------

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(12) 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.

(13) 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.

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City of Prospect

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

(14) 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.

Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The Council applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in Note 1 Significant Accounting Policies. The Council has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the comparative information was not restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related Interpretations.

Council has elected to apply AASB 15 and AASB 1058 retrospectively only to contracts and transactions that were not completed contracts at the date of initial application. Council did not have any transaction or contract that were not completed contracts at the date of initial application. As a result, no adjustments were made to the opening balance of Accumulated Surplus.

Council has determined the impact of the new standards only impacted the timing of revenue recognition in relation to special purpose grants. These grants are provided to the Council to construct or acquire an asset to be controlled by the Council. They are accounted for under AASB 1058 and as such, amounts received in relation to these grants are recorded as a liability "Amounts in Advance" and recorded in revenue as the asset is constructed. The impact of adopting the new standards as at 1 July 2019 was an increase to liabilities of \$969,000 and a decrease to Accumulated Surplus of \$969,000.

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 30 June 2020 as a result of the adoption of AASB 15 and AASB 1058.

The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted:

	Amounts prepared under AASB 15 / 1058	Amounts prepared under Previous AASB	Impact
	\$'000	\$'000	
Amounts Received Specifically for New or Upgraded Assets	\$234	\$1,203	-\$969
Payments Received in Advance	\$969	\$0	+\$969

AASB 16 Leases

The Council applied AASB 16 Leases, for the first time from 1 July 2019. This standard requires that the right of use conveyed by leasing contracts (except leases with a maximum term of 12 months and leases for low-value assets) be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability.

Adoption of AASB 16 Leases (AASB 16)

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. Before the adoption of AASB 16, the Council classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

The Council applied AASB 16 retrospectively with the cumulative effect of initially applying the standard recognised at 1 July 2019 (comparatives were not restated).

The Council recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of initial application and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities. No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption AASB 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

	\$'000
Assets	
Infrastructure, Property, Plant and Equip.	
- Right-of-Use-Assets	718
Total Assets	718
Liabilities	
Interest-bearing loans and borrowings	718
Total Liabilities	718
Accumulated Surplus	0

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$'000
Operating lease commitments as at 30 June 2019	929
Effect of discounting using the weighted average incremental borrowing rate as at 1 July 2019 of 3.35%	-126
Less:	
Commitments relating to short-term leases	(85)
Lease liabilities as at 1 July 2019	718

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

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 that could be applicable to Councils

Effective for NFP annual reporting periods beginning on or after 1 January 2020

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

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

- AASB 17 Insurance Contracts

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Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 1. Summary of Significant Accounting Policies (continued)

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

(15) 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.

(16) Disclaimer

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

Appendices

City of Prospect

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 2. Income

\$ '000	2020	2019
(a) Rates		
General Rates		
General Rates	21,604	20,694
Less: Mandatory Rebates	(431)	(411)
Less: Remissions - COVID-19 Financial Support Package	(83)	–
Total General Rates	21,090	20,283
Other Rates (Including Service Charges)		
Natural Resource Management Levy	583	564
Village Heart Separate Rate	20	10
Total Other Rates (Including Service Charges)	603	574
Other Charges		
Penalties for Late Payment	41	50
Legal & Other Costs Recovered	5	37
Total Other Charges	46	87
Less: Discretionary Rebates, Remissions & Write Offs	(26)	(42)
Total Rates	21,713	20,902
(b) Statutory Charges		
Parking Fines / Expiation Fees	207	264
Animal Registration Fees & Fines	147	90
Town Planning Fees	119	100
Development Act Fees	90	82
Rate Searches	35	37
Total Statutory Charges	598	573
(c) User Charges		
Council Land Usage	46	38
Function and Event Charges	41	42
Rents & Fees	26	75
Services to Aged & Disabled	25	30
Payinthe Lease Income	17	–
Prospect Magazine - Income	16	23
Library Services	14	15
Hall & Equipment Hire	12	13
Prospect Spring Fair Income	12	12
Network Prospect Events Digital Marketing - Income	4	1
Bi Annual Prospect Portrait Prize - Income	3	–
Milk Depot Rental Income	–	11
Other	5	5
Total User Charges	221	265

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City of Prospect

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 2. Income (continued)

\$ '000	2020	2019
(d) Investment Income		
Interest on Investments		
- Local Government Finance Authority	31	73
- Loans to Community Groups	78	113
Total Investment Income	109	186

(e) Reimbursements

Insurance Reimbursements	48	22
Private Works	10	33
Connected Cities Reimbursement	8	3
Fuel Tax Credit Reimbursement	6	7
Digital Literacy	-	5
Other	5	-
Total Reimbursements	77	70

(f) Other income

Open Space Development Fund Contribution	177	140
Refund - Electricity Network Charges	124	-
Sponsorship	42	11
Insurance Special Distribution	41	90
Minor Asset Sale	22	-
Donations or Resources Contributed Received	14	7
Waste Management Other Income	11	9
Car Park Development Fund Contribution	-	21
Plant Hire - Other Councils	6	-
Other	17	10
Total Other income	454	288

(g) Grants, Subsidies, Contributions

Amounts Received Specifically for New or Upgraded Assets		
- Charles Cane / Parndo Yerta Revedelopment Grant	40	630
- Australian Men's Shed Development Program	-	3
- GigCity Capital Contribution	-	43
- Broadview Sports / Yarrta Tutu Playspace Grant	-	350
- Rose Street Reconstruction Contribution and Grant	-	16
- Connected Cities Grant Capital	-	33
- Prospect Road Upgrade	114	-
- Prospect Gardens/Narnu Wirra	-	-
- Payinthe Major Art Installation	80	-
Total Amounts Received Specifically for New or Upgraded Assets	234	1,075

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City of Prospect

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 2. Income (continued)

\$ '000	2020	2019
Other Grants, Subsidies and Contributions		
- Commonwealth Home Support Programme (CHSP)	597	650
- General Purpose Grant	225	216
- Roads to Recovery	204	483
- Local Road Grant	89	185
- Record Library Materials Grant	85	84
- Public Library Services Grant	71	67
- Connected Cities Grant and partner council contributions	30	-
- Waste Management	10	-
- Prospect Singing Group Grant	-	20
- Arts SA CLIC Atrium Grant	-	15
Individually Significant Item - Additional Grants Commission Payment (refer below)	371	546
Total Other Grants, Subsidies and Contributions	1,682	2,266
Total Grants, Subsidies, Contributions	1,916	3,341

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

(i) Sources of grants

Commonwealth Government	801	1,287
State Government	1,085	1,991
Other	30	63
Total	1,916	3,341

(ii) Individually Significant Items

Grant Commission (FAG) Grant Recognised as Income	371	546
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2020

50% of FY21 General Purpose Grant \$235,255 brought forward

50% of FY21 Local Roads Grant \$135,808 brought forward

2019

50% of FY20 General Purpose Grant \$219,876 brought forward

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

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

Appendices

City of Prospect

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 3. Expenses

\$ '000	Notes	2020	2019
(a) Employee costs			
Salaries and Wages		7,941	7,151
Employee Leave Expense		324	133
Superannuation - Defined Contribution Plan Contributions	18	588	220
Superannuation - Defined Benefit Plan Contributions	18	131	450
Workers' Compensation Insurance		178	203
Personal Accident & Sickness Insurance		133	123
Total Operating Employee Costs		9,305	8,280
Total Number of Employees (full time equivalent at end of reporting period)		87	85
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		23	23
Bad and Doubtful Debts		15	10
Elected Members' Expenses		262	277
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		98	185
Subtotal - Prescribed Expenses		398	495
(ii) Other Materials, Contracts and Expenses			
Contractors		11,207	18,126
Waste Services		2,115	1,958
Materials		1,133	792
Consultants		586	1,432
Levies Paid to Government - NRM levy		576	585
Information Technology - Computing		529	585
Electricity & Gas		434	419
Water		379	341
Hired Temporary Staff		336	735
Insurance		243	258
Courses & Conferences		126	174
Communications		109	98
Subscriptions		94	85
Legal Expenses		93	185
Telephone		70	70
Postage		69	90
Fuel		68	78
Bank Charges		67	45
Contributions & Donations		61	27
Meals & Entertainment		58	37
Rates & Taxes (including FBT)		47	45
Dog and Cat Management Board		28	19
Travel & Accommodation		28	21
Motor Vehicle Registration		28	1
Sundry		25	25
Stationery and Office Consumables		24	19
Levies - Other		11	9

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City of Prospect

Notes to the Financial Statements for the year ended 30 June 2020

Note 3. Expenses (continued)

\$ '000	Notes	2020	2019
Irrigation		7	14
Refunds		(48)	54
Less: Capitalised and Distributed Costs		(8,767)	(16,179)
Subtotal - Other Material, Contracts & Expenses		9,746	10,126
Total Materials, Contracts and Other Expenses		10,144	10,621

(c) Depreciation, Amortisation and Impairment

(i) Depreciation and Amortisation

Buildings & Other Structures	1,356	770
Infrastructure		
- Stormwater Drainage	399	398
- Roads	1,079	1,068
- Footpaths	539	535
- Traffic Control Devices	89	90
Right-of-use Assets	72	-
Plant & Equipment	328	502
Furniture & Fittings	113	91
Library Books	137	148
Artworks	9	3
Open Space	484	521
Subtotal	4,605	4,126
Total Depreciation, Amortisation and Impairment	4,605	4,126

(d) Finance Costs

Interest on Loans	808	702
Interest of Lease Liabilities	28	-
Total Finance Costs	836	702

Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	2020	2019
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	4,734	142
Less: Carrying Amount of Assets Sold	(2,502)	(683)
Gain (Loss) on Disposal	2,232	(541)
Fair Value Adjustments		
Revaluation Decrements Expensed	(534)	-
Total Fair Value Adjustments	(534)	-
Net Gain (Loss) on Disposal or Revaluation of Assets	1,698	(541)

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City of Prospect

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 5. Current Assets

\$ '000	2020	2019
(a) Cash & Cash Equivalent Assets		
Cash on Hand at Bank	57	192
Short Term Deposits & Bills, etc.	334	877
Total Cash & Cash Equivalent Assets	391	1,069
(b) Trade & Other Receivables		
Rates - General & Other	784	358
Council Rates Postponement Scheme	48	38
Accrued Revenues	—	1
Debtors - General	473	1,530
GST Recoupment	112	632
Prepayments	204	262
Loans to Community Organisations	45	166
Subtotal	1,666	2,987
Total Trade & Other Receivables	1,666	2,987

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City of Prospect

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 6. Non-Current Assets

\$ '000	2020	2019
(a) Financial Assets		
Receivables		
Loans to Community Organisations	1,341	1,344
Subtotal	<u>1,341</u>	<u>1,344</u>
Total Receivables	<u>1,341</u>	<u>1,344</u>
Total Financial Assets	<u>1,341</u>	<u>1,344</u>

\$ '000	Notes	2020	2019
(b) Equity Accounted Investments in Council Businesses			
Eastern Health Authority (EHA)	19(a)i	60	67
Eastern Waste Management Authority INC (East Waste)	19(a)i	79	47
Total Equity Accounted Investments in Council Businesses		<u>139</u>	<u>114</u>

(c) Other Non-Current Assets

Other		
Capital Works-in-Progress	460	14,511
Total Other	<u>460</u>	<u>14,511</u>
Total Other Non-Current Assets	<u>460</u>	<u>14,511</u>

City of Prospect

Notes to the Financial Statements for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment

(a) Infrastructure, Property, Plant & Equipment

		Asset movements during the reporting period										as at 30/06/19		as at 30/06/20									
Fair Value Level	Carrying amount	Accumulated Depreciation	At Fair Value	At Cost	Asset Additions New/ Upgrade	Asset Disposals	WOM of Asset Disposals	Depreciation Expense (Note 3)	Other Movement on Year	Conversion of Assets (Note 3)	Revaluations - Up or Down To P&L (Note 3)	Revaluations - Down To P&L (Note 3)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount							
\$ '000																							
Land	2	5,701	-	-	-	-	-	-	-	-	-	-	5,701	-	-	5,701							
Land	3	56,005	-	-	-	-	-	-	-	-	-	-	56,005	-	-	56,005							
Buildings & Other Structures	2	25,881	32	(15,895)	9,381	10,085	-	(1,348)	-	-	-	-	25,881	19,487	(17,142)	28,235							
Buildings & Other Structures	3	403	-	(320)	-	-	-	(7)	-	-	-	-	401	1	(327)	75							
Infrastructure																							
- Stormwater Drainage	3	33,559	1,157	(18,108)	-	18	(3)	(388)	-	-	-	-	33,551	1,174	(18,502)	18,223							
- Roads	3	79,751	4,612	(32,489)	-	1,269	(254)	(1,078)	-	-	-	-	77,047	8,023	(33,280)	51,810							
- Footpaths	3	28,078	3,374	(7,348)	-	1,084	(207)	(538)	-	-	-	-	28,757	4,469	(7,774)	25,452							
- Traffic Control Devices					13	-	-	(86)	-	-	-	-	-	-	2,424	(1,011)	1,413						
Right-of-Use Assets					-	-	-	(72)	-	718	-	-	718	-	(72)	848							
Plant & Equipment					3	222	(116)	(328)	-	-	-	-	-	3,850	(2,234)	1,416							
Furniture & Fittings					61	129	(50)	(113)	-	-	-	-	-	711	(329)	382							
Library Books					9	111	-	(137)	-	-	-	-	-	974	(718)	255							
Artworks					9	-	-	(8)	-	-	-	-	-	305	(38)	267							
Open Space					19	401	(5)	(484)	-	-	(534)	-	-	9,072	(4,351)	4,721							
Total Infrastructure, Property, Plant & Equipment		230,426	27,148	(82,729)	9,505	13,309	(635)	(4,605)	-	718	(534)	-	228,071	50,290	(85,758)	192,603							
Comparatives		216,818	21,852	(77,578)	434	4,051	(683)	(4,126)	1,854	-	-	-	224,476	27,148	(82,729)	174,845							

continued on next page ...

City of Prospect

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment (continued)

(b) Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

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.

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 (Payinhi) & Town Hall
- 2) Land - Plant Nursery
- 3) Recreation Reserve - Bradford Reserve

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City of Prospect

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment (continued)

- 4) Recreation Reserve - Main North Road & Regency Gardens
- 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.

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:

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City of Prospect

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 7. Infrastructure, Property, Plant & Equipment (continued)

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.

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.

Open Space

Assets were valued by Public Private Property as at 1 July 2019. 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.

City of Prospect

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 8. Liabilities

\$ '000	2020 Current	2020 Non Current	2019 Current	2019 Non Current
(a) Trade and Other Payables				
Goods & Services	1,336	—	4,634	—
Payments Received in Advance	969	—	—	—
Accrued Expenses - Employee Entitlements	426	—	304	—
Accrued Expenses - Other	286	—	268	—
Other	144	—	68	—
<u>TOTAL Trade and Other Payables</u>	<u>3,163</u>	<u>—</u>	<u>5,274</u>	<u>—</u>

\$ '000	Notes	2020 Current	2020 Non Current	2019 Current	2019 Non Current
(b) Borrowings					
Loans		1,303	14,417	997	15,331
Lease Liabilities	17	66	590	—	—
<u>TOTAL Borrowings</u>		<u>1,369</u>	<u>15,007</u>	<u>997</u>	<u>15,331</u>

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

(c) Provisions

Employee Entitlements (including oncosts) - Long Service Leave	1,085	116	1,063	82
Employee Entitlements (including oncosts) - Annual Leave	868	—	712	—
<u>TOTAL Provisions</u>	<u>1,953</u>	<u>116</u>	<u>1,795</u>	<u>82</u>

City of Prospect

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 9. Reserves

	as at 30/06/19				as at 30/06/20
\$ '000	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset Revaluation Reserve					
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
Total Asset Revaluation Reserve	95,343	–	–	–	95,343
Comparatives	83,122	12,221	–	–	95,343

	as at 30/06/19				as at 30/06/20
\$ '000	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other Reserves					
Car Park Development Reserve	437	9	–	–	446
Carry Forward Reserve	1,713	1,876	(1,713)	–	1,876
Development Reserve	264	179	–	–	443
Total Other Reserves	2,414	2,064	(1,713)	–	2,765
Comparatives	1,896	(1,195)	1,713	–	2,414

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.

City of Prospect

Notes to the Financial Statements for the year ended 30 June 2020

Note 10. Assets Subject to Restrictions

Council does not hold any assets subject to restrictions

Note 11. Reconciliation to Statement of Cash Flows

\$ '000	Notes	2020	2019
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(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	391	1,069
Balances per Statement of Cash Flows		391	1,069

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

Net Surplus/(Deficit)	1,921	1,375
Non-Cash Items in Income Statements		
Depreciation, Amortisation & Impairment	4,605	4,126
Fair Value Adjustments	534	–
Equity Movements in Equity Accounted Investments (Increase)/Decrease	(25)	(20)
Grants for capital acquisitions treated as Investing Activity	(234)	(1,075)
Net (Gain) Loss on Disposals	(2,232)	541
	4,569	4,947
Add (Less): Changes in Net Current Assets		
Net (Increase)/Decrease in Receivables	1,200	(1,016)
Net (Increase)/Decrease in Inventories	–	7
Net Increase/(Decrease) in Trade & Other Payables	(3,080)	1,767
Net Increase/(Decrease) in Other Provisions	192	11
Net Cash provided by (or used in) operations	2,881	5,716

(c) Financing Arrangements

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

Corporate Credit Cards	100	125
LGFA Cash Advance Debenture Facility	11,000	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 the Financial Statements
for the year ended 30 June 2020
Note 12(a). Functions

	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		SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
\$ '000										
Functions/Activities										
Planning and Community	988	1,324	4,049	17,012	(3,061)	(15,688)	753	839	523	14,312
Infrastructure, Assets and Environment	1,202	2,006	8,971	2,915	(7,769)	(909)	99	996	192,080	164,071
Corporate Services	22,635	21,214	10,910	2,493	11,725	18,721	800	1,430	5,768	17,022
Business and Economic Development	62	26	967	1,309	(905)	(1,283)	30	76	-	2,012
Other	-	-	-	-	-	-	-	-	-	904
Total Functions/Activities	24,887	24,570	24,897	23,729	(10)	841	1,682	3,341	198,371	198,321

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.

City of Prospect

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 12(b). Components of Functions

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

City of Prospect

Notes to the Financial Statements for the year ended 30 June 2020

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 0.45% and 0.65% (2019: 1.25% and 1.90%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates & Associated Charges

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 5.2% (2019: 6.6%). 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:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

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).

Receivables - Other Levels of Government

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

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.

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

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:

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between **3.4%** and **7.0%** (2019: **3.67%** and **7.0%**).

Carrying Amount:

Approximates fair value.

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2020					
Financial Assets					
Cash & Equivalents	391	–	–	391	391
Receivables	1,462	–	–	1,462	1,462
Other Financial Assets	–	781	560	1,341	1,341
Total Financial Assets	1,853	781	560	3,194	3,194
Financial Liabilities					
Payables	1,622	–	–	1,622	1,622
Current Borrowings	2,040	–	–	2,040	1,369
Non-Current Borrowings	–	8,086	10,061	18,147	15,007
Total Financial Liabilities	3,662	8,086	10,061	21,809	17,998
2019					
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
Total Financial Assets	3,959	785	560	5,304	5,251
Financial Liabilities					
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
Total Financial Liabilities	6,483	6,992	13,420	26,895	21,030

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

\$ '000	2020		2019	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	4.43%	16,376	5.69%	16,328
		16,376		16,328

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.

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City of Prospect

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Financial Instruments (continued)

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 impairment. 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.

City of Prospect

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Capital Expenditure and Investment Property Commitments

\$ '000	2020	2019
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(a) Capital Commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Land & Buildings	–	3,043
Infrastructure	3,006	519
	3,006	3,562

These expenditures are payable:

Not later than one year	3,006	3,562
	3,006	3,562

(b) Other Expenditure Commitments

Other non-capital expenditure commitments in relation to investment properties at the reporting date but not recognised in the financial statements as liabilities:

Audit Services	26	46
IT Helpdesk & Support	169	325
Waste Management Services	2,394	3,588
	2,589	3,959

These expenditures are payable:

Not later than one year	1,379	1,376
Later than one year and not later than 5 years	1,210	2,583
	2,589	3,959

City of Prospect

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Financial Indicators

\$ '000	Amounts 2020	Indicator 2020	Prior periods	
			2019	2018

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	(11)	0.0%	3.4%	6.3%
Total Operating Income	24,886			

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

2. Net Financial Liabilities Ratio

Net Financial Liabilities	18,210	73%	74%	34%
Total Operating Income	24,886			

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

Adjustments to Ratios

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

Adjusted Operating Surplus Ratio

Operating Surplus	63	0.3%	2.6%	6.2%
Total Operating Income	24,960			

Adjusted Net Financial Liabilities Ratio

Net Financial Liabilities	18,136	73%	74%	34%
Total Operating Income	24,960			

3. Asset Renewal Funding Ratio

Net Asset Renewals	5,887	169%	265%	221%
Infrastructure & Asset Management Plan required expenditure	3,493			

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

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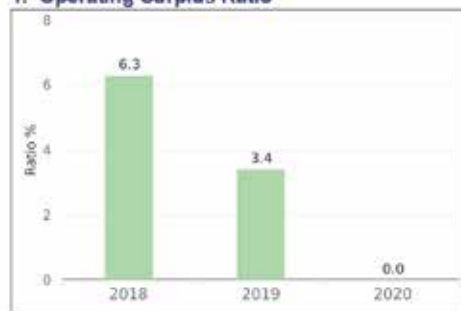
Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 15. Financial Indicators (continued)

Financial Indicators - Graphs

1. Operating Surplus Ratio



Purpose of operating surplus ratio

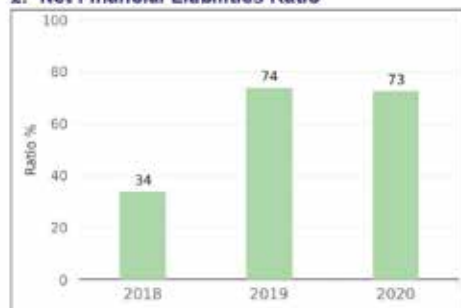
This indicator is to determine the percentage the operating revenue varies from operating expenditure

Commentary on 2019/20 result

2019/20 ratio 0.0%

Forecast to be the first year of strategic deficit to construct Payinthe, a small operating deficit is a \$463k favourable variance to budget. Primarily, the variance is resultant from reduced interest expense from both a reduction in market (variable) interest rate applicable and a timing variance of construction completion requiring full borrowing draw down.

2. Net Financial Liabilities Ratio



Purpose of net financial liabilities ratio

This indicator shows the significance of the net amount owed to others, compared to operating revenue

Commentary on 2019/20 result

2019/20 ratio 73%

Council has utilised a mix of debt facilities to permit the partial repayment of debt when surplus cash is on hand. As a result, a reduced outstanding balance as at 30 June 2020 (following the Q4 installment date of 2 June 2020) is evident in a reduced net financial liability balance. Short term variable facilities may be redrawn to meet cash flow requirements in future years.

Peak debt is expected in 2020-2021 with principal and interest payments for all facilities built into the Long Term Financial Plan

Adjusted Operating Surplus Ratio



Purpose of adjusted operating surplus ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2019/20 result

2019/20 ratio 0.3%

Council received advance payment of its 'Supplementary Road Grant' in 2018-2020 but no advance payment in 2019-2020 for this grant component. This has led to an increase in adjustment of the operating surplus ratio compared to the unadjusted ratio.

continued on next page ...

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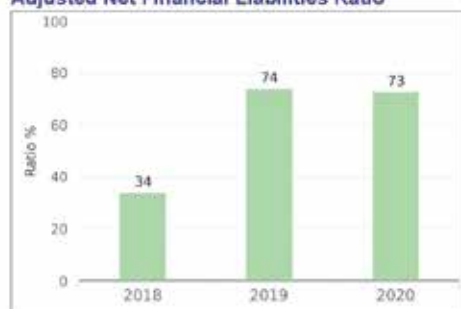
City of Prospect

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 15. Financial Indicators (continued)

Adjusted Net Financial Liabilities Ratio



Purpose of adjusted net financial liabilities ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2019/20 result

2019/20 ratio 73%

Minor adjustment to the Net Financial Liabilities Ratio

3. Asset Renewal Funding Ratio



Purpose of asset renewal funding ratio

This indicator aims to determine if assets are being renewed and replaced in an optimal way

Commentary on 2019/20 result

2019/20 ratio 169%

Construction of Payinthe has been included as a partial 'Renewal' (51%) and 'New' (49%) capital expenditure project across 3 financial years (2017-2018 to 2019-2020). This generational project was not included in the Asset Management Plans with no expectation that the Department of Education would not renew the lease of the Thomas Street Centre.

Revised Asset Management Plans are currently being drafted and will be presented for community consultation in late 2020.

City of Prospect

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 16. Uniform Presentation of Finances

\$ '000	2020	2019
<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	24,866	24,570
less Expenses	(24,897)	(23,729)
Operating Surplus / (Deficit)	(11)	841
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(5,687)	(9,943)
add back Depreciation, Amortisation and Impairment	4,605	4,126
add back Proceeds from Sale of Replaced Assets	4,734	142
	3,452	(5,675)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(3,063)	(6,237)
add back Amounts Received Specifically for New and Upgraded Assets	1,203	1,075
	(1,860)	(5,162)
Net Lending / (Borrowing) for Financial Year	1,581	(9,996)

City of Prospect

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 17. Leases

(i) Council as a lessee

Terms and conditions of leases

Land & Buildings

Council holds a lease to occupy the depot facility at City of Campbelltown. The 5+5 year lease commenced in April 2019 with an annual payment of \$85,000 to be indexed annually by Adelaide CPI.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

Right of use assets

\$ '000	Land & Buildings	Total
2020		
Adoption of AASB 16 at 1 July 2019	718	718
Depreciation charge	(72)	(72)
Balance at 30 June 2020	646	646

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

\$ '000	2020	2019
Balance at 1 July	718	–
Accretion of interest	23	–
Payments	(85)	–
Balance at 30 June	656	–
Classified as:		
Current	68	–
Non Current	590	–

The maturity analysis of lease liabilities is included in Note 13.

The Group had total cash outflows for leases of \$85,446.

The following are the amounts recognised in profit or loss:

Depreciation expense of Right-of-Use Assets	72	–
Interest expense on lease liabilities	23	–
Total amount recognised in profit or loss	95	–

City of Prospect

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Superannuation

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 2019/20; 9.50% in 2018/19). 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 2018/19) 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 2020. 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.

City of Prospect

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Interests in Other Entities

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

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2020	2019	2020	2019
Council's Share of Net Income				
Joint Ventures	25	20	139	114
Total Council's Share of Net Income	25	20	139	114

((a)i) Joint Ventures, Associates and Joint Operations

(a) Carrying Amounts

\$ '000	Principal Activity	2020	2019
Eastern Waste Management Authority (East Waste)	Waste Collection & Disposal	32	47
Eastern Health Authority (EHA)	Health Services	60	67
Total Carrying Amounts - Joint Ventures & Associates		92	114

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

\$ '000	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2020	2019	2020	2019	2020	2019
Eastern Waste Management Authority (East Waste)	8.20%	7.00%	8.20%	7.00%	14.29%	14.29%
Eastern Health Authority (EHA)	12.79%	13.00%	12.79%	13.00%	20.00%	20.00%

continued on next page ...

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City of Prospect

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 19. Interests in Other Entities (continued)

(c) Movement in Investment in Joint Venture or Associate

\$ '000	Eastern Waste Management Authority (East Waste)		Eastern Health Authority (EHA)	
	2020	2019	2020	2019
Opening Balance	46	31	67	62
Share in Operating Result	32	15	(7)	5
Council's Equity Share in the Joint Venture or Associate	78	46	60	67

(d) Summarised Financial Information of the Equity Accounted Business

Statement of Financial Position

Cash and Cash Equivalents	2,322	1,967	721	743
Trade and Other Receivables	1,019	717	156	168
Non-Current Assets	7,652	6,100	1,491	324
Total Assets	10,993	8,784	2,368	1,235
Current Trade and Other Payables	1,205	771	158	149
Current Borrowings	1,929	1,987	262	64
Current Provisions	597	540	308	323
Non-Current Borrowings	6,221	4,702	1,144	186
Non-Current Provisions	77	78	22	25
Total Liabilities	10,029	8,078	1,894	747
Net Assets	964	706	474	488

Statement of Comprehensive Income

Council Contributions	16,756	15,440	1,804	1,723
Statutory Charges	—	—	72	150
User Charges	—	—	330	394
Grants, Subsidies & Contributions	—	38	246	258
Investment Income	21	32	8	16
Other Income	677	684	4	16
Total Income	17,454	16,194	2,464	2,557
Employee Costs	5,851	5,580	1,636	1,768
Materials, Contracts & Other Expenses	9,120	8,229	595	716
Depreciation, Amortisation and Impairment	2,069	1,959	190	37
Finance Costs	281	290	56	12
Total Expenses	17,321	16,058	2,477	2,533
Other Revenue / Expense Items	60	32	—	—
Operating Result	193	168	(13)	24

City of Prospect

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020	2019
Carrying Amounts of Assets and Liabilities		
Assets		
- Civic Centre	—	596
- Depot	1,771	2,855
Total Assets	1,771	3,451
Net Assets	1,771	3,451

Council has resolved to Sale portions of land at 218 Main North Road, Prospect SA 5082.

Settlement of this sale contract is scheduled to occur prior to 30 June 2021

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

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

1. LAND UNDER ROADS

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

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

2. POTENTIAL INSURANCE LOSSES

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

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

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

3. BANK GUARANTEES

Council has not guaranteed any loans and other banking facilities.

4. LEGAL EXPENSES

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of any appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

City of Prospect

Notes to the Financial Statements for the year ended 30 June 2020

Note 22. Related Party Transactions

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:

\$ '000	2020	2019
The compensation paid to Key Management Personnel comprises:		
Allowances	211	215
Employee Costs	858	938
Termination Benefits	–	22
Total	1,069	1,173

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	39	41
Total	39	41

Galpins

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& Business Consultants

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Financial Statements 2020

INDEPENDENT AUDITOR'S 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 2020, 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 2020, 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 (Including Independence Standards)* (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.

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

6 November 2020

Galpins

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& Business Consultants

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Financial Statements 2020

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS

To the members of City of 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 2019 to 30 June 2020 have been conducted properly and in accordance with law.

In our opinion, 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 2019 to 30 June 2020.

Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2019 to 30 June 2020. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Council's responsibility for internal controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

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 receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the 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 2019 to 30 June 2020. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

Limitations of controls

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

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

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 for which it was prepared

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Partner

6 November 2020

City of Prospect

General Purpose Financial Statements for the year ended 30 June 2020

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Prospect for the year ended 30 June 2020, the Council's Auditor, Galpins has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Nigel McBride
Chief Executive Officer

Date: 19 October 2020



Corinne Garrett
Presiding Member, Audit Committee

David Chant CA, FCPA
Simon Smith CA, FCPA
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CITY OF PROSPECT

GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2020

Statement by Auditor

I confirm that, for the audit of the financial statements of City of Prospect for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (Including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

A handwritten signature in blue ink, appearing to read 'Tim Muhlhausler'.

Tim Muhlhausler CA, Registered Company Auditor

Partner

6 November 2020

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 receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the 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 2019 to 30 June 2020. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

Limitations of controls

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

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

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 for which it was prepared

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS


Tim Muhlhausler CA, Registered Company Auditor
Partner

6 November 2020

Annual Report
2019/20



Appendices

EHA has continued to deliver outstanding service during a global pandemic.



Message from the Chairperson

Cr Peter Cornish

The Eastern Health Authority (EHA) has continued to deliver outstanding service during a global pandemic.

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 operations of EHA.

It has been a challenging year for us all, more so in the public health sector and our local businesses. The novel coronavirus (COVID-19) and the restrictions that the Government of South Australia progressively applied and revised has been challenging for many to navigate, implement and monitor.

I have welcomed the leadership and the support from EHA's Constituent Councils to ensure the operations and management of EHA were augmented to continue all of its statutory functions during the restrictions. EHA was able to continue to deliver the inspections of food premises, supported residential facilities, hairdressers and swimming pools and vaccination programs.

The *South Australian Public Health Act 2011* recognises the functions of councils in protecting and promoting public health and preventing public health risks. EHA Environmental Health Officers have played an active role as physical distancing officers to protect the health and wellbeing of individuals and the community from the spread of COVID-19 (flatten the curve) through education, surveillance and support. EHA is also well placed to play a part in assisting our communities with any required response once a COVID-19 vaccination program becomes available.

EHA and its Constituent Councils approved a revised Regional Public Health Plan, it has been a collaborative approach with some amazing outcomes. It builds on

regional strengths, addresses regional challenges and considers priority populations identified in South Australia's State Public Health Plan 2019-2024.

It has been a
challenging year
for us all, more
so in the public
health sector
and our local
businesses.

Hoarding and squalor continues to be an issue within our community. The ongoing management is complex with multiple layers of issues and many organisations, state and local government agencies.

This year EHA also changed its external auditor, which provided a thorough unmodified audit. The Audit Committee has also seen a new independent member appointed.

I am delighted to bring the 2019-20 Annual Report for your consideration.

Cr Peter Cornish

Chairperson



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

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

City of Burnside

Campbelltown City Council

City of Norwood Payneham and St Peters (NPSP)

City of Prospect

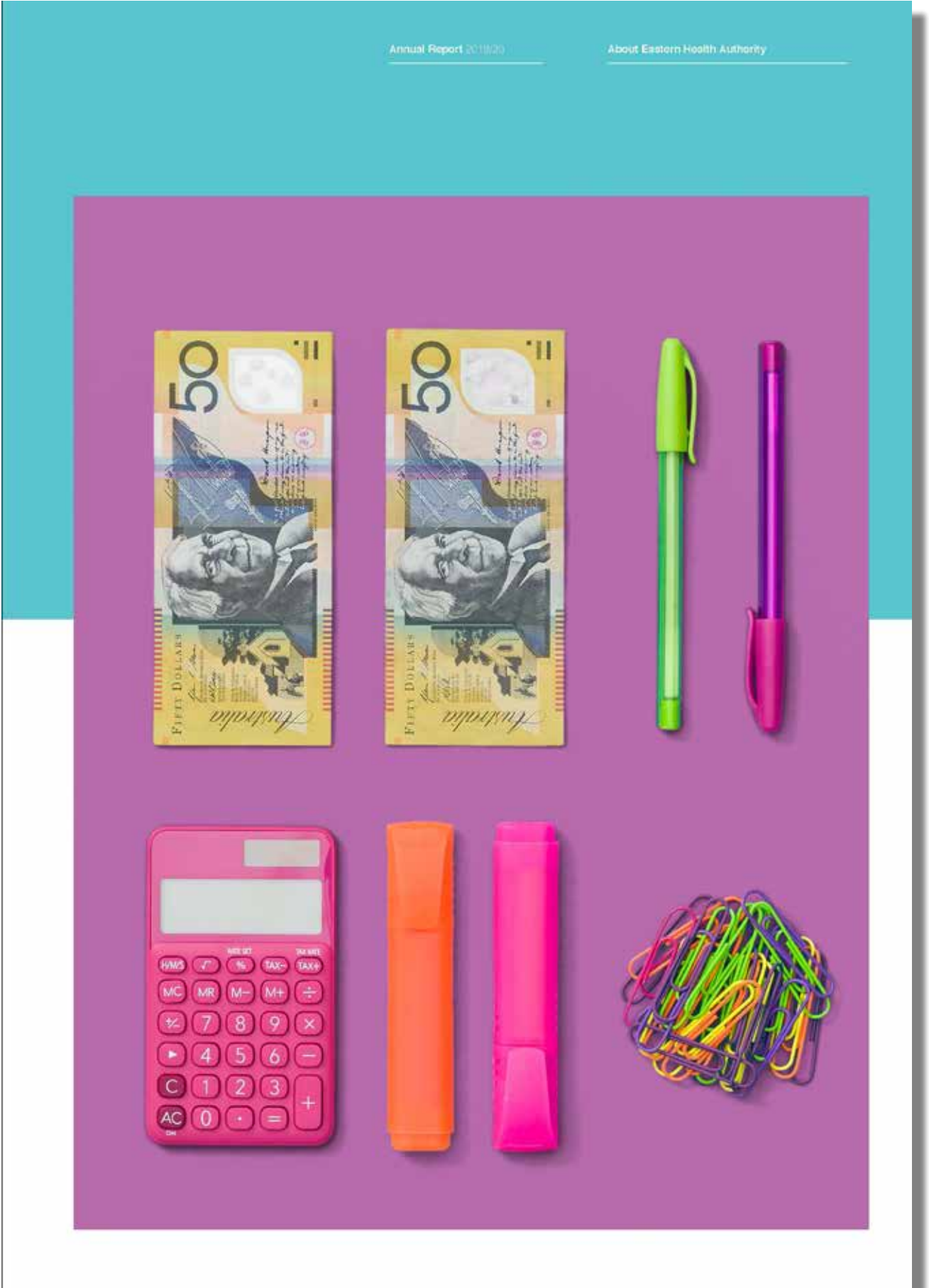
The Corporation of the Town of Walkerville

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

During 2019-20 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.

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Chief Executive Officer's Report

Michael Livori

When we look back on the last financial year it is extremely hard not to focus on the COVID-19 pandemic which has seemingly paralysed the world. Most of us have not lived in a time with such an incredible amount of disruption in our daily lives. It is certainly a period in our lives that I think we will look back and reflect on.

The pandemic puts a spotlight on the importance of having a robust public health system to protect our community. Comparing the infection rates in South Australia with vast areas of the world indicates that our system has served us very well.

While it has been a challenging period, the resilience of our staff has been outstanding. As an essential service we did not have the option of having our staff work from home. Within a short period, we needed to develop and implement a different structure of working.

Recognising the risk to employees and the public during any face-to-face interactions, guidance tools for staff were developed for both office based and ongoing field work. The tools were continually updated to recognise the ever changing directives issued by the Government.

As many food businesses were not operating at full capacity for an extended period we focused on 'high risk' priority areas within the business. Concentrating on critical areas such as hand washing, sanitising and food processing at the peak of outbreak ensured appropriate food safety standards were being maintained but minimised the impact on businesses during this stressful time.

Many aged care facilities prevented access to their facilities which made conducting food auditing challenging. Our Auditors arranged for records that required to be audited to be delivered to our offices and conducted 'virtual' assessments of the premises as a successful short term alternative.

The resilience of our staff has been outstanding.

In the interests of public health, we continued to provide immunisation services right through the pandemic. To do this safely we needed to ensure physical distancing and other safety and hygiene requirements related to COVID-19 were put in place to protect the community and our staff.

To assist with this all public clinics normally conducted at our Constituent Council venues were relocated to our St Peters office. The clinics were all converted to an appointment only basis which our bespoke booking system facilitated very smoothly.

With the appropriate measures in place we also continued to deliver the extremely important school immunisation program with a minimum of disruption. Additional absentee specific clinics were provided at our St Peters offices to accommodate students who may not have been attending schools when we visited. It is extremely pleasing to see that the vaccine completion rates at the schools located in our area continue to be above the state average.

Early in the pandemic the Chief Public Health Officer circulated communications in relation to limiting the spread (flattening the curve) of COVID-19 through physical distancing and prohibiting non-essential mass gatherings. Our Environmental Health Officers (EHOs) immediately set a plan to identify and effectively communicate, educate and monitor the businesses and local community within the Constituent Council areas that we generally have contact with.

Due to Local Governments' role in public health and the enormity of the task, both EHA and its Constituent Councils agreed to act on a regional basis to monitor and enforce physical distancing and other government imposed requirements relating to the COVID-19 crisis to assist SAPOL and the State and Commonwealth Governments.

Both EHA and Council staff monitored these requirements

with a focus on education of business and the community in the first instance. EHA took on the role of further monitoring and enforcement where required, with serious matters referred to SAPOL.

The Eastern Health Authority and its Constituent Councils developed and adopted the second iteration of the Regional Public Health and Wellbeing Plan, Better Living Better Health 2020 – 2026. The plan is presented in an easily digestible trifold format (with supplementary material) and focuses on regional activities that require collaboration between the councils and community partners, builds on regional strengths and addresses regional challenges.

As always, it has been an extremely busy year with the added element of the disruption caused by the pandemic. I would like to thank all of our hardworking staff for their commitment and efforts during this interesting year. Thanks also to the Board of Management for their continued interest in public health and support to both myself and our staff.

Michael Livori
Chief Executive Officer



Governance

Board of Management 2020

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

Member	Meetings Attended
Or Peter Cornish (Chair)	● ● ● ● ● ●
Or Jane Davey	● ● ● ● ● ●
Or Sue Whittington (Deputy Chair)	● ● ● ● ● ●
Or Garry Knoblauch	● ● ● ● ● ●
Andreea Caddy	● ● ● ● ● ●
Or Jennifer Joshi	● ● ● ● ● ●
Or John Kennedy	● ● ● ● ● ●
Michelle Hammond	● ● ● ● ● ●
Or Kristina Barnett	● ● ● ● ● ●
Nathan Cunningham	● ● ● ● ● ●

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Annual Report 2019/20

Governance

City of Burnside



Cr Peter Cornish
(Chair)



Cr Jane Davey

Campbelltown City Council



Cr John Kennedy



Michelle Hammond

City of Norwood Payneham & St Peters



Cr Sue Whittington
(Deputy Chair)



Cr Garry Knoblauch

City of Prospect



Cr Kristina Barnett



Nathan Cunningham

Corporation of the Town of Walkerville



Andreea Caddy



Cr Jennifer Joshi

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Finance Audit Committee

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

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

Lisa Scinto served as Presiding Member until February 2020 when her term of appointment expired. We thank Lisa for her service over a number of years on the Committee. Claudia Goldsmith continued as an Independent Member of the Committee during the reporting period and has now been appointed as the Presiding Member of the Committee. Cr Peter Cornish continued in his role as 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 – Environmental Health and Team Leader - Administration and Immunisation have responsibilities for achieving the Annual Business Plan objectives relevant to their functional area.

Staffing as at 30 June 2020 comprised a total of 27 employees (18 FTE).

Financial Statements

The Audited Financial Statements for the year ending 30 June 2020 are provided on page 34. They show an operating deficit of \$13,401. The budgeted operating result was a \$28,000 deficit. The result was negatively impacted by the application of AASB Standard 16 Leases by \$35,910.

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Immunisation

EHA provides a comprehensive, specialised, and convenient immunisation service by way of public immunisation clinics, school immunisation program and workplace immunisation programs to the residents of our Constituent Councils.

As demonstrated in Figure 1, March through to June is the period of peak demand for immunisation services due to the timing of the Influenza and School Immunisation Programs.

Public Immunisation Clinics

With the large media focus and high demand for influenza vaccines created by the alarming nature of COVID-19 the demand for immunisation at EHA public clinics was extremely high during March to June. As a result, clinics were booked out for several months in advance.

To ensure the safest possible environment for our clients and to effectively manage COVID-19 restrictions, all public clinics were moved to EHA's offices at St Peters on an appointment only basis.

SMS and email messages were sent out to all clients with prebooked appointments regarding venue changes and special instructions prior to attending their appointments. Information on safe practices and physical distancing

procedures were also distributed to clients before attendance.

The immunisation pages of our website have been continually modified to reflect the evolving changes to our service delivery and relevant COVID-19 requirements and have been popular with clients.

The online booking system on the website continues to be well utilised with 1,503 confirmed bookings online.

There was a strong focus on improving the customer experience of our online appointment system. New email confirmations and reminders prior to appointments are now being sent, together with the ability for clients to cancel their own appointments.

Despite the extremely high demand, the change to appointment-based clinics only (as opposed to providing a number of drop-in clinics) has impacted the total number of clients that were able to be serviced.

A total of 4,873 clients were provided with 8,819

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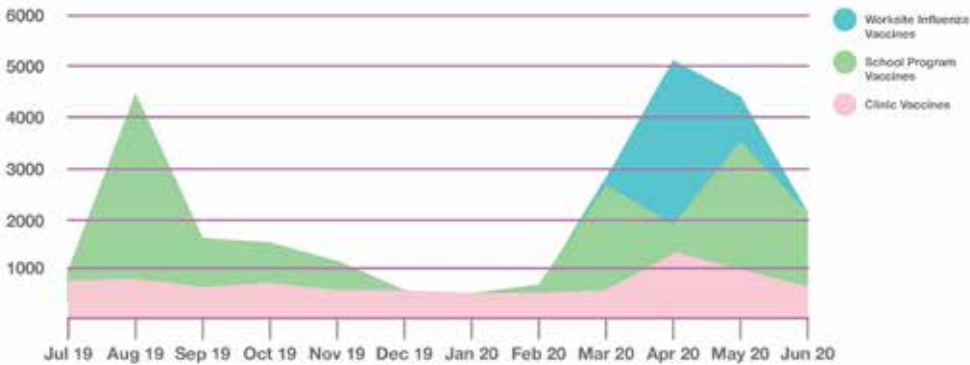


vaccinations, a decrease of 839 clients (15%) in comparison to 2018 (Figure 2). The long term trend however, sees an increase when considering a longer period.

The decrease was also influenced by the completion of the catch-up programs for two vaccines which

commenced in July and October 2018. These were the single dose Meningococcal ACWY vaccine and the two dose Meningococcal B vaccine. The catch-up programs were completed in December 2019 and February 2020 respectively.

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



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Figure 2 – Client attendance at public immunisation clinics for the last 3 years

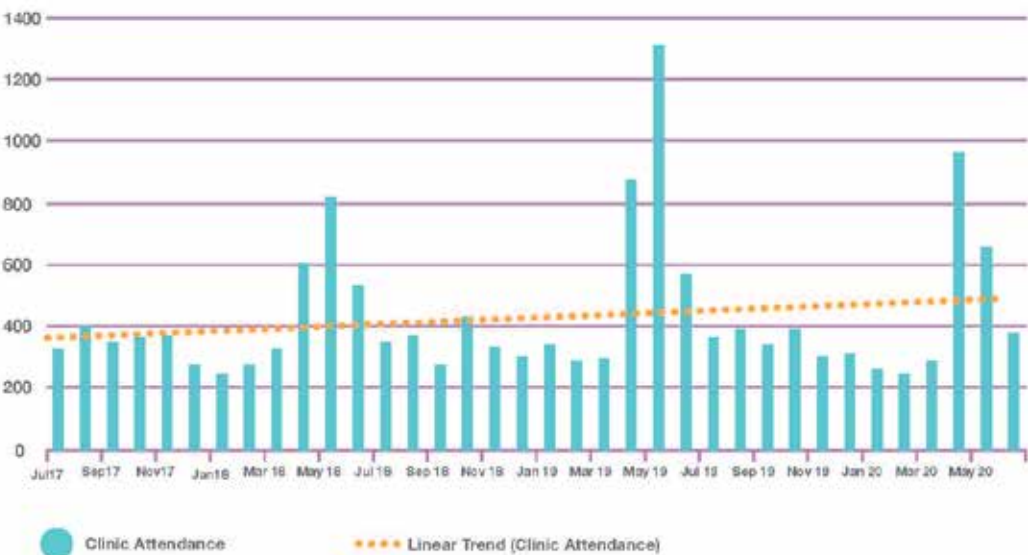


Figure 3 – The number of vaccines administered at public clinics for the last 3 years.



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Table 1 – The number of clients per council area and their choice of clinic venue

Where clients come from (Council Area)	Number of clients from Council Area	Where clients attend (Clinic Venue by %)					
		Burnside	Campbelltown	NPSP	Prospect	Walkerville	Unley
Burnside	1,111	17%	4%	70%	0%	2%	7%
Campbelltown	1,251	3%	17%	76%	0%	2%	2%
NPSP	1,300	3%	3%	89%	0%	2%	3%
Prospect*	269	2%	1%	88%	5%	4%	2%
Walkerville	264	2%	0%	84%	1%	7%	0%
Unley**	333	5%	1%	46%	0%	1%	47%
Other	289	5%	2%	74%	1%	2%	16%
Total Number of Clients	4,873						

*Prospect clinics were only operational between January – March 2020 due to redevelopment.

**Unley clinics ceased December 2019.

Table 1 shows which of the five clinic venue locations the residents from our Constituent Councils choose to be vaccinated at. It should be noted that the numbers have been impacted by the centralisation of clinics to St Peter's in March 2020. Residents will attend the site that best suits their needs which is often not in their own council area. This demonstrates the benefit of our councils' collective approach to immunisation service provision.

School Immunisation – 2019 Program

During 2019, EHA completed 19 high school immunisation visits to deliver the annual School Immunisation Programme (SIP). A total of 14,747 vaccines were administered to Year 8, 10 and 11 students (Table 2).

The amount of vaccines administered has increased by 8,247 when compared to the same period in 2018. This increase was due to the expansion of the school program in 2019 to include a Meningococcal B catch-up program for Year 11 students together with the introduction of Meningococcal B and ACWY for Year 10 students.

SA Health compiles data in relation to student immunisations each year to measure the success of the SIP program. EHA vaccine coverage rates continue to be higher than the state average for each vaccine delivered:

- dTpa Yr 8: EHA 89.35% (State 55.86%);
- HPV Yr 8 dose 1: EHA 89% (State 84.76%);
- HPV Yr 8 dose 2: EHA 82.79% (State 74.81%);
- Meningococcal B Yr 10 dose 1: EHA 80.45% (State 79.39%);
- Meningococcal B Yr 10 dose 2: EHA 73.89% (State 70.17%);
- Meningococcal B Yr 11 dose 1: EHA 78.64% (State 73.76%);
- Meningococcal B Yr 11 dose 2: EHA 72.86% (State 64.04%);
- Meningococcal ACWY: EHA 60.29% (State 74.85%);



Appendices

A new SMS reminder system for school absentees was introduced.

Table 2: School vaccinations for calendar year to date – January to December 2019

Council	Human Papillomavirus	Diphtheria Tetanus and Pertussis	Meningococcal B	Meningococcal ACWY	Total
Burnside	1,264	863	2,213	802	4,722
Campbelltown	930	478	1,468	841	3,806
NPSP	867	667	1,978	444	3,834
Prospect	190	97	389	107	733
Walkerville	180	83	288	83	694
Unley	327	189	862	181	1,309
Total	3,718	2,037	6,974	2,018	14,747

A new SMS reminder system for school absentees was introduced. Additional reminders sent at the end of the yearly program has proven to provide a better response rate from parents versus posting absentee slips. This has

contributed to the ongoing success of EHA's SIP program evidenced by the results detailed above.

Figure 4 demonstrates how the SIP vaccine coverage rates compared to the State average in 2019.

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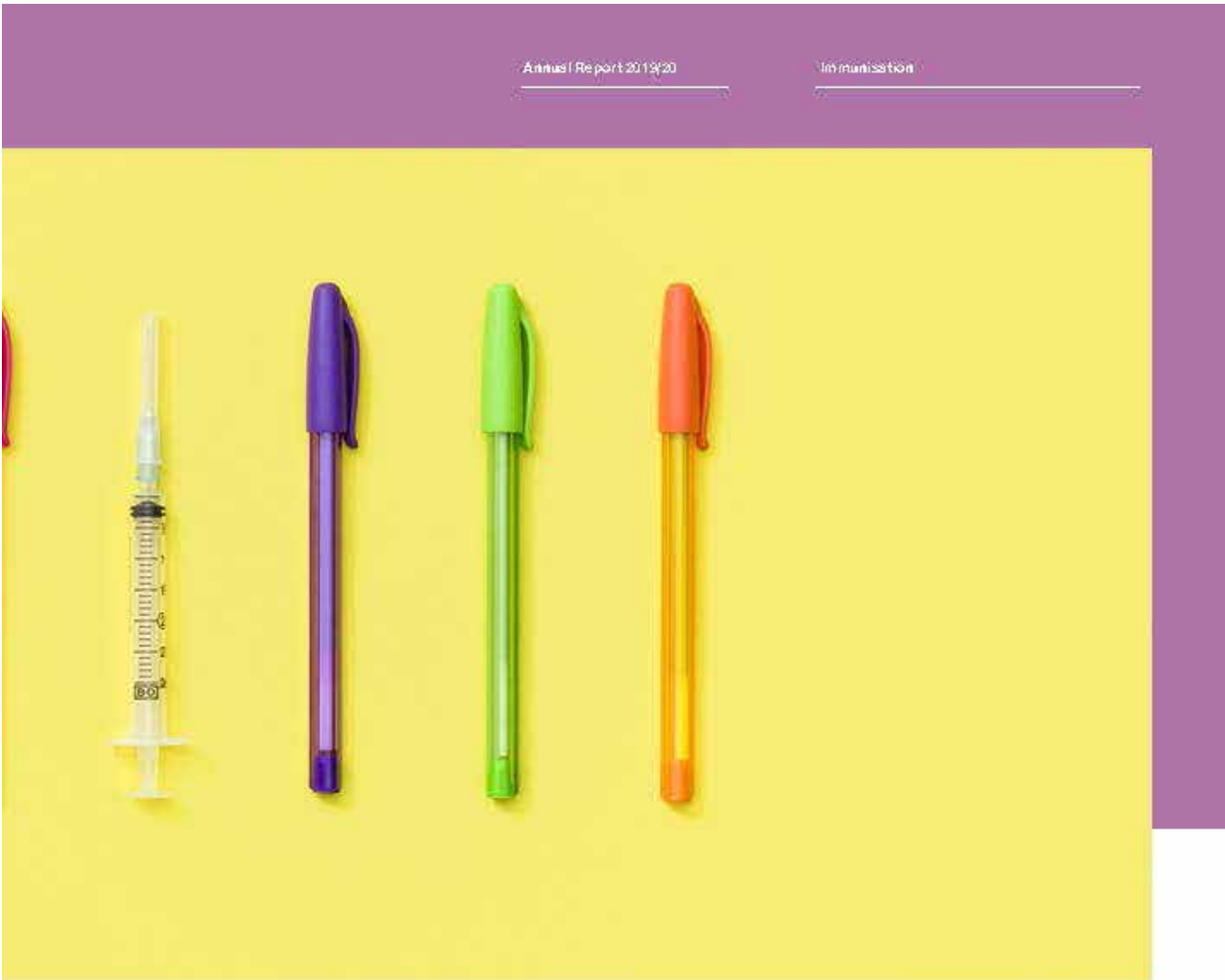
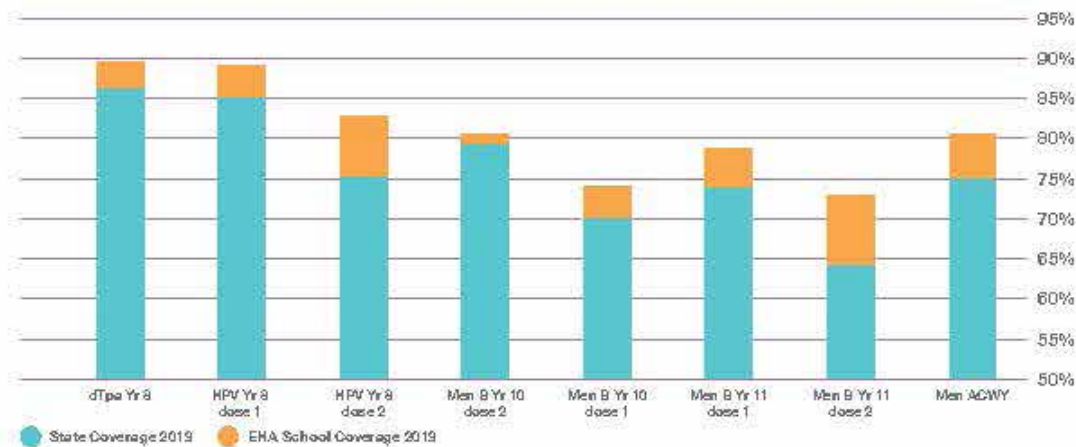


Figure 4 – EHA vaccine coverage rates compared with the SAS rate coverage rates across all vaccines administered.



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Workplace Immunisation Program

The 2020 Workplace Influenza Program which assists business in protecting their staff from highly contagious respiratory illnesses caused by Influenza A and B commenced in March 2020, resulting in 4,238 vaccines being provided across 88 worksites.

Throughout the challenging time that resulted from the COVID-19 pandemic EHA worked extremely hard with businesses to ensure all scheduled visits could proceed where possible. Successful bookings were also conducted on-site at EHA offices at St Peters and a single on-site drive through clinic was highly successful for a client to ensure their original booking could be honoured.

With COVID-19 providing a challenging environment for workplaces to enable visits, EHA did experience several cancellations due to companies operating with staff working from home. These challenges resulting in a minor decrease (-5%) of workplaces visited and vaccines administered in 2020 compared to the same period in 2019.

EHA staff are reviewing promotional opportunities for the program prior to the upcoming flu season with consideration of COVID-19 when planning for alternative options in conducting future workplace visits.

Upgrades continue to be made to our unique online workplace booking system which continues to be a success with workplaces booking our services.



Despite COVID-19 proving a challenging environment, EHA worked extremely hard with businesses to ensure all scheduled visits could proceed where possible.





Public and 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. [website: NEHA Environmental health](#)

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

This year Environmental Health Officers' responsibilities under the *SA Public Health Act 2011* has extended to encompass duties to assist with controlling of the COVID-19 pandemic spread within South Australia. On 22 March 2020 the State Coordinator, Commissioner Grant Stevens made a Declaration of a Major Emergency under the *Emergency Management Act 2004*. The State restrictions based on the Prime Ministers' recommendations were enacted through a suite of enforceable Directions.

Whilst vaccines and therapeutics are not available, EHOs' role to monitor, educate and where required enforce the required physical distancing measures and restrictions to stop individual chains of transmission has played a valuable role in preventing further outbreaks and in limiting further spread of COVID-19.

Complaints and Referrals

We received 213 public health related complaints/referrals from the public or State Government agencies during 2019-20. This was a significant increase (+23%) compared to the previous year.

Figure 5 shows the category of complaint issue types by proportion required to administer the *SA Public Health Act* during 2019-20. As shown in Figure 5 vector control relating to rodents, pigeons and mosquitoes (93) and sanitation (39) accounted for a large proportion of public health complaints.



On the 24 March 2020 the Chief Public Health Officer communicated the intent to limit the spread (flatten the curve) of COVID-19 through physical distancing and prohibiting non-essential mass gatherings imposed by the Federal Government and State Police Commissioner.

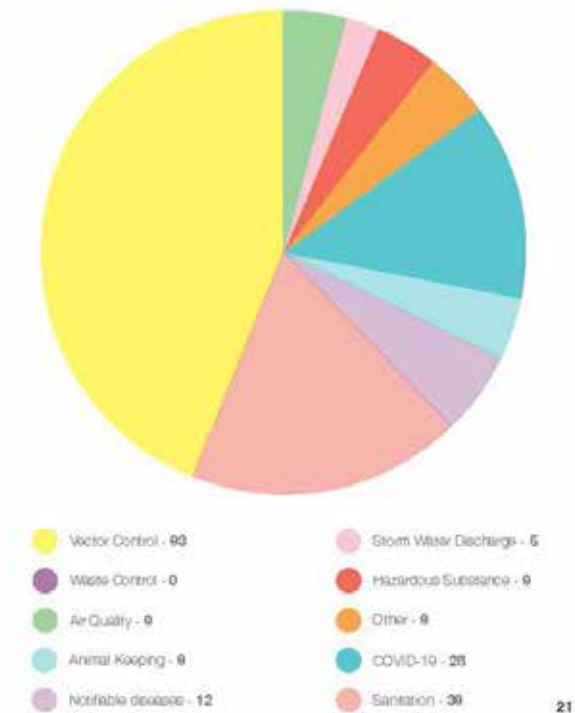
The SA Public Health Act 2011 (the Act) recognises the functions of councils (s. 37) in protecting and promoting public health and preventing public health risks. EHOs are Authorised Officers under the Act and played an active role in protecting the health and wellbeing of individuals and the community from the spread of COVID-19 through surveillance, education and support.

Officers were proactive in educating businesses and shopping centres in the lead up to significant public events (i.e. Easter, Mothers Day) to ensure the requirements were adequately managed.

We were required to rapidly change and quickly adapt to our new roles and responsibilities. Authorised Officers undertook a total of 277 social distancing observation inspections which we estimate to cover more than 1,000 premises.

A total of 28 physical distancing complaints were received and investigated (Figure 5). These complaints accounted for 13% of the total complaints received for the year. This is a considerable proportion of complaints received within a condensed timeframe.

Figure 5- Category of complaint issue types by proportion required to administer the SA Public Health Act 2011 during 2019-20.



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Table 3 – A three year comparison of the type of public health complaints received.

	2017-18	2018-19	2019-20
Animal Keeping	3	4	9
Notifiable Disease	12	13	12
Sanitation	38	41	39
Vector Control	108	73	93
Waste Control	2	0	0
Air Quality	0	9	9
Water Quality	0	5	5
Hazardous Substances	9	5	9
Other	13	0	9
Total	185	150	185

Hoarding and squalor complaints made up 48% of sanitation complaints during 2019-20 (Table 3). The number of squalor investigations decreased when compared to the previous year, with the number of hoarding investigations remaining the same (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 are addressed in addition to the individual(s) living in inappropriate conditions receiving appropriate support.

EHA adopts where possible an informal (non-legislative) approach when addressing matters relating to hoarding and squalor.

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Table 4 – A three year comparison of the total number of sanitation complaints and severe domestic squalor and hoarding complaints

	2017-18	2018-19	2019-20
Total number of Sanitation Complaints	38	44	39
Severe Domestic Squalor	8	15	11
Hoarding	6	8	8

EHA adopts where possible an informal (non-legislative) approach when addressing matters relating to hoarding and squalor. Where there is no serious and 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, without legal direction enforcement action is taken under the *SA Public Health Act 2011*. During 2019-20 two domestic squalor matters 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* to both 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 hoarding and squalor, as well as services and resources available to help resolve these issues.

A total of nine hazardous waste complaints required investigation during the year involving the collection of syringes and the investigation of asbestos and clandestine drug laboratories. The increase in the number of hazardous waste complaints compared to the previous year was attributed to the request for the collection of used discarded syringes. The investigation of two separate Category C Clandestine Drug Laboratories resulted in the issue of a Compliance Notice under Section 92(1) of the *SA Public Health 2011*.

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 Australia¹. 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. ¹ Australia's Foodborne Illness Reduction Strategy 2019-2023.

Food Regulation Secretariat, 2018.

Table 5 – The number of reported notifiable diseases for 2019-20

	2019-20
<i>Campylobacter</i>	267
<i>Salmonella</i>	79
<i>Legionellosis</i>	5
<i>Cryptosporidiosis</i>	5
Hepatitis A	1
Rotavirus	47

Salmonella and *Campylobacter* continue to be the most frequently reported food borne disease within EHA's five Constituent Councils (Table 5). The reporting period saw 267 confirmed cases of *Campylobacter* and 79 confirmed cases of *Salmonella* (Table 5).

SA Health requested an investigation at an early learning centre and primary school in relation to confirmed cases of *Salmonella* allegedly involving animal hatching program. The investigating Officer ensured that appropriate infection control measures were implemented and appropriate and educational material was provided. Outcomes of the inspections were provided to SA Health.

Monitoring and Surveillance Cooling Towers and Warm Water Systems

A total of 30 high-risk manufactured water systems (HRMWS) were registered at 16 sites within EHA under the *SA Public Health (Legionella) Regulations 2013*. All HRMWS systems were inspected at least once throughout the year with a total of 30 routine inspections undertaken at 12 cooling tower and four warm water system sites (Table 6). No follow-up inspections were required.

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.

Four *Legionella* disease notifications were received from SA Health during the year. Three required investigation. No potential sources were identified.

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Table 6 - The number of registered high risk manufactured water systems and the number of routine and follow-up inspections undertaken and *Legionella* high count test results

	2019-20
Number of sites	16
Total number HRMWS registered	30
Number of system inspections	30
Number of follow-ups	0
Notices issued to HRMWS	0
Expiation Notices issued to HRMWS	0
Detections of <i>Legionella</i>	2
Investigation of <i>Legionella</i> disease notifications from CDCB	4

Public Swimming Pools and Spas

A total of 71 routine inspections at 27 swimming pool and spa sites was undertaken, which was comparable to the previous year (Table 7). Despite the COVID-19 State Directions requiring the closure of public pools and spas for a period of time, all swimming, spa and hydrotherapy pools were assessed at least once during the year against the standards prescribed in the SA Public Health (General) Regulations 2013.

There was a 39% decrease in the number of follow up inspections conducted when compared to the previous year (Table 7). High combined chlorine and free chlorine, pH and alkalinity not within the required parameters required additional inspections to ensure compliance with the General Regulations.

Table 7 – A three year comparison of the number of routine and follow-up inspections conducted at spas, swimming and hydrotherapy pools.

	2017-18	2018-19	2019-20
Number of Sites	28	28	27
Number of Pools/Spas	44	43	42
Inspections of Pools/Spas	58	69	71
Follow-ups of Pools/Spas	24	36	22
Voluntary Temporary Closures	4	5	4
Complaints	2	1	1

Three sites closed voluntarily: two to rectify high combined chlorine levels and one due to high pH and alkalinity. One site was issued with a Compliance Notice under Section 92 of the *SA Public Health Act 2011* as a result of inadequate chlorine levels to disinfect the pool, inadequate record keeping, failure to operate the filtration

system to the pool and spas and accessibility to the public. The pool operators were instructed to close the pool and spa to the public and undertake the necessary corrective actions.

Personal Care and Body Art (PCBA)

Assessments of high-risk personal care and body art (PCBA) premises involving high risk skin penetration practices such as tattooing, permanent make-up, microdermabrasion, derma-rolling and piercing with reusable needles were undertaken during the year. These activities were assessed against the standards prescribed in the SA Public Health (General) Regulations, 2013.

During the year 2019-20 all 10 tattoo premises involving high risk skin penetration practice were assessed. No follow-up inspections were required.

Six beauty premises undertaking high risk treatment processes were assessed. This was 20 less inspections than the previous year. The decrease in the number of inspections was influenced by the COVID-19 State Directions which resulted in the closure of a beauty premises for a period of time.

One complaint was received during the year involving cleanliness and inappropriate hygiene practices during a microdermabrasion procedure at a beauty premises. Education and recommendations on the safe and hygienic practice of skin penetration was provided and no further follow up was required.

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.

During the year EHA assessed six wastewater applications for waste water works approval and two pending applications carried over from the previous reporting period in accordance with the requirements of the SA Public Health (Wastewater) Regulations 2013.

Following the assessment of the applications and onsite inspections seven applications were granted works approval. One application was refused approval and is still pending further information.

No complaint investigations were undertaken during the reporting period.

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Public and Environmental Health



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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 EHCs during regular inspections and audits, investigation of complaints and where required, enforcement.

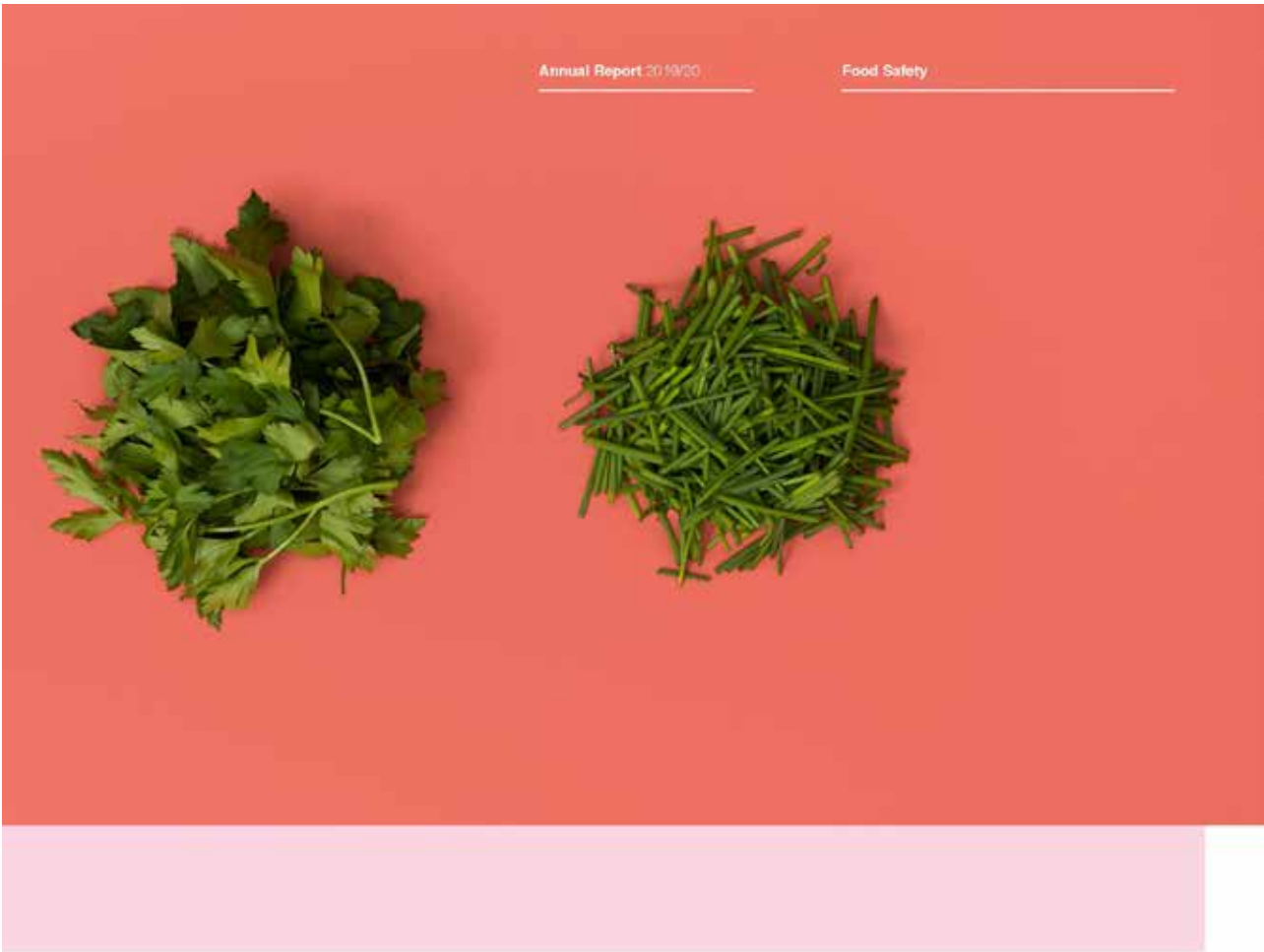
Food Safety Inspections, Complaints, Audits and Enforcement

As at 30 June 2020, a total of 1,174 known food premises were operating within our jurisdiction, a small decrease (7.5%) compared to the previous year. This decrease is a result of temporary and permanent closures resulting from the COVID-19 pandemic.

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 6). 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 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 EHOs to provide advice and information and for businesses to demonstrate improved systems or processes.

During the year EHOs undertook a total of 1,310 food safety inspections (Figure 7). As shown in Figure 7 a large proportion of inspections undertaken during 2019-20 accounted for routine food inspections (633) and follow-up inspections (465).

Figure 6 – Number of food businesses per risk classification

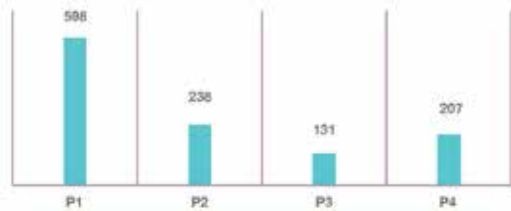
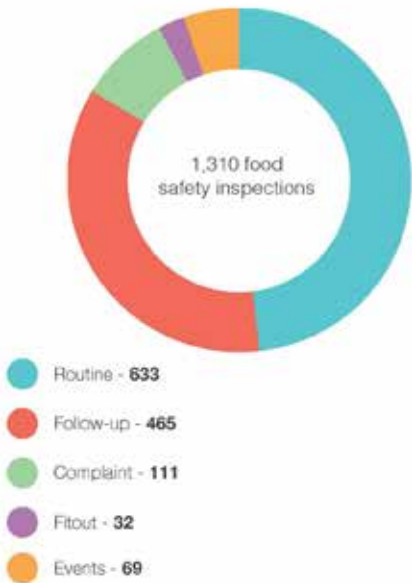


Figure 7 – Type of food safety inspections undertaken during 2019-20



Appendices

A total of 633 scheduled routine inspections were undertaken during 2019-20. The decrease in scheduled food inspections was a product of the increasing public health concerns surrounding COVID-19. A significant number of food businesses closed and EHOs quickly had to adapt to their new roles and primary responsibility as Physical Distancing Officers following the restrictions imposed by the Federal Government and State Police Commissioner.

The impacts of the pandemic and state restrictions resulted in either the temporary or permanent closure and limited or altered hospitality services provided by food businesses. Despite these changes EHA identified that the continuation of scheduled inspections was important to ensure food was prepared in a safe and suitable manner. Following the announcement on 24 March 2020 from the State Police Commissioner EHA implemented the following changes to the scheduled inspections:

- food inspection assessment forms were changed to reflect COVID-19. As most businesses were not operating at full capacity there was a focus on 'high risk' priority areas during inspections, i.e. hand washing, sanitising and food processing
- physical distancing restrictions and requirements were monitored

To assist food businesses knowledge and interpretation of the ever-changing state physical distancing requirements regular electronic emails, website updates, monitoring and face to face visits were provided.

Table 8 – The percentage number of follow up inspections conducted based on the number of routine inspections

	2019-20
Routine inspections	633
Total number of follow-up inspections	465
Number of businesses requiring a follow-up inspection	305
% of routine inspections requiring a follow-up inspection	48%

A total of 465 follow-up inspections were conducted during the year (Table 8). As shown in Table 8 48% of inspected businesses required at least one follow-up inspection. This is reflective of the commitment to ensure non-compliances are rectified within an appropriate timeframe.

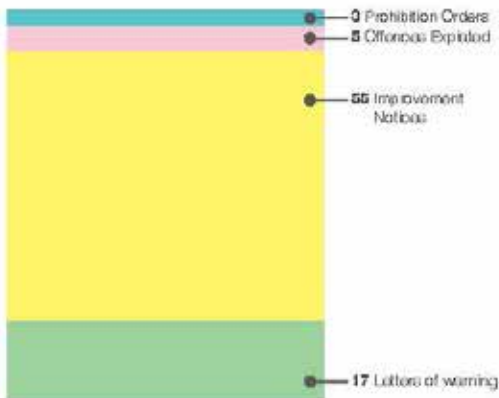
If repeated non-compliance continues, EHA's enforcement policy requires a graduated and proportionate response to be applied to either recurring or very serious food safety breaches.

Figure 8 demonstrates the graduated responses to enforcement. Legal action may be taken to repeat offenders in the form of written warnings, Improvement Notices, Prohibition Orders, Explanations or Prosecutions.

EHA identified that the continuation of scheduled inspections was important at the height of the pandemic restrictions to ensure food was prepared in a safe and suitable manner.

Appendices

Figure 8 – The graduated response to enforcement under the *Food Act 2001*



The majority of food businesses requiring legal action are P1 high risk businesses (Table 9). Enforcement action is however not limited to high risk businesses with Improvement Notices also issued to moderate risk P2 food businesses (Table 9).

Table 9 – Summary of enforcement action taken as per risk classification

	P1	P2	P3
Warning Letter	16	0	1
Improvement Notices	50	5	0
Offences Expiated	5	0	0
Prohibition Orders	3	0	0



Appendices



Improvement Notices continue to account for the majority of enforcement action taken, with a total of 55 Improvement Notices issued to 41 food businesses (Table 10). A total of 13 businesses received more than one Improvement Notice during the year with one business receiving three Improvement Notices.

Table 10 - The percentage of Improvement Notices issued based on the number of routine inspections

	2019-20
Routine inspections	633
Total number of Improvement Notices issued	55
Number of businesses issued with Improvement Notices	41
Number of businesses issued with multiple Improvement Notices	13
% of routine inspections resulting in the issue of an Improvement Notice	6.5%

In 2019-20, five businesses were expiated for five offences committed under the *Food Act 2001* (Figure 8). Offences included failure to comply with an Improvement Notice and failure to clean and sanitise.

Three Prohibition Orders were issued (Figure 8), five less than the previous year. The Prohibition Orders were issued to a bakery, restaurant and takeaway food business for serious offences relating to significant build-up of mould in a cool room, extremely poor standards of cleanliness and

unsafe food processing practices and inadequate structural suitability.

EHA inspected 69 food stalls (Figure 7) at nine major special events held within the Constituent Councils. Several major council events were cancelled during the event season due to COVID-19. Food handlers were assessed on their application of food safety and hygiene practices. EHOs also considered the structure and fit out of each stall to ensure food was stored, prepared and displayed appropriately and safely.

Food safety training videos were developed and made available on the EHA website for free public access. These training videos aim to educate food handlers or the public in general on improving food safety practices through clear demonstrations and statements/instructions and symbols. The available videos focus on handwashing, safe storage practices and temperature measuring devices.

During 2019-20 EHA featured in the FSANA Food Safety Culture Connections Autumn Newsletter. The article titled 'Culture changers: Celebrating food safety champions' highlighted a food business that worked with our officers to take steps to improve their food safety culture.

The article highlighted the importance of the balance of an EHO's guidance/education with regulatory responses to encourage and affirm the importance of food safety, the 'food business' will improve and identify individual's potential as a food safety champion.

Safety training videos were developed and made available for free public access.

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.

Despite the declaration of a major emergency relating to COVID-19, SA Health required food safety auditors to conduct the audits on-site. However, many aged care facilities prevented access to their facilities to protect the public safety of their residents. To enable these facilities to be audited EHA arranged for records to be delivered to EHA offices and a 'virtual' assessment of the site to be conducted. Whilst is not common practice, the solution allowed for the statutory requirements of the business to be fulfilled whilst minimising the risk to not only the employees of EHA and the businesses but most importantly to the aged residents.

As shown in Table 11, a total of 73 scheduled food safety audits and five follow-up audits were conducted within EHA's jurisdiction during the year. There was an increase in the number of audits conducted outside of EHA's jurisdiction when compared to the previous year. During the year EHA secured an agreement to audit the food safety plan at 18 aged care sites across Adelaide. This agreement along with other new sites with EHA's jurisdiction contributed to an increase in audits conducted during the reporting period.

Table 11 - A three year comparison of the number of audits and follow-up audits conducted in our five Constituent Councils and other council areas

	2017-18		2018-19		2019-20	
	EHA	Other Council Areas	EHA	Other Council Areas	EHA	Other Council Areas
No. of Audits	60	37	64	46	73	73
No. of Follow-up Audits	5	1	6	3	5	2

Complaints

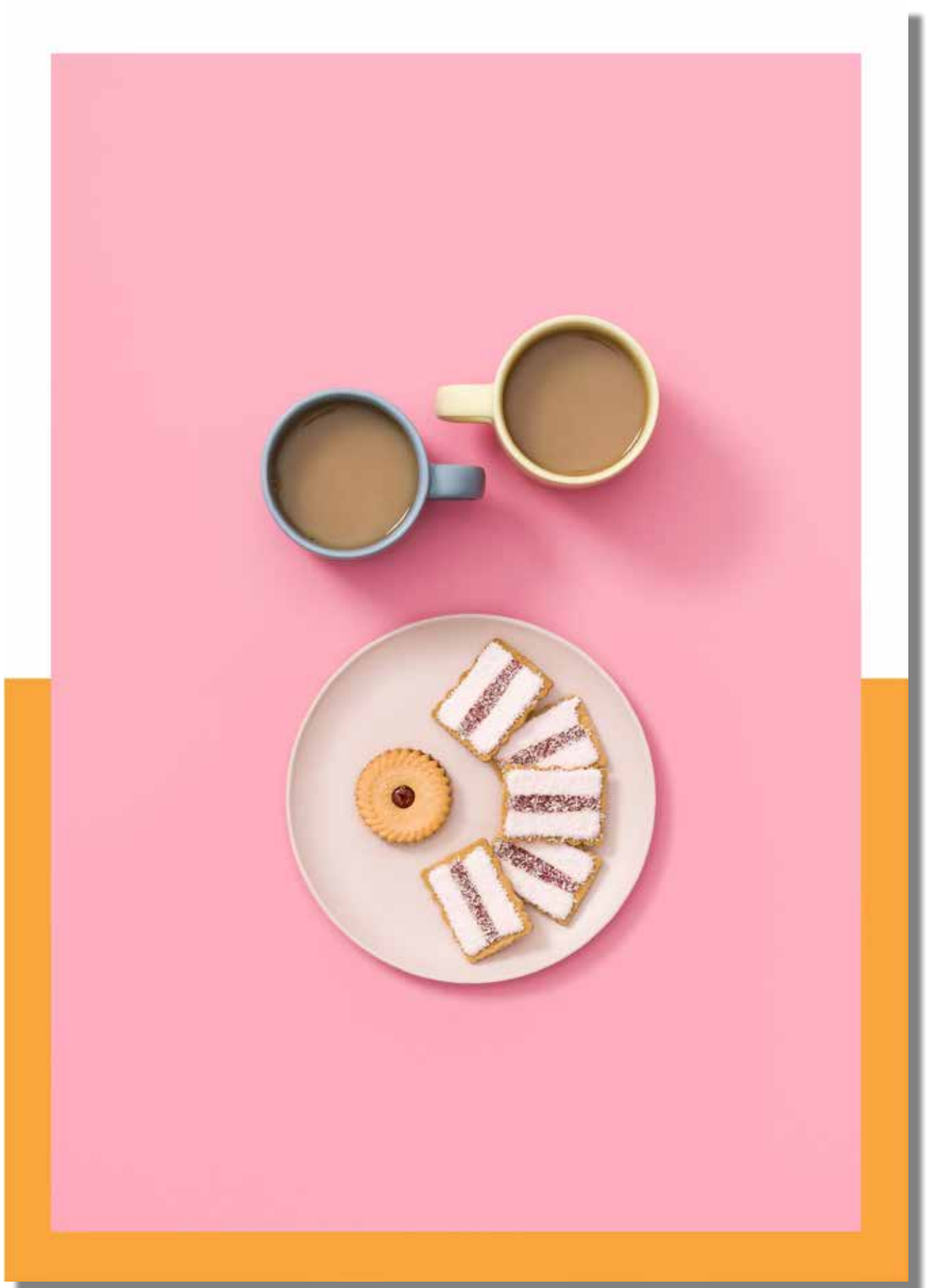
As shown in Table 12 EHA received a total of 111 food related complaints, a 34% increase when compared to the previous two years.

As depicted in Table 12 there was a significant increase in the number of complaints relating to poor personal hygiene or poor food handling practices, a significant proportion of these complaints (45%) were received between March and June 2020. This may be attributed to the increased public awareness of COVID-19 and focus on health and hygiene made readily available through media and websites during this time.

Table 12 – Total number of complaints received 2019-20.

Type of Complaints Received	Total number of complaints received		
	2017-18	2018-19	2019-20
Food unsuitable/unsafe due to foreign matter	10	5	12
Food unsuitable/unsafe due to microbial contamination/growth	9	9	15
Food unsuitable/unsafe due to presence of unapproved or excessive chemical residues	0	3	1
Alleged food poisoning	14	12	17
Unclean premises	5	17	8
Poor personal hygiene or poor food handling practices	21	13	31
Rodent/insects/pests observed in premises	5	5	7
Refuse storage	9	10	13
Labelling issues	1	2	4
Other	8	7	3
Total	82	83	111

Appendices



Health Care and Community Services

Supported Residential Facilities

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

Licensing, Monitoring and Complaints

EHOs conduct unannounced routine audits and, where required, follow-up inspections and complaint investigations.

During 2019-20 we conducted three unannounced routine audits and two follow-up visits. COVID-19 impacted the auditing process scheduled for the first half of 2020. The *COVID-19 Emergency Response Act 2020* prohibited Authorised Officers from entering SRFs and as a result audits by EHA and were not conducted at the three dual-licensed facilities. Alternatively, documentation audits were performed for these facilities.

Both onsite structural audits and documentation audits were conducted at the two pension only facilities. The follow-up inspection for one pension-only facility was not able to be performed due to the restrictions.

The criteria assessed to determine compliance with the *Supported Residential Facilities Act 1992*, the *Supported Residential Facilities Regulations 2009* and the *Supported Residential Facilities Guidelines and Standards 2011*, included the following:

- adequacy of documentation and suitability of service plans
- level of staffing and appropriate qualifications
- nutritional quality and variety of the food provided to the residents
- solvency of the business
- public liability insurance
- structural condition of the premises
- financial management
- general amenity and cleanliness of the facility
- medication management
- privacy, dignity and respect of residents
- evidence of an up to date Visitors' Book

Of the audits performed, the majority of non-conformances identified related to structural maintenance and documentation management. A limited number of non-conformances related to standards of care including nutrition and medication management.

Fire safety inspections were also impacted by COVID-19. Council Fire Safety Officers could not conduct onsite inspections. Instead, correspondence was received from the Building Fire Safety Committees from each Council to indicate that there are no outstanding building fire safety matters that would prevent the licensing of these facilities. Building fire safety inspections are expected to be conducted at all facilities in the 2020-21 financial year.

Two complaints were received and investigated during the reporting year. The numbers of complaints received was comparable to the previous year. Complaints related to access to the facility and residents by an NDIS service provider and the nutritional value of food served. Relevant action was taken by the facilities where required to resolve the matters.

Where audits were not performed, reduced term licenses were issued for four of the facilities. As with other years, where there were significant or persistent issues identified during the auditing process, conditions were imposed on the facility's next license. All facilities were given the condition to maintain all Essential Fire Safety Provisions. Three facilities were issued licences for six months with a condition. One facility was issued a licence for three months with conditions. One facility was issued a licence for one year with conditions.

SRF Manager and Acting Manager approvals

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

Appendices

The General Purpose Financial Reports for the year ended 30 June 2020



Eastern Health Authority General Purpose Financial Reports for the year ended 30 June 2020

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EASTERN HEALTH AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 2020 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

Date: 2 September 2020

Eastern Health Authority
Statement of Comprehensive Income
for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
INCOME			
Council contributions	2	1,803,571	1,723,013
Statutory charges	2	72,447	150,360
User charges	2	330,134	394,577
Grants, subsidies and contributions	2	245,618	257,814
Investment income	2	8,183	16,316
Other income	2	4,031	15,841
Total Income		2,463,984	2,557,921
EXPENSES			
Employee costs	3	1,636,215	1,767,577
Materials, contracts & other expenses	3	594,507	716,069
Depreciation, amortisation & impairment	3	190,358	37,355
Finance costs	3	56,305	12,811
Total Expenses		2,477,385	2,533,812
OPERATING (DEFICIT) / SURPLUS		(13,401)	24,109
Other Comprehensive Income			
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(13,401)	24,109

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

Appendices

Eastern Health Authority Statement of Financial Position as at 30 June 2020

		2020	2019
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	4	721,310	743,272
Trade & other receivables	4	155,650	168,200
Total Current Assets		876,960	911,472
Non-current Assets			
Infrastructure, property, plant & equipment	5	1,491,511	324,192
Total Non-current Assets		1,491,511	324,192
Total Assets		2,368,471	1,235,664
LIABILITIES			
Current Liabilities			
Trade & other payables	6	157,719	149,195
Borrowings	6	262,051	64,393
Provisions	6	307,885	322,578
Total Current Liabilities		727,655	536,166
Non-current Liabilities			
Borrowings	6	1,143,669	186,350
Provisions	6	22,268	24,868
Total Non-current Liabilities		1,165,937	211,218
Total Liabilities		1,893,592	747,384
NET ASSETS		474,879	488,280
EQUITY			
Accumulated Surplus		474,879	488,280
TOTAL EQUITY		474,879	488,280

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

Eastern Health Authority Statement of Changes in Equity for the year ended 30 June 2020

		Acc'd Surplus	TOTAL EQUITY
2020	Notes	\$	\$
Balance at end of previous reporting period		488,280	488,280
Net (Deficit) for Year		(13,401)	(13,401)
Balance at end of period		474,879	474,879
2019			
Balance at end of previous reporting period		464,171	464,171
Net Surplus for Year		24,109	24,109
Balance at end of period		488,280	488,280

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

Appendices

Eastern Health Authority Statement of Cash Flows for the year ended 30 June 2020

		2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	\$	\$
Receipts:			
Council contributions		1,983,928	1,895,314
Fees & other charges		72,447	157,878
User charges		373,345	372,381
Investment receipts		7,234	16,316
Grants utilised for operating purposes		245,618	257,814
Other revenues		4,031	18,497
Payments:			
Employee costs		(1,645,676)	(1,779,142)
Materials, contracts & other expenses		(802,416)	(974,102)
Finance payments		(57,773)	(14,213)
Net Cash provided by (or used in) Operating Activities	7 (b)	<u>180,738</u>	<u>(49,257)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments:			
Expenditure on renewal/replacement of assets		<u>(24,677)</u>	<u>(19,633)</u>
Net Cash used in Investing Activities		<u>(24,677)</u>	<u>(19,633)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments:			
Repayments of borrowings		<u>(67,488)</u>	<u>(64,392)</u>
Repayment of lease liabilities		<u>(110,535)</u>	<u>-</u>
Net Cash or used in Financing Activities		<u>(178,023)</u>	<u>(64,392)</u>
Net (Decrease) in cash held		<u>(21,962)</u>	<u>(133,282)</u>
Cash & cash equivalents at beginning of period	7	<u>743,272</u>	<u>876,554</u>
Cash & cash equivalents at end of period	7	<u>721,310</u>	<u>743,272</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 2020

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 the Eastern Health Authority's (EHA) 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

EHA recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which EHA expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the authority to acquire or construct a recognisable non-financial asset that is to be controlled by the authority. In this case, the authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

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.

Appendices

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 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.

5.3 Depreciation of Non-Current Assets

All property, plant and equipment assets recognised 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.

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.

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 the Local Government 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 EHA's involvement with the schemes are reported in Note 11.

8 Leases

Accounting Policy applicable for the year ending 30 June 2019 (comparatives):

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

Accounting policy applicable from 01 July 2019:

EHA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

EHA as a lessee

EHA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

EHA recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Appendices

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (5.4) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, EHA recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, EHA uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

EHA applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date).

It also applies the low-value assets recognition exemption to leases of equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis 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 New and amended standards and interpretations

Adoption of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities:

EHA applied AASB 15 and AASB 1058, for the first time from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service). Details of the accounting policy adopted for these standards can be found in section 10 of this note. EHA has elected to adopt the modified retrospective method on transition to the new standards with an initial application date of 1 July 2019. The cumulative effect of initially applying AASB 15 and AASB 1058 is recognised at the date of initial application as an adjustment to the opening balance of Accumulated Surplus. Therefore, the comparative information was not restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related Interpretations.

The impact of adopting the new standards as at 1 July 2019 was an increase to liabilities of nil and a decrease to Accumulated Surplus of nil.

Adoption of AASB 16 Leases (AASB 16)

EHA applied AASB 16 for the first time from 1 July 2019. AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. EHA has lease contracts for a building and some equipment. Before the adoption of AASB 16, EHA classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Appendices

EHA adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

EHA recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of initial application and leases of low-value assets. The right-of-use assets for all leases were recognised based on the amount equal to the lease liabilities. No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption AASB 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

	2020	2021	2022	2023	2024
	\$	\$	\$	\$	\$
Income Statement					
Interest expense	46,655	42,786	38,525	34,934	32,063
Depreciation	146,445	151,278	119,277	100,833	100,833
Lease expense	(157,190)	(164,067)	(141,414)	(117,175)	(113,543)
Profit or loss impact	35,910	29,998	16,388	18,593	19,354
Balance Sheet					
Right of use asset	1,186,565	1,035,277	916,833	816,000	715,167
Lease liability	(1,222,465)	(1,031,146)	(988,227)	(916,261)	(834,787)

Appendices

Eastern Health Authority Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 2 - INCOME

	Notes	2020 \$	2019 \$
COUNCIL CONTRIBUTIONS			
City of Burnside		437,022	444,498
Campbelltown City Council		426,994	403,854
City of Norwood, Payneham & St Peters		559,954	523,301
City of Prospect		230,650	237,123
Town of Walkerville		102,500	114,237
Public Health Plan/Service Review (equal constituent share)		46,451	-
		1,803,571	1,723,013
STATUTORY CHARGES			
Inspection Fees: Food		53,213	108,095
Inspection Fees: Legionella		8,603	9,795
SRF Licences		1,520	2,200
Fines & Expiation Fees		9,111	30,270
		72,447	150,360
USER CHARGES			
Immunisation: Clinic Vaccines		87,341	116,097
Immunisation: Worksite Vaccines		98,799	98,419
Food Auditing		84,428	79,538
City of Unley		59,566	100,523
		330,134	394,577
INVESTMENT INCOME			
Interest on investments:			
Local Government Finance Authority		8,183	16,316
		8,183	16,316
OTHER INCOME			
Motor Vehicle Reimbursements		1,627	10,597
Sundry Income		2,404	5,244
		4,031	15,841
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions			
Immunisation: School Programme		220,308	169,874
Meningococcal B Study		-	59,644
Immunisation: AIR		25,310	28,296
		245,618	257,814

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 3 - EXPENSE

	Notes	2020 \$	2019 \$
EMPLOYEE COSTS			
Salaries and Wages		1,453,727	1,521,123
Employee leave expense		9,091	38,321
Superannuation - defined contribution plan contributions	11	124,020	117,126
Superannuation - defined benefit plan contributions	11	12,212	24,653
Workers' Compensation Insurance		18,441	16,470
Other - Agency staff and Consultant Medical Officer		18,724	49,884
Total Operating Employee Costs		1,636,215	1,767,577
Total Number of Employees		15	18
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		7,494	7,210
Bad and Doubtful Debts		1,227	1,532
Governance expenses		11,144	15,946
Lease Expenses - short term leases	10	6,000	60,708
Subtotal - Prescribed Expenses		25,865	85,396
<u>Other Materials, Contracts & Expenses</u>			
Accounting		5,473	5,971
Contractors		26,466	26,506
Energy		10,808	10,967
Fringe benefit tax		12,447	17,165
Human resources		18,983	11,742
Income protection		24,177	22,430
Insurance		28,817	27,248
IT licencing & support		161,608	136,462
Legal Expenses		13,605	17,484
Motor vehicle expenses		14,250	26,293
Office rent		-	104,829
Parts, accessories & consumables		181,373	130,593
Printing & stationery		15,088	17,557
Staff training		6,843	13,254
Sundry		21,889	33,703
Telephone		18,923	17,638
Work health & safety consultancy		7,892	10,831
Subtotal - Other Materials, Contracts & Expenses		568,642	630,673
Total Materials, Contracts & Expenses		594,507	716,069

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020
Note 3 - EXPENSE (cont.)

		2020	2019
	Notes	\$	\$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		23,642	23,642
Office Equipment, Furniture & Fittings		20,271	13,713
Right of Use Assets	10	146,445	-
		<u>190,358</u>	<u>37,355</u>
FINANCE COSTS			
Interest on Loans		9,650	12,811
Interest on Leases	10	46,655	-
		<u>56,305</u>	<u>12,811</u>

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 4 - CURRENT ASSETS

		2020	2019
	Notes	\$	\$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		168,947	158,728
Deposits at Call		552,363	584,544
		<u>721,310</u>	<u>743,272</u>
TRADE & OTHER RECEIVABLES			
Accrued Revenues		949	-
Debtors - general		154,701	168,200
Total		155,650	168,200
Less: Allowance for Doubtful Debts		-	-
		<u>155,650</u>	<u>168,200</u>

Amounts included in receivables that are not expected to be received within 12 months of reporting date.

Appendices

Eastern Health Authority Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 5 - PROPERTY, PLANT & EQUIPMENT (PP&E)

	2019				2020			
	\$				\$			
	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Buildings & Other Structures	-	472,846	(188,328)	284,518	-	472,846	(211,970)	260,876
Office Equipment, Furniture & Fittings	-	239,509	(199,835)	39,674	-	264,186	(220,106)	44,080
Right of Use Assets	-	-	-	-	-	1,333,000	(146,445)	1,186,555
Total PP&E	-	712,355	(388,163)	324,192	-	2,070,032	(578,521)	1,491,511
Comparatives	-	809,838	(467,924)	341,914	-	712,355	(388,163)	324,192

	2019	CARRYING AMOUNT MOVEMENTS DURING YEAR						2020
	\$	\$						\$
	Carrying Amount	Net Adjust AASB 16	Additions		Disposals	Dep'n	Impair't	Carrying
			New / Upgrade	Renewals				
Buildings & Other Structures	284,518	-	-	-	-	(23,642)	-	260,876
Office Equipment, Furniture & Fittings	39,674	-	-	24,677	-	(20,271)	-	44,080
Right of Use Assets	-	1,333,000	-	-	-	(146,445)	-	1,186,555
Total PP&E	324,192	1,333,000	-	24,677	-	(190,358)	-	1,491,511
Comparatives	341,914	-	-	19,633	-	(37,355)	-	324,192

This note continues on the following pages.

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 6 - LIABILITIES

		2020		2019	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		108,316	-	111,829	-
Accrued expenses - employee entitlements		39,736	-	31,904	-
Accrued expenses - other		3,994	-	5,462	-
GST Payable		5,673	-	-	-
		157,719	-	149,195	-

Amounts included in trade & other payables that are not expected to be settled within 12 months of reporting date.

BORROWINGS

Loans		70,732	112,523	64,393	186,350
Leases Liabilities	10	191,319	1,031,146	-	-
		262,051	1,143,669	64,393	186,350

All interest bearing liabilities are secured over the future revenues of EHA.

PROVISIONS

Employee entitlements (including oncosts)		307,885	22,268	322,578	24,868
		307,885	22,268	322,578	24,868

Amounts included in provisions that are not expected to be settled within 12 months of reporting date.

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

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	2020 \$	2019 \$
Total cash & equivalent assets	4	<u>721,310</u>	<u>743,272</u>
Balances per Cash Flow Statement		<u>721,310</u>	<u>743,272</u>

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

Net (Deficit) Surplus	(13,401)	24,109
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	190,358	37,355
Net (decrease) in unpaid employee benefits	<u>(9,461)</u>	<u>(11,565)</u>
	167,496	49,899
Add (Less): Changes in Net Current Assets		
Net decrease (increase) in receivables	12,550	(45,871)
Net increase (decrease) in trade & other payables	<u>692</u>	<u>(53,285)</u>
Net Cash provided by (or used in) operations	<u>180,738</u>	<u>(49,257)</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 2020

Note 8 - FINANCIAL INSTRUMENTS

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

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned</p> <p>Terms & conditions: Deposits are returning fixed interest rates 0.45% (2019: 1.25%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although EHA is not materially exposed to any individual debtor, credit risk exposure is concentrated within the EHA's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p>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.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to EHA.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p>Accounting Policy: initially recognised at fair value and subsequently at amortised cost, interest is charged as an expense using the effective interest rate</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4% and 5% (2019: 4% and 5%)</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Finance Leases	<p>Accounting Policy: accounted for in accordance with AASB 16</p>

Appendices

Eastern Health Authority Notes to and forming part of the Financial Statements for the year ended 30 June 2020

Note 8 - FINANCIAL INSTRUMENTS (cont.)

Liquidity Analysis

2020	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	721,310			721,310	721,310
Receivables	155,650	-	-	155,650	155,650
Total	876,960	-	-	876,960	876,960
Financial Liabilities					
Payables	157,719	-	-	157,719	157,719
Current Borrowings	70,732	-	-	70,732	70,732
Lease Liabilities	121,280	386,361	714,824	1,222,465	1,222,465
Non-Current Borrowings	-	112,523	-	112,523	112,523
Total	349,731	498,884	714,824	1,563,439	1,563,439

2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	\$	\$	\$	\$	\$
Cash & Equivalents	743,272			743,272	743,272
Receivables	168,200	-	-	168,200	168,200
Total	911,472	-	-	911,472	911,472
Financial Liabilities					
Payables	149,195	-	-	149,195	149,195
Current Borrowings	64,393	-	-	64,393	64,393
Non-Current Borrowings	-	186,350	-	186,350	186,350
Total	213,588	186,350	-	399,938	399,938

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

	30 June 2020		30 June 2019	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Fixed Interest Rates	4.75	183,255	4.75	690,438
		<u>183,255</u>		<u>690,438</u>

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

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. The maximum credit risk on financial assets of EHA is the carrying amount, net of any impairment. All EHA 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. EHA 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. 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 2020

Note 9 - 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

	2020	2019
	\$	\$
Income	2,463,984	2,557,921
Expenses	<u>(2,477,385)</u>	<u>(2,533,812)</u>
Operating Surplus / (Deficit)	(13,401)	24,109
Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(24,677)	(19,633)
Add back Depreciation, Amortisation and Impairment	190,358	37,355
	<u>165,681</u>	<u>17,722</u>
Net Lending / (Borrowing) for Financial Year	<u>152,280</u>	<u>41,831</u>

Eastern Health Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Note 10 - OPERATING LEASES

EHA as a Lessee

Operating Lease Commitments

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:

	2020	2019
	\$	\$
Not later than one year	191,319	64,188
Later than one year and not later than 5 years	42,919	73,861
Later than 5 years	988,227	-
Minimum lease payments	1,222,465	138,049
Less: future finance charges	-	(45,644)
Net Lease Liability	1,222,465	92,405

Right of Use Asset

Office Buildings & Motor Vehicles

Set out below are the carrying amounts (written down value) of right of use assets recognised within Property, Plant & Equipment

Carrying Value	Building & Structures	Motor Vehicles
At 1 July 2019	1,200,000	133,000
Depreciation Charge	(96,000)	(50,445)
At 30 June 2020	1,104,000	82,555
Depreciation expense right of use asset	96,000	50,445
Interest expense on lease liabilities	42,000	4,655
Total amount recognised in profit and loss	144,000	55,100

Eastern Health Authority Notes to and forming part of the Financial Statements for the year ended 30 June 2020

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 2018-19) 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 2020. 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 2020

Note 12 – CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingencies, asset or liabilities not recognised in the financial statements for the year ended 30 June 2020.

Note 13 – EVENTS OCCURRING AFTER REPORTING DATE

There are no events subsequent to 30 June 2020 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 2020

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, the Key Management Personnel were paid the following total compensation:

	2020	2019
	\$	\$
Salaries, allowances & other short term benefits	182,847	182,054
TOTAL	182,847	182,054

Amounts received from Related Parties during the financial year:

	2020	2019
	\$	\$
City of Burnside	437,022	444,498
Campbelltown City Council	426,994	403,854
City of Norwood, Payneham & St Peters	559,954	523,301
City of Prospect	230,650	237,123
Town of Walkerville	102,500	114,237
Public Health Plan/Service Review (equal constituent share)	46,451	-
TOTAL	1,803,571	1,723,013

Amounts paid to Related Parties during the financial year:

	2020	2019
	\$	\$
City of Norwood, Payneham & St Peters	106,978	104,829
TOTAL	106,978	104,829

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 2020**

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 2020, the Auditor, Bentleys SA Audit Partnership, 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


PRESIDING MEMBER
AUDIT COMMITTEE

Date: 28/8/2020

Appendices



Bentleys SA Audit Partnership

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F +61 8 8372 7999

admin@adai.bentleys.com.au
bentleys.com.au

Certification of Auditor Independence

I confirm that, for the audit of the financial statements of Eastern Health Authority Inc for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

Bentleys SA Audit Partnership

David Francis
Partner

Dated at Adelaide this 2nd September 2020



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➤ Advisors
➤ Accountants
➤ Auditors



EASTERN HEALTH AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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 2020, the Auditor, Bentleys SA Audit Partnership, 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*.

Chris Cowley
CHIEF EXECUTIVE OFFICER
CITY OF BURNSIDE

Date:

4/9/20.



EASTERN HEALTH AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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 2020, the Auditor, Bentleys SA Audit Partnership, 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*.

.....
Paul Di Iulio
CHIEF EXECUTIVE OFFICER
Campbelltown City Council

Date: 2.9.2020



EASTERN HEALTH AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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 2020, the Auditor, Bentleys SA Audit Partnership, 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*.


.....
Mario Barone
CHIEF EXECUTIVE OFFICER
CITY OF NORWOOD, PAYNEHAM & ST PETERS

Date: 03. 09. 2020.



EASTERN HEALTH AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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 2020, the Auditor, Bentleys SA Audit Partnership, 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*.



Nigel McBride
CHIEF EXECUTIVE OFFICER
City of Prospect

8/9/2020
Date:



EASTERN HEALTH AUTHORITY

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

CERTIFICATION OF AUDITOR INDEPENDENCE

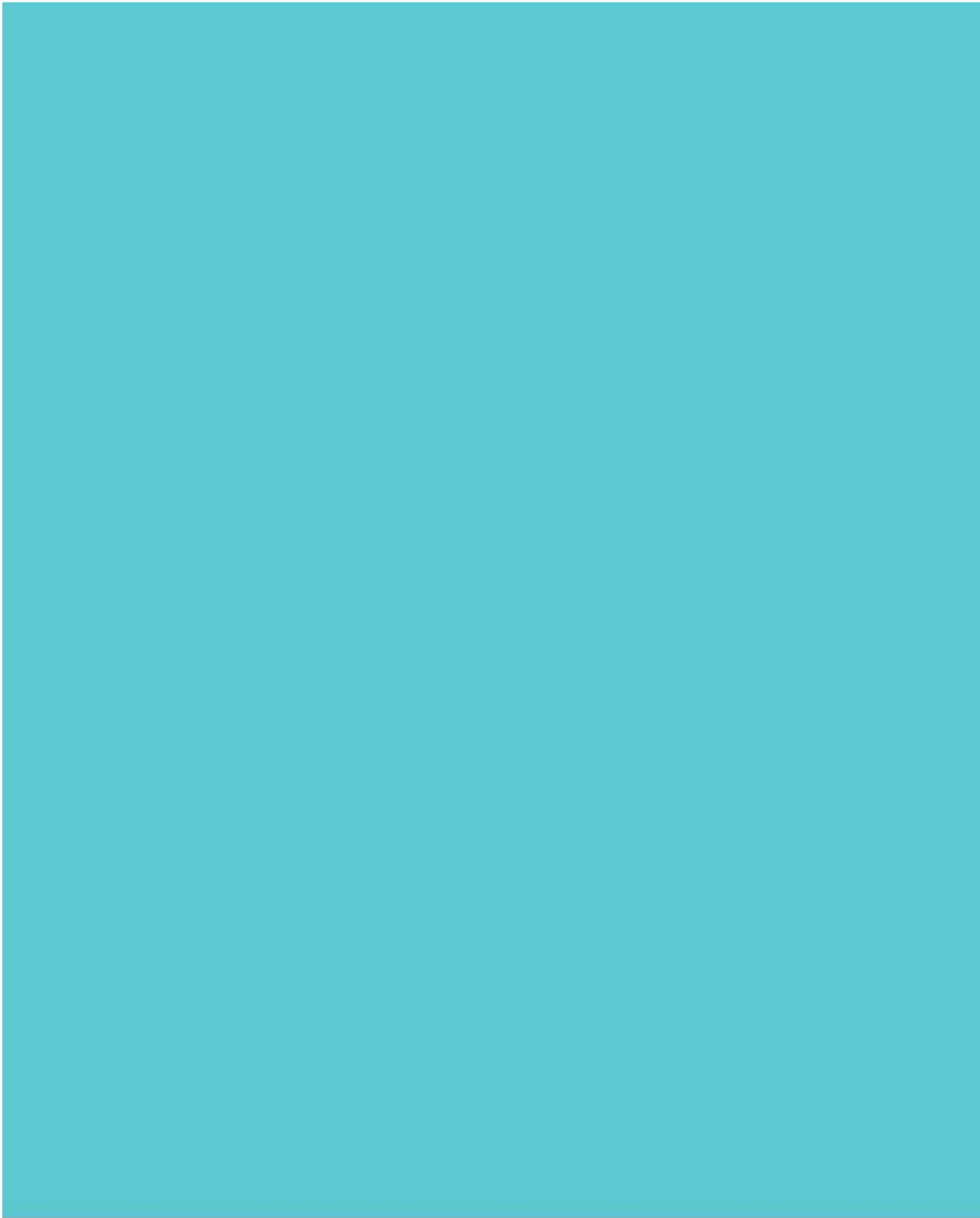
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This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

Kiki Cristol
CHIEF EXECUTIVE OFFICER
Town of Walkerville

Date: 2 September 2020

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East Waste is on a transformational path moving solely from a reactive waste collection logistics business to a broader resource manager and active community behaviour change agent.

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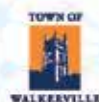
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CHAIRPERSON'S REPORT

I am pleased to be able to contribute to, and commend, my first Annual Report for East Waste. I was fortunate enough to be appointed Independent Chairperson of East Waste, commencing February 2020. My appointment coincided with the onset of COVID-19 and so my first few months as Chairperson have not been as I initially envisaged - they were more dynamic!

I will talk further to this later in my report, but before I refer to some highlights of the 2019/2020 Financial Year, I would like to acknowledge and express my thanks to some people. Firstly, I would like to thank East Waste's out-going Independent Chairperson, Mr Brian Cunningham. Brian served as Chairperson for six (6) consecutive years and in that time oversaw and directed some significant outcomes at East Waste. Brian's leadership throughout his tenure has seen East Waste in the strong position it is today, as both a business and industry leader.

On behalf of the East Waste Board, East Waste staff and Member Councils, I thank Brian for his contribution, and wish him well for the future. I would also like to thank Mr Paul Di Iulio, Deputy Chair of the East Waste Board for acting as the Independent Chairperson for a number of months prior to my appointment, whereby he oversaw a number of significant decisions and outcomes. Paul is a very strong leader, whose on-going committed contribution to the East Waste Board has been evident over the years and has continued in my time as Chairperson.

East Waste has also seen some movement within the membership of its Audit and Risk Management Committee. After a successful six (6) years on the Committee, Mr Leigh Hall, Independent Member has completed his tenure. I would like to thank Mr Hall for his contribution to East Waste throughout his tenure. Replacing Mr Hall, is Ms Sandra Di Blasio, who commenced as Independent Member on the Committee in February 2020. Sandra is an experienced

executive, who sits on a number of Boards and Committees as a Non-executive Director, and East Waste is fortunate to have Sandra's contribution to the Committee.

Strategic Direction

East Waste has earned a reputation as a leader in waste management and with an engaged Board and Member Councils and it has a clear direction to continue this momentum. A clear mandate for East Waste is to drive value back to the communities we serve, and we can do this in many ways.

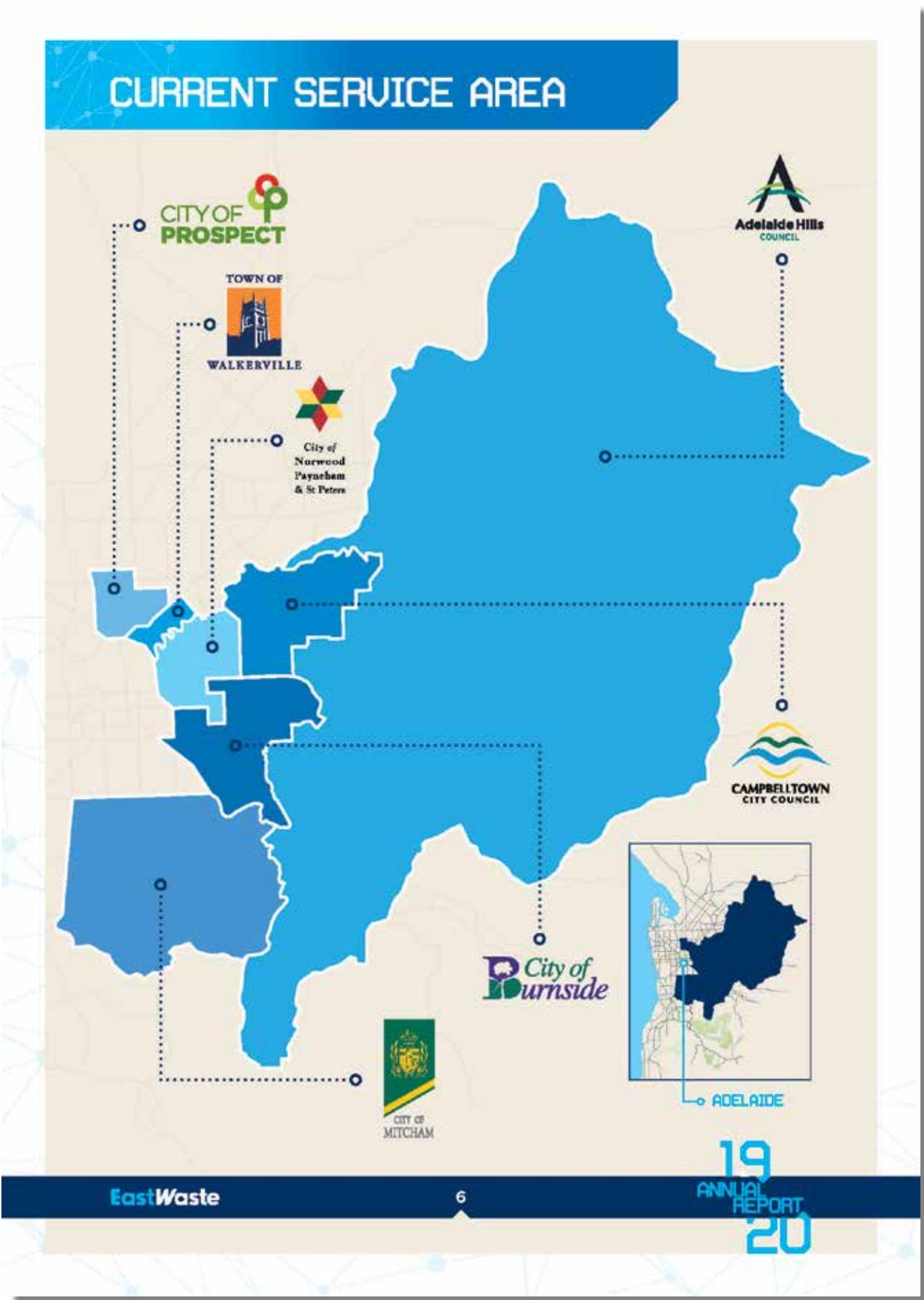
The waste industry finds itself in a dynamic space at the moment, with many unknowns continuing to present themselves. This presents a great opportunity for East Waste to outline and deliver a robust strategic direction, which identifies clear objectives with opportunities to enhance advocacy and foster growing partnerships with like-minded organisations to establish efficiencies and create sustainable behavioural change practices that ensure waste minimisation targets are met.

East Waste's soon to be released Strategic Direction 2030 will outline the objectives and targets to attain our Strategic goals.

Partnerships

In support of these thoughts regarding East Waste's Strategic Intent, I am excited to be able to report on a significant partnership agreement that East Waste has entered into during the 2019/2020 Financial Year. East Waste has partnered with the Fight Food Waste Cooperative

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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2019-2020

CHAIRPERSON'S REPORT

Research Centre, Adelaide University and Green Industries South Australia with the intention of identifying behavioural change initiatives that eliminate food waste being disposed of to landfill.

East Waste's target is 100 percent (by weight) of total food waste collected from residential premises, to be collected separately and recycled by 2030. The partnerships aim to nurture behavioural change trials, that are supported by robust data, comprehensive bin audits and technology that is able to report on household disposal habits and behaviours.

for the 2019/2020 Financial Year. In a year that has been heavily impacted by COVID-19, this is a pleasing result to be able to report. As readers and stakeholders can appreciate, the waste industry saw a significant increase in the volumes of household waste, recyclables and green organics being collected in the months of March, April and May 2020, which ultimately saw East Waste's drivers working significant hours to meet this increase.

Not only did the drivers perform particularly well during this time, it is a credit to East Waste's



The elimination of food waste being disposed of to the general waste will not only have major positive impacts on the environment i.e. reduction in greenhouse gas emissions, it will also considerably reduce kerbside collection costs for all households.

I look forward to being able to report on the progress of this project in the near future.

Financial Performance

I am pleased to be able to report that East Waste has delivered an operating surplus of \$193,000

Board, Audit and Risk Management Committee and Executive Staff for delivery of a healthy operating surplus.

Thank you

I would like to thank the East Waste Board and Audit and Risk Management Committee for their strong leadership and decision-making during my early tenure and the year of COVID-19.

To East Waste Member Councils, thank you for your engagement, support and leadership in working with East Waste to deliver its Annual

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CHAIRPERSON'S REPORT



Plan, our new initiatives and service delivery model throughout a challenging year. I have observed the strong relationships each Member Council has with East Waste and look forward to working with you.

To East Waste's General Manager, Mr Rob Gregory, thank you for your leadership of East Waste throughout a challenging and tumultuous time.

Your care and empathy towards your staff has been evident and has been the ongoing key to your success in operating the business throughout the 2019/2020 Financial Year.

You lead a great team that I had the pleasure

of working directly with during some very challenging times in Q1 of this year.

I commend the 2019/2020 East Waste Annual Report to you.



Fraser Bell
East Waste Chair

EastWaste

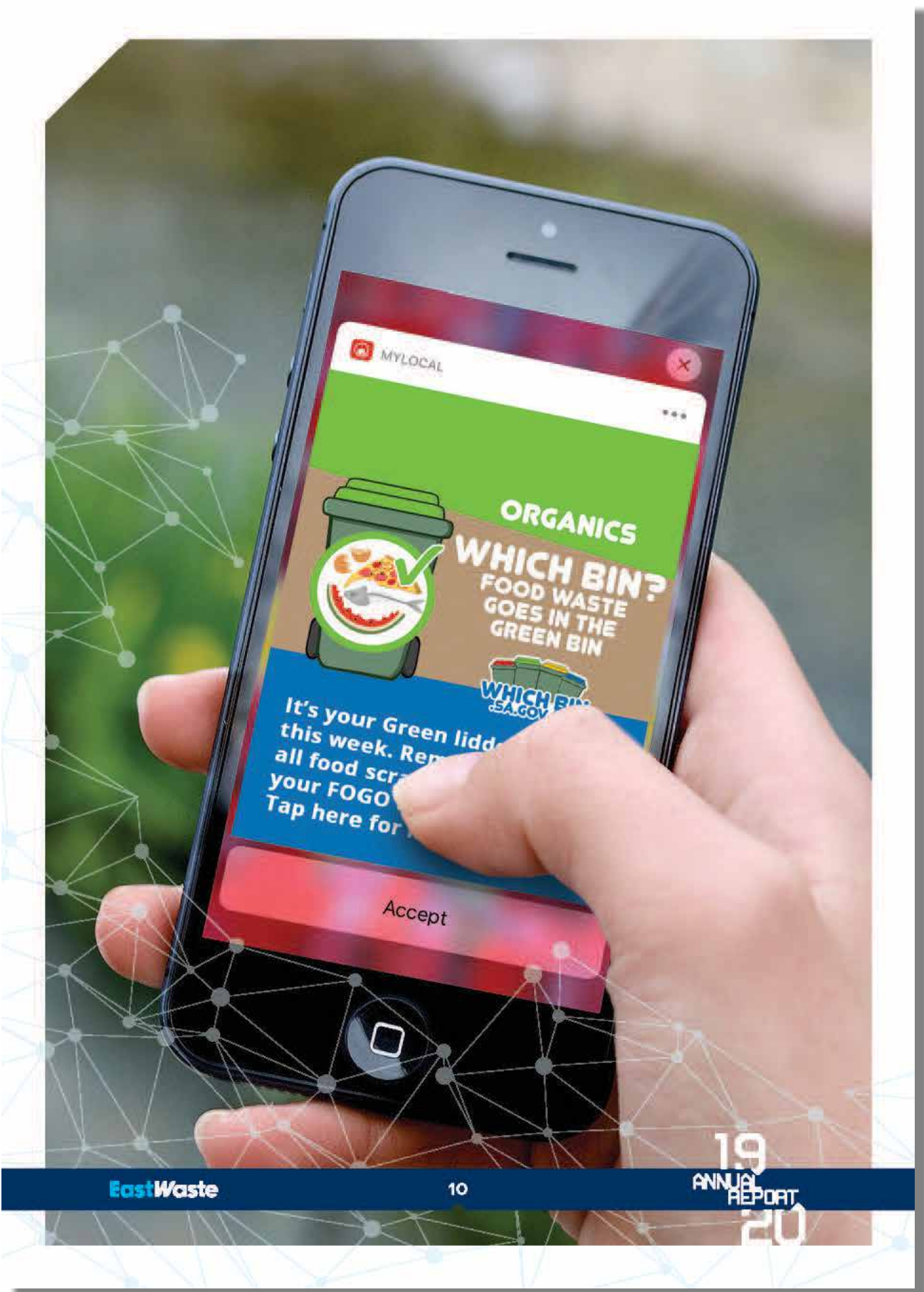
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GENERAL MANAGER'S REPORT

Like everyone else in the world, East Waste has not been immune to impacts of COVID-19. As an essential service, it was critical that East Waste responded quickly to the ever-changing environment. I am extremely pleased to report that East Waste responded very early and decisively to COVID-19 impacts.

With a focus on staff well-being, hygiene practices, contingency planning and continuation of service delivery, I am proud to be able to say that East Waste did, and continues to do so, deliver 100% of services to our Member Councils and their residents.

The months of March, April and May saw increases in residential disposal of waste, recyclables and green organics, as most residents were working from home. In the month of April, East Waste saw an increase of 35% in green organics tonnes collected and a 15% increase in recyclables tonnes collected, compared to the same time last year. In addition, East Waste saw an increase in Hard Waste collections, as again, most residents were working from home and took the opportunity to undertake early spring cleaning.

East Waste rose to the challenge, at the same time adhering to and responding to the daily or weekly restriction and social-distancing requirements being imposed. This was only possible with the commitment and flexibility of our fantastic staff.

All East Waste staff have worked together, shown compassion, empathy for each other and simply got the job done. I would therefore like to express my sincere thanks to the entire East Waste team and their families who continue to support them. I provide the following highlights to you:

Kerbside Bin Audit

In October/November 2019, East Waste undertook the largest, most in-depth kerbside bin audit ever undertaken in South Australia.

Over 2,100 kerbside bins were randomly selected across East Waste's seven (7) Member Council areas, with 29 tonnes of material audited across all kerbside streams (general waste, recyclables and green organics).

The audit took a deep dive analysis of food waste disposal, types of food being disposed of, and to which bin.

The audit identified that more than 27% of the general waste bin was food which ends up in landfill and causes greenhouse gas emissions and is expensive for Councils and residents. Therefore, the glaring opportunity identified is to get this food recycled into the green organics bin, where it can be turned into valuable compost. By doing this, East Waste Member Councils and their residents could save up to \$3M per annum.

The audit also confirmed that contamination within the yellow bin continues to be at a high level. Soft plastics, textiles and general waste remain the key contaminants that we will continue to target through our education program.

These opportunities are and will be pursued in East Waste's Strategic direction and identified projects.

Increase in diversion from landfill rate

East Waste collected more tonnes this financial year than it did last financial year, and that increase can be attributed to COVID-19 whereby residents were working from home, thus generating more waste than usual and due to a large increase in green organics tonnes collected, primarily due to weather conditions and again,

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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2019-2020 GENERAL MANAGER'S REPORT



residents working from home and undertaking more gardening than usual.

Whilst the tonnes collected this financial year have increased, I am pleased to report that the overall diversion from landfill rate across East Waste's service area, has increased this financial year to 56%, compared with 54% last year. This is a great result as it means that less tonnes are going to landfill and more tonnes are being recycled.

This result can be attributed to East Waste's successful and on-going waste minimisation education focus and message delivery through media.

100% recycled

The recycling commodity market continues to be a challenging one, with the impacts of the China bans still being felt. A tighter commodity market has resulted in reduced demand and prices being received for recyclables. Unfortunately,

in some Australian states, some collected recyclables have ended up in landfill due to there not being a market for the amount collected.

I am pleased to report however that this has not been the case in South Australia, whereby all kerbside recyclables collected by East Waste have been recycled through our Recycling Disposal contractor, Northern Adelaide Waste Management Authority (NAWMA), who have and continue to do a great job processing all the recyclables that they receive.

Electric Vehicle

Earlier in the 2019/2020 financial year, East Waste purchased South Australia's first fully electric collection vehicle. To ensure a full commitment to on-going sustainability and green initiatives, East Waste installed a rooftop solar system at its depot, which ensures the charging of the electric vehicle is 100% undertaken through solar energy.

GENERAL MANAGER'S REPORT



The electric vehicle is being used to service East Waste Member Council, City of Prospect, predominantly due to its location and layout. Whilst there have been some challenges at times in the operation of the vehicle, when in operation and undertaking a full collection run, it is a pleasure to run and operate.

Advocacy

For varying reasons through the financial year, East Waste has seen itself garnering media interest, particularly around audit outcomes, electric vehicle operations, education initiatives and recycling contamination messaging.

As a kerbside collection operator that undertakes collections for approximately 20% of the Adelaide market, East Waste is seen as a thought leader within the industry. East Waste has this year set

about to reach a wider audience and advocate for its Member Councils, its stakeholders and the industry with respect to positive resource recovery opportunities and particularly promoting initiatives that will lead to less waste going to landfill.

In my capacity as General Manager, I have seen a real increase in interest from the media, the waste industry and all levels of government as to what East Waste has to offer, and I would like to express my thanks to the East Waste Board and Member Councils for their support in increasing our footprint within the advocacy space.

Thanks

The 2019/2020 financial year has been a particularly challenging one, with bushfires impacting East Waste's service area in the

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GENERAL MANAGER'S REPORT



Adelaide Hills and the impacts of COVID-19, however, I am very proud to be able to say that East Waste staff have responded exceptionally well to the challenges presented and have continued to perform their roles at a high level, with no disruption to our services levels.

This is a real credit to all East Waste and their supportive families. Thank you all.

Finally, I would like to thank our previous Chairman Mr Brian Cunningham for his guidance and support over my initial years at East Waste and I am fortunate that this great support has continued with our current Chair Mr Fraser Bell. Also to the East Waste Board, Audit and Risk Management Committee and all Member

Councils for their support, hard work, guidance and leadership over this past year.

East Waste enjoyed another successful year, in what has been one of the most challenging years I have experienced, so it is credit to everyone.



Rob Gregory
General Manager

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KERBSIDE TONNAGES COLLECTED

Member Council	Recyclables	Organics	Waste
Adelaide Hills Council	3,574	4,265	7,549
City of Burnside	4,043	6,975	7,499
Campbelltown City Council	4,174	7,023	9,921
City of Mitcham	5,901	10,266	11,692 ¹
City of Norwood, Payneham & St Peters	3,468	5,006	7,076
City of Prospect	1,787	2,943	4,016
Town of Walkerville	704	1,164	1,358

¹ City of Mitcham undertakes the collection of waste for its residents.



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EAST WASTE GOVERNANCE

East Waste is administered by a Board in accordance with the requirements of the Local Government Act, 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 eight formal meetings over the 2019 – 2020 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
Mr Brian Cunningham (Chair) *Term Expired 30/09/2019	0/1
Mr Fraser Bell (Chair) *Appointed 10/02/2020	5/5
Cr Linda Green (Adelaide Hills Council)	6/8
Mr Simon Bradley (City of Prospect)	6/8
Cr Grant Piggott (City of Burnside) *Term expired 30/12/2019	3/3
Cr Julian Carbone (City of Burnside) *Appointed 01/01/2020	5/5
Mr Paul Di Iullo (Campbelltown City Council)	6/8
Mayor Heather Holmes-Ross (City of Mitcham)	7/8
Mr Mario Barone (City of Norwood, Payneham & St Peters)	8/8
Cr Rob Ashby (Corporation of the Town of Walkerville)	6/8

DEPUTY DIRECTOR ATTENDANCE	MEETINGS
Mr John McArthur (Adelaide Hills Council)	2/2
Cr Paul Huebl (City of Burnside)	0/0
Cr Stephen Fisher (City of Mitcham) *Resignation effective 20 January 2020	1/1
Mr Andrian Wiguna (Campbelltown City Council)	0/0
Cr Norm Coleman (Corporation of the Town of Walkerville)	0/0

EAST WASTE GOVERNANCE



Audit and Risk Management Committee

In accordance with the requirements of the Local Government Act 1999, East Waste has an established Audit and Risk Management Committee (the Audit Committee).

The principal objective of the Audit Committee is to ensure that the East Waste Board meets its

legislative and probity requirements as required by the Local Government Act 1999 and other relevant legislation, standards and codes.

The Audit Committee held five formal meetings over the 2019 – 2020 financial year. The table below details Audit Committee Member attendance.

AUDIT & RISK MANAGEMENT COMMITTEE MEMBER	MEETINGS
Mr Paul Di Iulio (Acting Chair) *Term expired 30/09/2019	2/2
Mr Fraser Bell (Chair) *Appointed 10/02/2020	3/3
Mr Mario Barone (City of Norwood, Payneham & St Peters)	5/5
Cr Linda Green (Adelaide Hills Council) *Appointed 28/11/2019	2/3
Mr Tim Muhlhauser (Independent Member)	5/5
Ms Sandra Di Blasio (Independent Member) *Appointed 01/01/2020	3/3
Cr Grant Piggott (City of Burnside) *Term expired 30/12/2019	2/2

The Audited Financial Statements for the year ending 30 June 2020 are provided at page 20.



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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2019-2020

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FINANCIAL STATEMENTS 2019-2020

CERTIFICATION OF FINANCIAL STATEMENTS

EASTERN WASTE MANAGEMENT AUTHORITY INC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

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 2020 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
General Manager



Fraser Bell
Chairperson

Date:

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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2019-2020

FINANCIAL STATEMENTS 2019-2020

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
INCOME			
User charges	2	16,756	15,440
Investment income	2	21	32
Grants, subsidies and contributions		-	38
Other	2	677	684
Total Income		17,454	16,194
EXPENSES			
Employee costs	3	5,851	5,580
Materials, contracts & other expenses	3	9,120	8,229
Finance costs	3	281	290
Depreciation & amortisation	3	2,069	1,959
Total Expenses		17,321	16,058
OPERATING SURPLUS		133	136
Asset disposal & fair value adjustments	4	60	32
NET SURPLUS		193	168
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		193	168

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

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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2019-2020

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STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,322	1,967
Trade & other receivables	5	1,019	717
Total Current Assets		3,341	2,684
Non-current Assets			
Property, Plant & Equipment	6	7,652	6,100
Total Non-current Assets		7,652	6,100
Total Assets		10,993	8,784
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	1,205	771
Provisions	7	597	540
Borrowings	7	1,929	1,987
Total Current Liabilities		3,731	3,298
Non-current Liabilities			
Trade & Other Payables	8	-	-
Borrowings	7	6,221	4,702
Provisions	7	77	78
Total Non-current Liabilities		6,298	4,780
Total Liabilities		10,029	8,078
Net Assets		964	706
EQUITY			
Accumulated Surplus		964	706
Total Equity		964	706

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

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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2019-2020

FINANCIAL STATEMENTS 2019-2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Surplus \$'000	Total Equity \$'000
Balance at start of period - 1 July 2019	706	706
Net Surplus for Year	193	193
Other Comprehensive Income		
Contributed Equity	65	65
Distributions to Member Councils	-	-
Balance at end of period - 30 June 2020	964	964
Balance at start of period - 1 July 2018	473	473
Net Surplus for Year	168	168
Other Comprehensive Income		
Contributed Equity	65	65
Distributions to Member Councils	-	-
Balance at end of period - 30 June 2019	706	706

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

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EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2019-2020

FINANCIAL STATEMENTS 2019-2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts		17,136	16,572
Investment receipts		16	32
Employee costs		(5,795)	(5,555)
Materials, contracts & other expenses		(8,677)	(8,260)
Finance payments		(291)	(309)
Net cash provided by operating activities	8	2,389	2,480
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of replaced assets	4	81	35
Expenditure on renewal/replacement of assets	6	(2,297)	(1,897)
Net cash used in investing activities		(2,216)	(1,862)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution by member councils		65	65
Proceeds from Borrowings		2,171	1,814
Repayments of Borrowings		(1,834)	(1,906)
Repayment of lease liabilities		(220)	-
Net cash provided by (used in) financing activities		182	(27)
Net increase (Decrease) in cash held		355	591
Cash & cash equivalents at beginning of period	5	1,967	1,376
Cash & cash equivalents at end of period	5	2,322	1,967

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

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 and is incorporated under the SA Local Government Act 1999. Its principal place of business is at 1 Temple Court Ottoway.

3 Income Recognition

The Authority recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficient specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer. In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into a transaction where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.

The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset that has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

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

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.

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".

5.2 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.

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Asset Class	Estimated Useful Lives	Capitalisation Threshold
Plant, Machinery & Equipment	3-10 Years	>\$1,000
Buildings & Other Structures	5-20 Years	>\$1,000
Right-of-use-assets	Over period of expected lease	n/a

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

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.

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 (formerly Local Government Superannuation Scheme).

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Scheme has 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 (9.5% in 2019/20, 9.5% in 2018/19). No further liability accrues to the Authority 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. The Authority makes employer contributions as determined by the Fund's Trustee based on advice for the appointed Actuary. The rate is currently 6.3% (6.3% in 2018/19) of 'superannuation' salary.

In addition, the Authority 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), the Authority 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 2020. 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.

Contributions to Other Superannuation Schemes

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 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.

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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

9 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.

12 New Accounting Standards

As a result of the introduction of AASB 15 and AASB 1058 as from 1 July 2019, there was no impact to the historical accounting policies of the Authority that required to be adjusted.

The Authority has applied AASB 16 for the first time from 1 July 2019. AASB 16 superseded AASB 117 Leases, Interpretation 4 Determining whether an arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentations and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. The Authority has lease contracts for its building facility. Before the adoption of AASB 16, the Authority classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Authority adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

The Authority recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of the date of initial application and leases of low-value assets. The right-of-use-assets for all leases were recognised based on the amount equal to the lease liabilities.

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption of AASB 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

	\$'000
Assets	
Property, Plant & Equipment	1,345
Total Assets	1,345
Liabilities	
Borrowings	1,345
Total Liabilities	1,345
Accumulated Surplus	nil

The following is the impact on the profit and loss in the current year as a result of the introduction of AASB 16:

	\$'000
Interest Expense – Lease Borrowings	34
Amortisation – right-of-use-assets	256
Lease Expenses	(255)
Net increase in Expenses Recognised in Profit & Loss	35

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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 2 - INCOME

	Notes	2020 \$'000	2019 \$'000
USER CHARGES			
Waste Collection Income		12,159	11,768
Waste Processing Income		4,509	3,456
Administration		225	216
Member Council Waste Collection Rebate		(137)	-
		16,756	15,440
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		21	32
		21	32
OTHER INCOME			
Bin Supply		203	201
Replacement Bins		457	439
Sundry		17	44
		677	684

NOTE 3 - EXPENSES

EMPLOYEE COSTS			
Salaries and Wages		4,599	4,434
Employee leave expense		56	25
Superannuation		391	369
Wages Casual Agency		467	522
Workers' Compensation Insurance		196	120
Other		152	110
Total Employee Costs		5,851	5,580
Number of FTE Employees as at reporting date			
		59	55

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3 - EXPENSES (Cont.)

	Notes	2020 \$'000	2019 \$'000
MATERIALS, CONTRACTS & OTHER EXPENSES			
Auditor's Remuneration	10	9	9
Board Expenses	33	26	26
Lease costs	-	316	316
Waste Processing Costs	4,532	3,479	3,479
Electricity	27	25	25
Fuel, Gas & Oil	1,076	1,160	1,160
GPS Expenses	4	17	17
Legal Expenses	34	88	88
Maintenance	2,123	1,815	1,815
Parts, Accessories & Consumables	11	9	9
Printing, Stationery & Postage	24	55	55
Professional Services	449	440	440
Registration & Insurance - Trucks	364	358	358
Sundry	392	370	370
Telephone	41	42	42
		9,120	8,229
FINANCE COSTS			
Interest on Loans		247	290
Interest on Leases		34	-
		281	290
DEPRECIATION & AMORTISATION			
Buildings & Other Structures	6	25	8
Plant, Machinery & Equipment	6	1,788	1,951
Right-of-use assets	6	256	-
		2,069	1,959

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 4 - ASSET DISPOSAL

Notes	2020 \$'000	2019 \$'000
Proceeds from disposal	81	35
Less: Carrying amount of assets sold	(21)	(3)
Gain (Loss) on disposal	60	32

NOTE 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank	1,160	1,548
Deposits at Call	1,162	419
	2,322	1,967

TRADE & OTHER RECEIVABLES

Debtors - general	1,013	716
Accrued income	6	1
	1,019	717

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2020 \$'000	2019 \$'000
Buildings & Other Structures - At Cost		162	106
Accumulated Depreciation		(82)	(56)
		80	50
Plant, Machinery & Equipment - At Cost		16,573	15,068
Accumulated Depreciation		(10,090)	(9,018)
		6,483	6,050
Right-of-use-assets		1,345	-
Accumulated Depreciation		(256)	-
		1,089	-
Total Property, Plant & Equipment		7,652	6,100

	2019 \$'000	Movement in Property, Plant & Equipment during the financial year					2019 \$'000
	Carrying Value	Additions		Disposals	Depreciation	Transfer	Carrying Value
		New/ Upgrade	Renewal				
Buildings & Other Structures	50	55	-	-	(25)	-	80
Plant, Machinery & Equipment	6,050	2,242	-	(21)	(1,788)	-	6,483
Right-of-use-asset	-	1,345	-	-	(256)	-	1,089
	6,100	3,642	-	(21)	(1,813)	-	7,652
2019	6,165	1,897	-	(3)	(1,959)	1	6,100

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 7 - LIABILITIES

	2020 \$'000		2019 \$'000	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	998	-	554	-
Accrued expenses - other	207	-	217	-
	1,205	-	771	-
BORROWINGS				
Loans	1,692	5,334	1,987	4,702
Lease Liabilities	237	887	-	-
	1,929	6,221	1,987	4,702
PROVISIONS				
Annual Leave	304	-	236	-
Long Service Leave	293	77	304	78
	597	77	540	78

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 8 - RECONCILIATION TO CASH FLOW STATEMENT

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

	2020 \$'000	2019 \$'000
Total cash & equivalent assets	2,322	1,967
Less: Short-term borrowings	-	-
Balances per Cash Flow Statement	<u>2,322</u>	<u>1,967</u>

(a) Reconciliation of Change in Net Assets to Cash Flows from Operating Activities

Net Surplus (Deficit)	193	168
Non-cash items in Income Statement		
Depreciation & amortisation	2,069	1,959
Net increase (decrease) in unpaid employee benefits	(56)	25
Net increase (decrease) accrued interest charges	(15)	(32)
(Gain) / Loss on Disposal	(60)	(19)
	<u>2,131</u>	<u>2,101</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(297)	410
Net increase (decrease) in trade & other payables	443	(31)
Net increase (decrease) in other provisions	112	-
Net Cash provided by (or used in) operations	<u>2,389</u>	<u>2,480</u>

(b) Financing Arrangements

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

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost.

Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 0.4% - 0.45% (2019: 1.25% - 1.85%).

Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Waste Collection Fees & Associated Charges

Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

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.

Liabilities - Interest bearing borrowings

Accounting Policy: initially recognised at fair value and subsequently at amortised cost. Interest is charged as an expense using the effective interest rate.

Terms & conditions: secured over future revenues and Member Councils, borrowings are repayable on fixed interest terms. Rates between 2.55% - 5.35% (2019: 3.5% - 5.35%).

Liabilities - Leases

Accounting Policy: accounted for in accordance with AASB 16 as stated in Note 11.

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.

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9 - FINANCIAL INSTRUMENTS (Cont.)

Liquidity Analysis

2020

	≤1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- Interest Bearing	Total
<i>Financial Assets</i>	\$'000	\$'000	\$'000	\$'000	\$'000
Cash & Equivalents	2,322	-	-	-	2,322
Receivables	-	-	-	1,013	1,013
Total	2,322	-	-	1,013	3,335
<i>Financial Liabilities</i>					
Payables	-	-	-	998	998
Borrowings	1,929	5,460	726	-	8,115
Total	1,929	5,460	726	998	9,113

2019

	≤1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- Interest Bearing	Total
<i>Financial Assets</i>	\$'000	\$'000	\$'000	\$'000	\$'000
Cash & Equivalents	1,967	-	-	-	1,967
Receivables	-	-	-	716	716
Total	1,967	-	-	716	2,683
<i>Financial Liabilities</i>					
Payables	-	-	-	554	554
Borrowings	1,987	3,390	1,312	-	6,689
Total	1,987	3,390	1,312	554	7,243

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10 - COMMITMENTS FOR EXPENDITURE

Expenditure Commitments

The Authority has expenditure commitments relating to fleet replacement totalling \$2.3M as at reporting date.

NOTE 11 - LEASES

Authority as a lessee

Right-of-use-assets

The Authority leases its administrative and depot facilities at Ottoway.

	Buildings & Other Structures \$'000	Total \$'000
At 1 July 2019	1,345	1,345
Additions of right-of-use-assets	-	-
Depreciation Charge	(256)	(256)
At 30 June 2020	<u>1,089</u>	<u>1,089</u>

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2020 \$'000
At 1 July 2019	1,345
Additions	-
Accretion of interest	34
Payments	(255)
At 30 June 2020	<u>1,124</u>
Current	237
Non-Current	887

NOTE 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events after Balance Date that are required to be disclosed.

FINANCIAL STATEMENTS 2019-2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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:

	2020 \$'000	2019 \$'000
Salaries, allowances & other short term benefits	476	467
TOTAL	476	467

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	3,370	128	Provision of kerbside waste collection and hardwaste
City of Burnside	2,943	165	Provision of kerbside waste collection and hardwaste
City of Mitcham	3,029	281	Provision of kerbside waste collection and hardwaste
City of Norwood, Payneham & St Peters	2,709	144	Provision of kerbside waste collection and hardwaste
City of Prospect	1,429	86	Provision of kerbside waste collection and hardwaste
Corporation of the City of Campbelltown	3,218	178	Provision of kerbside waste collection and hardwaste
Corporation of the Town of Walkerville	589	28	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.

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MEMBER COUNCIL CERTIFICATION OF AUDITOR INDEPENDENCE

EASTERN WASTE MANAGEMENT AUTHORITY

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FOR THE YEAR ENDED 30 June 2020

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Eastern Waste Management Authority for the year ended 30 June 2020, the Authority's Auditor, Bentley's SA Audit Partnership, 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.



Andrew Aitken
Chief Executive Officer
Adelaide Hills Council

Date: 29 September 2020



Chris Cowley
Chief Executive Officer
City of Burnside

Date: 29/9/2020



Paul Di Iulio
Chief Executive Officer
Campbelltown City Council

Date:



Matthew Pears
Chief Executive Officer
City of Mitcham

Date: 30/09/2020



Mario Barone
Chief Executive Officer
City of Norwood, Payneham & St Peters

Date: 28.09.2020



Nigel McBride
Chief Executive Officer
City of Prospect

Date: 29/09/2020



Kiki Cristol
Chief Executive Officer
Town of Walkerville

Date: 28/9/2020

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CERTIFICATION OF AUDITOR INDEPENDENCE



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Certification of Auditor Independence

I confirm that, for the audit of the financial statements of Eastern Waste Management Authority Inc for the year ended 30 June 2020, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

Bentleys SA Audit Partnership

David Papa
Partner

Dated at Adelaide this 25th September 2020

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2019-2020

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INDEPENDENT AUDITOR'S REPORT



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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 2020, the statement of 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 2020, 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.

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2019-2020

FINANCIAL STATEMENTS 2019-2020

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

DAVID PAPA
PARTNER

Dated at Adelaide this 30th day of September 2020



The waste industry finds itself in a disruptive space at the moment, with many unknowns continuing to present themselves.

This presents a great opportunity for East Waste to outline and deliver a robust strategic direction, that identifies clear objectives, advocacy enhancement and growing partnerships with like-minded organisations to efficiencies and sustainable behavioural change practices that ensure waste minimisation targets are met.



Fraser Bell
East Waste Chair

EastWaste

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Appendices



For further information contact:

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