

ANNUAL REPORT

2023
2024



SUSTAINABLE WASTE MANAGEMENT THROUGH SHARED SERVICES



CONTENTS

1	ABOUT AHRWMA	4
2	FROM THE INDEPENDENT CHAIRPERSON	6
3	GOVERNANCE	8
4	ACHIEVEMENT HIGHLIGHTS	10
5	PERFORMANCE AGAINST BUSINESS PLAN	15
6	ORGANISATION CHART 2023/24	18
7	AUDITED FINANCIAL STATEMENTS	19
8	AUDIT AND RISK COMMITTEE ANNUAL REPORT	56

1

ABOUT AHRWMA

The Adelaide Hills Region Waste Management Authority is a Local Government Regional Subsidiary established by The Adelaide Hills Council, Alexandrina Council, Mount Barker District Council and Rural City of Murray Bridge, pursuant to Section 43 of the *Local Government Act, 1999*.

Our Constituent Councils resolved to work together via the Authority to coordinate waste management and recycling within the region. Under our Charter the Authority's purpose is to facilitate, co-ordinate and undertake waste management including waste collection, treatment, disposal and recycling within the Region.

The Authority's business activities include landfill operations, resource recovery centre management, greens mulching and sales, hook-lift truck transport services and mobile concrete crushing services on behalf of and for the benefit of our Constituent Councils. The Authority also represents our Constituent Councils in relevant forums, provides technical waste and resource management advice and coordinates education services across the region.

The Authority operates a landfill facility, currently receiving over 56,000 tonnes of material annually, with approximately 46,000 tonnes being disposed to the active landfill cells. We have a strong focus to divert waste from landfill, extracting materials such as metals, construction and demolition waste, tyres and mattresses for processing and reuse.

The Brinkley and Heathfield Resource Recovery Centres receive over 12,000 tonnes of material annually, with approximately 8,700 tonnes recovered and diverted from landfill – a diversion rate of 72%. We recover resources such as E-waste, chemical containers, polystyrene, cardboard, tyres, mattresses, green organics and concrete. We also receive household chemicals and batteries for environmentally appropriate storage, management and disposal.

Our reviewed Charter was Gazetted in June 2022 and under this Charter our five-member Board, including an Independent Chair was established. Our Audit Committee Terms of Reference was reviewed in February 2023 establishing a new Audit and Risk Committee, including two independent members being appointed.



POPULATION
137,833

5048.7
SQUARE KMS

26.7
PEOPLE PER
SQUARE KM

OUR REGION



2

FROM THE INDEPENDENT CHAIRPERSON

I am pleased to present the Annual Report for the 2023-24 fiscal year.

Our highlights include successfully diverting over 18,700 tonnes of waste from landfill, surpassing our previous results and demonstrating our ongoing commitment to reducing adverse environmental impacts. Our initiatives in waste diversion and reprocessing have not only minimised landfill use but also supported our Constituent Councils in achieving their sustainability goals.

The Heathfield Resource Recovery Centre continued to be a critical asset in managing challenging waste streams. We expanded our drop-off facilities and saw a significant increase in the safe disposal of hazardous materials, including over fifty tonnes of chemicals. This has played a vital role in protecting our environment and ensuring the safety of our communities.

A significant milestone this year was the finalisation of the Adelaide Hills Region Waste Management Authority Strategic Plan—a shared vision for 2034. This ten-year plan outlines our aspirations to work collaboratively for the benefit of our environment and communities. As the waste and resource recovery landscape continues to evolve, this Strategic Plan positions the Authority to respond proactively, reshaping our services to maximise benefits for our Constituent Councils.

The Strategic Plan not only recognises the Authority as a provider of essential services but also highlights our role in leadership and education within the waste and resource management sector. It addresses the need to continue to reduce waste, build a circular economy, and respond to changing compliance measures. One of the highlights of this year was the introduction of a Circular Economy Officer to our team. This role has already made a considerable impact, driving forward initiatives that align with our long-term strategic goals.

Our commitment to workplace health and safety (WHS) remains a cornerstone of our operations. We are pleased to report another year with no lost time injuries, underscoring our dedication to maintaining a safe working environment. We received recognition last year for our WHS training competency process which has served to motivate us to continue to uphold these high standards.

Financially, we have continued to perform well, achieving a surplus that will be reinvested in maintaining and upgrading our assets and infrastructure. This financial strength ensures that we can continue to deliver quality services and meet the evolving needs of our Constituent Councils.

**WE ARE EXCITED
ABOUT THE
OPPORTUNITIES
AHEAD**



I would like to extend my sincere thanks to our Executive Officer, Leah Maxwell, for her exceptional leadership and dedication. Leah's contribution has been significant, and she will be missed as she moves on to new challenges. I also want to acknowledge the hard work and commitment of our entire staff, whose efforts are the driving force behind our achievements.

I would also like to express my gratitude to our Board Members and the Audit and Risk Committee for their continued guidance and leadership. Their expertise has been crucial in navigating the complexities of our operations and in steering the Authority towards success.

To our Constituent Councils, thank you for your continued support and partnership. We look forward to continuing to work together to deliver on our shared goals.

The Authority remains steadfast in its commitment to good governance, sustainability, and innovation. We are excited about the opportunities ahead and confident in our ability to continue delivering exceptional waste and resource management services for our Councils and communities.

ADRIAN SKULL

Independent Chairperson



3

GOVERNANCE

BOARD MEMBERS JUNE 2024

The Authority is administered by a Board in accordance with the requirements of the Local Government Act, the Authority's Charter and applicable policies. The Board is responsible for the overall governance, management and strategic direction, ensuring that the Authority acts in accordance with its Charter. The Board's responsibilities include development of strategic and business directions and strategies aimed at improving the business of the Authority. The Board appoints an Executive Officer responsible for implementing the Board's vision and managing the day-to-day operations of the Authority.

INDEPENDENT CHAIR



ADRIAN SKULL
6 of 6 Meetings

MOUNT BARKER DISTRICT COUNCIL



ALEX OULIANOFF
Board Member
6 of 6 Meetings



IAN GROSSER
Deputy Board Member

ADELAIDE HILLS COUNCIL



CR LUCY HUXTER
Board Member
4 of 6 Meetings



JOHN MCARTHUR
Deputy Board Member
2 Meetings

RURAL CITY OF MURRAY BRIDGE



CR TOM HAIG
Board Member
4 of 6 Meetings



BRAD WARNCKEN
Deputy Board Member
2 Meetings

ALEXANDRINA COUNCIL



CR MICHAEL SCOTT
Board Member
3 of 6 Meetings



ALAN HARVEY
Deputy Board Member

AUDIT AND RISK COMMITTEE

The Board endorsed that an Audit Committee be established at the meeting held on 17 November 2011, with the name later changed to Audit and Risk Committee (ARC). The current version ARC Terms of Reference (ToR) was endorsed in June 2024. The ARC currently consists of two Independent Members and one sitting Board Member. The Authority is in the process of recruiting a third Independent Member.

The Audit and Risk Committee provides independent assurance and advice to the Board on accounting, financial management, internal controls, risk management and governance matters. The Committee as a whole, has outstanding skills, knowledge and experience in finance, governance, law, local government, commerce and strategic planning. The Committee is a valuable resource for the Authority. The committee has provided an Annual Report to the Board, which is an appendix to this report.



4

ACHIEVEMENT HIGHLIGHTS

GOAL 1: BEST PRACTICE

PHYTOCAP TRIAL

The EPA have recently approved the Capping and Closure Plan. We are now working on a phytocap design to trial on cell 6. A phytocap utilises more soil, mulch and indigenous plant species compared to a traditional cap made of clay. The aim is to mitigate the volume of rainwater entering the cell whilst increasing biodiversity on site.

CONCRETE CRUSHING CAMPAIGN

Concrete, a valuable recoverable resource, can be processed into rubble for use in applications like road base. In 2024, the Authority executed a concrete crushing campaign, converting 1,891 tonnes of waste concrete into rubble. This material was rigorously tested by an independent accredited provider for any harmful chemicals or minerals, and was deemed safe for use. Additionally, the Authority enhanced its stockpile management by updating signage to clearly distinguish between rubble awaiting testing and that which has passed safety evaluations. This initiative aligns with the Authority's commitment to sustainable resource recovery and environmental safety.

NEW RESOURCE RECOVERY CENTRE SUPERVISOR ROLE

The implementation of the new RRC Supervisor role has enhanced operations at both the Brinkley and Heathfield sites. With the supervisor's focused efforts on optimising processes, we've achieved notable improvements in green waste management and a marked increase in efficiency across both sites. This role has been key in driving improvements across the business, reinforcing the Authority's commitment to operational excellence and sustainability.



GOAL 2: COLLABORATE

KNOWLEDGE SHARING FORUMS

These forums are an opportunity for our colleagues at Constituent Councils and aligned organisations to meet, talk and learn. The aim is to support each other to enact best practice in our respective roles. Two forums have been facilitated in the past six months, both having solid attendance and feedback.

REGIONAL EDUCATION PLAN 2024-29

This Regional Education Plan is designed to deliver impactful, targeted education programs across the region. Aligned with the South Australian government's priorities for building a Circular Economy, the plan focuses on enhancing community knowledge, attitudes, and behaviours to maximise resource recovery and reduce landfill waste at Brinkley. It supports the Authority's Strategic Plan, particularly the goal of fostering an empowered community.



GOAL 3: EMPOWERED COMMUNITY

RECYCLING HUBS HAVE BEEN INSTALLED AT AHC AND RCMB LIBRARIES

Residents of the Adelaide Hills Council and Rural City of Murray Bridge can now deposit a range of recyclable materials at their libraries: Coventry (Stirling), Gumeracha, Woodside and Murray Bridge. Materials collected via the Hubs will be transferred to the Heathfield Resource Recovery Centre. The Hubs serve not only to increase convenience to residents, but also to act as a passive community education tool, reminding people that items such as batteries, X Rays and e-waste are resources that should be recovered for recycling and reuse.



BIOCHAR BASICS COURSE

The course was hosted by Maccy Biochar, a community organisation located in Macclesfield, and funded by the Authority with great results. Participant evaluation highlighted that their knowledge and interest around Biochar has increased due to the session, and participants took a free bag of biochar home with them. The course was so successful the next one is already being planned.

EDUCATIONAL BUS TOURS OF BRINKLEY WASTE AND RECYCLING FACILITY

The Authority has launched bus tours at the Brinkley site, with over 50 participants so far, including community members, teachers, scientists, and Elected Members. The tours explore topics such as "Where does your waste go?", "How do landfills protect human health?", and "What determines recycling or disposal pathways?". Feedback has been overwhelmingly positive about our extensive recycling efforts and strong environmental practices. The Authority will partner with KESAB to continue offering these community tours.

COMMUNITY EDUCATION SESSIONS

During the year, the Authority has conducted community education sessions to various school and community groups, including Heathfield High School, Meadows Primary School, the Australian Science and Maths School, Flinders University, Urrbrae TAFE, and the Mount Barker Lions Club. These sessions offer engaging educational experiences, including activities like a walking tour of the Heathfield Resource Recovery Centre.

GOAL 4: GOOD GOVERNANCE

FINAL STRATEGIC PLAN 2024-34

Ongoing changes in the waste and resource recovery landscape offered the Authority the opportunity to adapt and refine its services to maximise benefits for our Constituent Councils. This Strategic Plan acknowledges the Authority's role as a leader, service provider, and educator in waste and resource management. Developed during a period of shifting priorities and increased environmental focus, the plan addresses the need for future waste reduction, the promotion of a circular economy, and the implications of evolving compliance requirements.



ASSET MANAGEMENT

During the year the Authority renewed 74% of the assets that had been planned for replacement as per the Asset Management Plan, including the excavator and dump truck. The hooktruck was tendered and has been awarded, with delivery expected in December 2024. Cell 9 expansion was completed during the year with approval for use given by the EPA in April. The Authority is now planning the design of Cell 10.



APPROVED RECYCLER

The Authority has been recognised as an Approved Recycler by the Australian Bedding Stewardship Scheme (ABSS), which oversees the responsible management of 1.8 million mattresses disposed of annually in Australia. The Authority handles 169 tonnes of mattresses and bases each year, consolidating them at the Brinkley site for shredding. Springs are recycled as scrap metal and the flock is disposed of safely. This recognition by ABSS enhances public awareness of mattress recycling, fosters collaboration with other organisations, supports advancements in recycling technology and strives to reduce costs.

GREEN INDUSTRIES SA GRANT FUNDING

The Authority was successful in receiving a co-funded infrastructure grant through GISA for two excavator attachments that support resource recovery. A magnet which efficiently assists with removing and collecting steel from mixed waste, waste concrete, and post-mattress processing cleanup, and a rotating demolition grab to enhance sorting and separating of mixed waste.





**MAGNET ATTACHMENT
CO-FUNDED BY GISA**

MANAGING DIFFICULT WASTE STREAMS AND DRIVING A CIRCULAR ECONOMY

Diverted, Recovered and Reprocessed

330 tonnes of cardboard

393 tonnes of metal and batteries

169 tonnes of mattresses

36 tonnes of tyres

19 tonnes of polystyrene and hard plastics

82 tonnes of E-waste

0.6 tonnes of x-rays

Over 5,000 tonnes

OF GREEN ORGANICS PROCESSED IN TO MULCH AND COMPOST

SAFELY DISPOSED

64 tonnes

OF CHEMICALS

Over 9,600 tonnes

OF SOIL, CONSTRUCTION AND DEMOLITION MATERIAL DIVERTED FROM LANDFILL

5

PERFORMANCE AGAINST BUSINESS PLAN

Actions, Targets and Measures	Measurable Outcome	Status
Establish the landfill to be a model and leading-edge regional facility. Utilise the landfill and resource recovery centres as educational tools where possible.	Information regarding the opportunity for site tours will be placed on the website. Site used for educational purposes (tours/presentations/photos and articles).	Implemented. Educational tours and information sessions advertised on the website for residents, community groups and schools. Booking details are provided on the website for the education sessions, which are advertised as informative, engaging and adaptable to any age group.
Continue to implement media and advertising programs aiming to increase education across the region.	Manage an updated website and increase social media presence.	Achieved and ongoing. 100% increase in social media. Facebook page utilised to provide educational material and waste information. Presence on 5MU, Murray Valley Standard, Hills Courier and Hills Wanderer Magazine as well as the Authority's own newsletter - 'In the Circular'.
Consider landfill gas management at the Brinkley Landfill site.	LFG management investigated, considered and a report presented to the Board.	Complete.
Embrace the waste hierarchy and circular economy principles - the Authority will aim to assist and positively influence the recycling markets as much as possible via its operations and services.	Authority activities, operations and projects align with waste hierarchy and circular economy.	Achieved and ongoing. We continue to divert waste from landfill where possible and ensure our activities align with the waste hierarchy and circular economy.
Implement staged capping and closure of Brinkley landfill cells in accordance with capping and closure plan.	Capping completed in accordance with plan.	Ongoing. Detailed capping design for cells 6a, 6b and 7 being undertaken. EPA approval received for a three year phytocap trial.
Continue to manage the Brinkley Landfill site and cell construction to maintain adequate airspace for waste disposal needs.	Ongoing review and assessment completed.	Cell 9 extension complete and approved for use. Planning of Cell 10 design.
Manage the Brinkley Landfill as a compliant facility.	All EPA compliance requirements are met.	Complete. Ongoing requirement.
Communicate with Constituent Councils regarding annual tonnage budget estimations.	Annual advice provided.	Complete. Ongoing requirement.

Actions, Targets and Measures	Measurable Outcome	Status
Hold quarterly meetings with key senior staff from each of the Constituent Councils to consider Council priorities.	A minimum of four meetings held.	Complete and ongoing.
EO and Independent Chair meet with Constituent Council CEOs or appointees annually.	Annual meetings undertaken.	Complete and ongoing.
Consider opportunities to develop the hooklift services.	Additional services secured where available.	Complete and ongoing. Service has expanded during the year by more than 7%.
Continue to operate the Resource Recovery Centres efficiently, with a focus on resource recovery, waste hierarchy and cost effectiveness.	Continue to divert waste from landfill where possible. Maintain the net result where possible and work towards a break-even position.	Complete. Ongoing requirement.
Continue to explore options to coordinate Constituent Council waste services where cost savings can be identified and progressively implement approved shared services across Constituent Councils.	Shared services implemented where there is benefit to Constituent Councils.	Ongoing.
Represent Constituent Councils in the waste and resource recovery sector.	Provide responses on behalf of Constituent Councils to State, Federal and other communications regarding legislation/ policy changes etc. Attend WMRR meetings and actively participate in State and Federal waste/ resource recovery LGA/State/ Federal/ industry groups.	Ongoing requirement. Executive Officer chaired WMRR meetings and presented at the Waste 2024 Conference held 14-16 May 2024 in Coffs Harbour, the industry's leading waste management conference in Australia.
Implement the Waste and Resource Management Plan and action the initiatives identified within this plan.	Waste and Resource Recovery Plan implemented.	Circular Economy Officer role created. Collaboration with Councils and industry professionals. RRC improvements made. Key plant procured for enhanced and safer resource recovery. Though the Authority has made good progress, this plan is now replaced by the Strategic Plan 2024/34 and the Regional Education Plan 2024/29, which will guide our future efforts.
Continue to establish itself as an expert in the field of waste and resource management and act as an information source for Constituent Councils and their communities.	Information provided to Constituent Councils and communities on an ongoing basis. EO or delegate will attend WMRR meetings. EO or delegate will attend at least 2 waste and recycling specific events annually.	Complete. EO presided as Chair for WMRR and attended 7 meetings. Attended and presented at the Waste 2024 Conference. Attended Waste Expo Australia.

Actions, Targets and Measures	Measurable Outcome	Status
Consider opportunities for innovative business development.	Opportunities considered and implemented where beneficial.	Ongoing.
Finalise the 10-year Strategic Plan.	Final plan adopted and implemented.	Complete.
Continue to review and update WHS policies and systems.	WHS and policies reviewed on schedule.	Complete. Ongoing requirement.
Update procurement documentation and templates.	Documents updated and templates established.	Complete.
Work with the LGA Mutual Liability Scheme to ensure the Authority is meeting requirements.	Meeting held with scheme reps and programs implemented where required.	Complete. Ongoing requirement.
Ensure staff progression and business continuity planning and consider upskilling opportunities.	Staff upskilled where possible.	Ongoing. 18 staff had external training in a wide range of areas, upskilling staff for their current and future roles within the Authority.

FINANCIAL INDICATORS

The Authority's financial indicator performance targets assist in ensuring the long term financial sustainability of the Authority.

Indicators	Long Term Adopted Target	Original Budget	Year End Actual
Operating Surplus/(Deficit)	2%	2%	4%
Net Financial Liabilities Ratio	55%	22%	22%
Interest Cover Ratio	1%	0%	0%
Asset Renewal Funding Ratio	100%	123%	74%

The year end operating surplus/(deficit) ratio is stronger than the original budget. It has exceeded the ratio's long term target and shows 4% of the Authority's total revenue is available to fund proposed capital expenditure.

The net financial liabilities ratio for the end of the year is lower than the long term target. This ratio has been consistently low over recent years which indicates the Authority's ability to meet financial obligations from operating revenue remains strong.

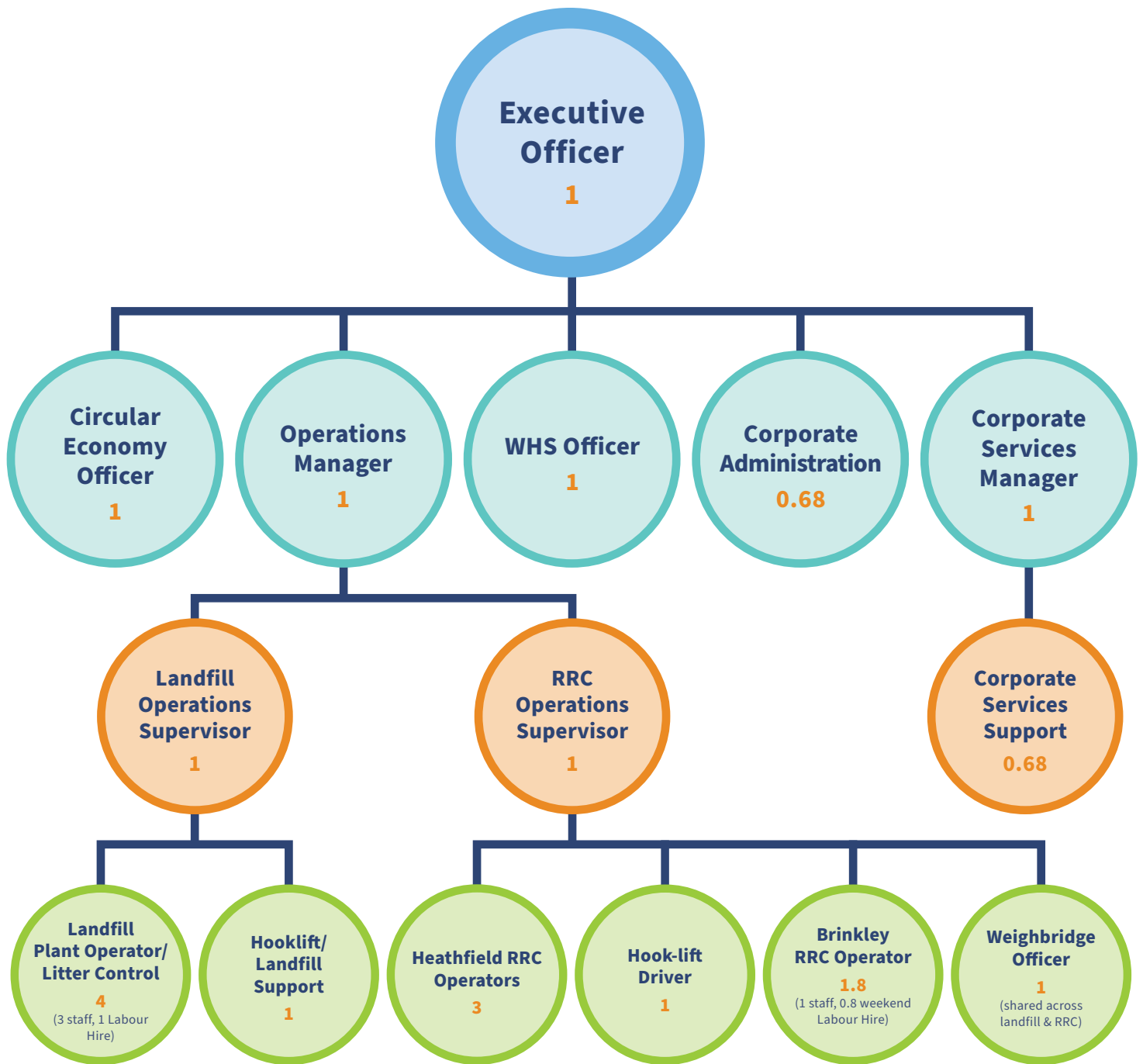
Interest cover ratio indicates the Authority has used 0% of operating revenue to pay interest expenses.

The asset renewal funding ratio is a measurement of the planned capital that was renewed during the year. The ratio did not meet original budget because our hooktruck was tendered during FY2024 but will not be delivered and paid for until FY2025.

6

ORGANISATION CHART

2023/24



7

AUDITED FINANCIAL STATEMENTS



**Adelaide Hills Region Waste
Management Authority
General Purpose Financial Reports
for the year ended 30 June 2024**

Adelaide Hills Region Waste Management Authority
General Purpose Financial Reports
for the year ended 30 June 2024

Table of Contents

	Page #
Authority Certificate	1
Principal Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to, and forming part of, the Principal Financial Statements	
Note 1 - Significant Accounting Policies	6
Note 2 - Income	10
Note 3 - Expenses	11
Note 4 - Asset Disposal & Fair Value Adjustments	13
Note 5 - Current Assets	14
Note 6 - Infrastructure, Property, Plant & Equipment & Investment Property	15
Note 7 - Liabilities	18
Note 8 - Reconciliation of Cash Flow Statement	19
Note 9 - Financial Instruments	20
Note 10 - Contingent Assets & Contingent Liabilities	22
Note 11 - Events After the Statement of Financial Position Date	22
Note 12 - Commitments for Expenditure	23
Note 13 - Financial Indicators	24
Note 14 - Uniform Presentation of Finances	25
Note 15 - Leases	26
Note 16 - Superannuation	27
Note 17 - Related Party Transactions	28
Constituent Council's Certificate of Audit Independence	29
Auditor Certificate of Audit Independence	33

**Adelaide Hills Region Waste Management Authority
Annual Financial Statements
for the year ended 30 June 2024**

CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2024 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



.....
Sarah O'Flaherty
ACTING EXECUTIVE OFFICER



.....
Adrian Skull
CHAIRPERSON

Date: 23 September 2024

Adelaide Hills Region Waste Management Authority
Statement of Comprehensive Income
for the year ended 30 June 2024

		2024	2023
	Notes	\$	\$
INCOME			
User charges	2	6,726,942	6,157,023
Grants, subsidies and contributions - Operating	2	21,600	15,000
Investment income	2	62,843	18,014
Other income	2	3,036,761	2,674,892
Total Income		9,848,146	8,864,929
EXPENSES			
Employee costs	3	2,230,086	1,814,004
Materials, contracts & other expenses	3	6,162,497	5,821,230
Depreciation, amortisation & impairment	3	1,049,320	810,157
Finance costs	3	36,837	7,709
Total Expenses		9,478,740	8,453,100
OPERATING SURPLUS / (DEFICIT)		369,406	411,829
Asset disposal & fair value adjustments	4	80,282	16,270
NET SURPLUS / (DEFICIT)		449,688	428,099
transferred to Equity Statement			428,099
TOTAL COMPREHENSIVE INCOME		449,688	428,099

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

Adelaide Hills Region Waste Management Authority
Statement of Financial Position
as at 30 June 2024

	Notes	2024 \$	2023 \$
ASSETS			
Current Assets			
Cash & cash equivalents	5	1,740,142	1,478,418
Trade & other receivables	5	850,340	956,920
Inventories	5	14,321	10,554
Total Current Assets		<u>2,604,803</u>	<u>2,445,892</u>
Non-current Assets			
Infrastructure, property, plant & equipment	6	6,377,037	4,670,029
Total Non-current Assets		<u>6,377,037</u>	<u>4,670,029</u>
Total Assets		<u>8,981,840</u>	<u>7,115,921</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	7	1,202,165	975,952
Borrowings	7	53,598	51,170
Provisions	7	301,946	269,474
Total Current Liabilities		<u>1,557,709</u>	<u>1,296,596</u>
Non-current Liabilities			
Borrowings	7	36,836	90,434
Provisions	7	3,164,808	1,956,092
Total Non-current Liabilities		<u>3,201,644</u>	<u>2,046,526</u>
Total Liabilities		<u>4,759,353</u>	<u>3,343,122</u>
NET ASSETS		<u>4,222,487</u>	<u>3,772,799</u>
EQUITY			
Accumulated surplus		<u>4,222,487</u>	<u>3,772,799</u>
TOTAL EQUITY		<u>4,222,487</u>	<u>3,772,799</u>

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

Adelaide Hills Region Waste Management Authority
Statement of Changes in Equity
for the year ended 30 June 2024

		Accumulated Surplus	TOTAL EQUITY
2024	Notes	\$	\$
Balance at end of previous reporting period		3,772,799	3,772,799
Net Surplus / (Deficit) for Year		449,688	449,688
Balance at end of period		4,222,487	4,222,487
2023			
Balance at end of previous reporting period		3,344,700	3,344,700
Net Surplus / (Deficit) for Year		428,099	428,099
Balance at end of period		3,772,799	3,772,799

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

Adelaide Hills Region Waste Management Authority
Statement of Cash Flows
for the year ended 30 June 2024

	Notes	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts:</i>			
User charges		6,742,683	6,020,093
Investment receipts		62,584	13,000
Grants utilised for operating purposes		21,600	15,000
Other revenues		3,105,246	3,204,067
<i>Payments:</i>			
Employee costs		(2,190,117)	(1,770,067)
Materials, contracts & other expenses		(5,903,535)	(5,774,423)
Finance payments		(8,267)	(8,474)
Net Cash provided by (or used in) Operating Activities		<u>1,830,194</u>	<u>1,699,196</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts:</i>			
Sale of replaced assets		145,528	149,265
<i>Payments:</i>			
Expenditure on renewal/replacement of assets		(688,528)	(1,079,713)
Expenditure on new/upgraded assets		(974,300)	(117,326)
Net Cash provided by (or used in) Investing Activities		<u>(1,517,300)</u>	<u>(1,047,774)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts:</i>			
Proceeds from borrowings		-	-
<i>Payments:</i>			
Repayments of borrowings		-	(175,248)
Repayment of principal portion of lease liabilities		(51,170)	(48,825)
Net Cash provided by (or used in) Financing Activities		<u>(51,170)</u>	<u>(224,073)</u>
Net Increase (Decrease) in cash held		<u>261,724</u>	<u>427,348</u>
Cash & cash equivalents at beginning of period	8	<u>1,478,418</u>	1,051,069
Cash & cash equivalents at end of period	8	<u>1,740,142</u>	<u>1,478,418</u>

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

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 1 - Material 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 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 Adelaide Hills Region Waste Management Authority is a Local Government Section 43 regional subsidiary under the control of Adelaide Hills Council, Alexandrina Council, Mount Barker District Council and Rural City of Murray Bridge.

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 Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements are specifically referred to in the relevant sections of these Notes.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar.

2 The Local Government Reporting Entity

Adelaide Hills Region Waste Management Authority operates as a regional subsidiary pursuant to Section 43 of the Local Government Act 1999 and Section 25 of the Local Government Implementation Act 1999, and has its principal place of business at c/- of Mount Barker District Council, 6 Dutton Road, Mount Barker. These financial statements have been prepared for use by Constituent Councils of the Authority.

3 Income recognition

3.1 Revenue

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

4 Cash, Cash Equivalents and Other Financial Instruments

4.1 Cash, Cash Equivalent Assets

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

4.2 Other Financial Instruments

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 also form part of Note 9.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 1 - Material Accounting Policies

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.

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 Authority 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 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. Examples of capitalisation thresholds applied during the year are given in Note 6. 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.

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 the Authority, best reflects the consumption of the service potential embodied in those assets.

Major depreciation periods for each class of asset are shown in Note 6. 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.

6.5 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.

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

Amounts (other than grants) received from external parties in advance of service delivery, are recognised as liabilities until the service is delivered.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 1 - Material Accounting Policies

8 Borrowings

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 Provisions

9.1 Employee Benefits

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 Authority 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.

Superannuation:

The Authority makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and the Authority's involvement with the schemes are reported in Note 16.

9.2 Provisions for reinstatement, restoration, rehabilitation

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

The Authority recognises a capping liability for all past and present active landfill cell operational areas, for which capping rehabilitation works have not yet been completed.

The Authority recognises a capping liability for a historical cell given it is believed that it will be responsible for capping this area in future years and has accordingly recognised a liability. The Authority however is not presently obligated to undertake this work given the liability to cap the cell resides with the existing owners of the site.

The Authority has calculated the liability based on the Environmental Protection Authority South Australia (EPA) approved alternate capping design. Assumptions for the capping provision which have been internally revised based on managements best estimates however assumptions have not yet been verified by a qualified engineering consultant. ACT Williams has been engaged to conduct the capping trial which is estimated to be complete FY2027. The trial will provide accurate costing information which may result in further increases to the liability needing to be recorded in future periods.

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and make adjustment to the liability as required ensuring an accurate projected cost of the liability is showing in the Statement of Financial Position. The Authority will be undertaking further detailed reviews of all rehabilitation and restoration liability costs in future years with the assistance of external consultants to ensure all projected costs have been independently verified. This was last reviewed and revalued by Golder Associates Ltd on 29 July 2019. A further review will occur after completion of the capping trial in 2027.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 1 - Material Accounting Policies

10 Leases

The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, being the land leased at Brinkley Landfill.

i) Right-of-use assets

The Authority recognises right-of-use assets as at 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 life.

ii) Lease liabilities

At the commencement date, the Authority 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 Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

11 Goods & Services Tax

In accordance with interpretation of 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.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 2 - INCOME

	Notes	2024 \$	2023 \$
USER CHARGES			
Waste processing and disposal fees		6,726,942	6,157,023
		<u>6,726,942</u>	<u>6,157,023</u>
INVESTMENT INCOME			
Interest on investments		62,843	18,014
		<u>62,843</u>	<u>18,014</u>
OTHER INCOME			
Consultancy service		2,959	9,726
Resource recovery centre income		2,137,862	1,777,999
Resource recover centre recuperation		85,632	120,570
Transport income		437,066	404,709
Fuel tax rebate		78,928	57,159
Machinery charge out		118,577	103,320
Recycled income		27,425	46,838
Sundry		148,312	154,571
		<u>3,036,761</u>	<u>2,674,892</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Sundry		21,600	15,000
		<u>21,600</u>	<u>15,000</u>
Sources of grants			
Other	Notes	21,600	15,000
		<u>21,600</u>	<u>15,000</u>

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 3 - EXPENSE

	Notes	2024 \$	2023 \$
EMPLOYEE COSTS			
Salaries and wages		1,642,869	1,392,629
Employee leave expense		245,101	159,688
Superannuation - defined contribution plan contributions	16	197,647	142,868
Superannuation - defined benefit plan contributions	16	7,979	5,785
Workers' compensation insurance		44,887	41,663
Other employment related costs		91,603	71,371
Total Operating Employee Costs		2,230,086	1,814,004
Total Number of Employees		19	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		5,582	5,405
Subtotal - Prescribed Expenses		5,582	5,405
<u>Other Materials, Contracts & Expenses</u>			
Materials, contractors and other		190,327	417,944
Resource recovery centre expenses		1,513,172	1,240,894
Consultants		19,706	42,097
Administration and Board		127,629	135,220
EPA licence fee		10,469	9,986
Repairs and maintenance		279,455	199,387
Insurance and legal		63,200	57,129
EPA waste levy paid		3,574,650	3,372,177
Parts, accessories & consumables		363,998	323,355
Sundry		14,309	17,636
Subtotal - Other Materials, Contracts & Expenses		6,156,915	5,815,825
		6,162,497	5,821,230

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 3 - EXPENSE con't

	2024	2023
Notes	\$	\$
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Road infrastructure	5,672	5,534
Buildings	15,853	15,686
Vehicles	43,608	32,258
Plant and equipment	440,813	394,950
Landfill cells	208,781	150,165
Leachate pond	8,696	8,697
Landfill rehabilitation	73,882	19,030
Landfill cell capping	203,472	135,294
Right of use assets	15 48,543	48,543
	<u>1,049,320</u>	<u>810,157</u>
FINANCE COSTS		
Interest on leases	8,267	6,593
Unwinding of present value discounts	28,570	-
	<u>36,837</u>	<u>7,709</u>

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

		2024	2023
Notes	\$	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal	145,528	149,265	
Less: Carrying amount of assets sold	65,246	132,995	
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	80,282	16,270	

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 5 - CURRENT ASSETS

	2024	2023
	Notes	
CASH & EQUIVALENT ASSETS	\$	\$
Cash on hand and at bank	421,383	470,195
Deposits at call	1,318,759	1,008,223
	<u>1,740,142</u>	<u>1,478,418</u>
TRADE & OTHER RECEIVABLES		
Accrued revenues	91,648	184,818
Debtors - general	758,692	772,102
	<u>850,340</u>	<u>956,920</u>
INVENTORIES		
Stores and materials	14,321	10,554
	<u>14,321</u>	<u>10,554</u>

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)

	2023				2024			
	\$				\$			
	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Road infrastructure	-	138,352	(55,409)	82,943	-	145,243	(61,081)	84,162
Buildings	-	283,676	(136,930)	146,746	-	283,676	(152,783)	130,893
Vehicles	-	183,567	(87,470)	96,097	-	276,895	(50,021)	226,874
Plant and equipment	-	4,103,801	(1,710,293)	2,393,508	-	4,484,979	(1,959,687)	2,525,292
Landfill cells	-	2,559,142	(1,747,156)	811,986	-	3,421,264	(1,955,937)	1,465,327
Leachate pond	-	173,938	(80,197)	93,741	-	173,938	(88,893)	85,045
Landfill rehabilitation	452,668	-	(308,963)	143,705	644,938	-	(382,845)	262,093
Landfill cell capping	1,587,807	-	(834,368)	753,439	2,554,283	-	(1,037,840)	1,516,443
WIP	-	18,413	-	18,413	-	-	-	-
Right of use assets	-	323,623	(194,172)	129,451	-	323,623	(242,715)	80,908
Total IPP&E	2,040,475	7,784,512	(5,154,958)	4,670,029	3,199,221	9,109,618	(5,931,802)	6,377,037
Comparatives	1,998,289	7,493,826	(5,118,159)	4,373,956	2,040,475	7,784,512	(5,154,958)	4,670,029

This Note continues on the following pages.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Carrying Amounts Movement During the Year									2024
	2023								2023	
	\$	\$							\$	\$
Carrying Amount	Additions		Disposals	Dep'n	Impair't	Transfers		Adjustment	Carrying Amount	
	New / Upgrade	Renewals				In	Out			
Road infrastructure	82,943	6,891	-	-	(5,672)	-	-	-	-	84,162
Buildings	146,746	-	-	-	(15,853)	-	-	-	-	130,893
Vehicles	96,097	50,681	148,201	(24,497)	(43,608)	-	-	-	-	226,874
Plant and equipment	2,393,508	73,019	540,327	(40,749)	(440,813)	-	-	-	-	2,525,292
Landfill cells	811,986	843,709	-	-	(208,781)	-	18,413	-	-	1,465,327
Leachate pond	93,741	-	-	-	(8,696)	-	-	-	-	85,045
Landfill rehabilitation	143,705	-	-	-	(73,882)	-	-	-	192,270	262,093
Landfill cell capping	753,439	-	-	-	(203,472)	-	-	-	966,476	1,516,443
WIP	18,413	-	-	-	-	-	-	(18,413)	-	-
Right of use assets	129,451	-	-	-	(48,543)	-	-	-	-	80,908
Total IPP&E	4,670,029	974,300	688,528	(65,246)	(1,049,320)	-	18,413	(18,413)	1,158,746	6,377,037
Comparatives	4,373,956	117,326	1,079,713	(132,995)	(810,157)	-	36,500	(36,500)	42,186	4,670,029

This note continues on the following pages.

Coalface South Australia
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 6 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

General Valuation Principles

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset. Where applicable, accumulated depreciation calculated on the basis of such cost reflects the already consumed or expired future economic benefits of the asset.

Capitalisation thresholds used by the Authority for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	1,000
Other Plant & Equipment	1,000
Road construction & reconstruction	10,000

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

Plant, Furniture & Equipment	
Office Equipment	3 to 5 years
Other Plant & Equipment	3 to 20 years
Infrastructure	
Unsealed Roads	15 years
Fencing	15 years
Water Tanks	30 years
Litter Fence	5 years
Pumps	5 years
Monitor Bore	10 years
Buildings	20 years
Roads	25 years

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 7 - LIABILITIES

	Notes	2024		2023	
		Current	Non-current	Current	Non-current
		\$		\$	
TRADE & OTHER PAYABLES					
Goods and services		1,022,026	-	797,083	-
Payments received in advance		2,331	-	-	-
Accrued expenses - employee entitlements		78,609	-	92,512	-
GST payable		21,895	-	46,840	-
Other		77,304	-	39,518	-
		<u>1,202,165</u>	<u>-</u>	<u>975,952</u>	<u>-</u>
BORROWINGS					
Leases liabilities	17	53,598	36,836	51,170	90,434
		<u>53,598</u>	<u>36,836</u>	<u>51,170</u>	<u>90,434</u>

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

PROVISIONS

LSL employee entitlements (including oncosts)		146,500	93,800	165,400	72,400
AL employee entitlements (including oncosts)		155,446	-	104,074	-
Future reinstatement / restoration, etc	1.9.2	-	3,071,008	-	1,883,692
		<u>301,946</u>	<u>3,164,808</u>	<u>269,474</u>	<u>1,956,092</u>

Movements in Provisions - 2024 year only	<i>Future Reinstatement</i>	<i>Cell Capping</i>	<i>Post Closure</i>
Opening balance	1,883,692	1,431,024	452,668
Add Unwinding of present value discounts	28,570	-	28,570
Add (Less) remeasurement adjustments	1,158,746	966,476	192,270
Closing balance	<u>3,071,008</u>	<u>2,397,500</u>	<u>673,508</u>

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 8 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2024 \$	2023 \$
Total cash and equivalent assets	5	<u>1,740,142</u>	<u>1,478,418</u>

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

Net Surplus (Deficit)		449,688	428,099
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,049,320	810,157
Net increase (decrease) in unpaid employee benefits		39,969	43,936
Premiums & discounts recognised & unwound		28,570	-
Net (Gain) Loss on Disposals		<u>(80,282)</u>	<u>(16,270)</u>
		1,487,265	1,265,922
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		81,636	402,231
Net (increase) decrease in inventories		(3,767)	(1,401)
Net increase (decrease) in trade & other payables		<u>265,060</u>	<u>32,444</u>
Net Cash provided by (or used in) operations		<u>1,830,194</u>	<u>1,699,196</u>

(c) Non-Cash Financing and Investing Activities

Estimated future reinstatement etc. costs		<u>1,158,746</u>	<u>42,186</u>
		<u>1,158,746</u>	<u>42,186</u>

(d) Financing Arrangements

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

Corporate credit cards	10,000	10,000
LGFA cash advance debenture facility	1,650,000	1,650,000

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

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 9 - 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 lower of cost and net realisable value, interest is recognised when earned.</p> <p>Terms & conditions: deposits on call have an average interest rate of 4.65% (2023: 4.3%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Fees and other charges	<p>Accounting Policy: carried at nominal values less any allowances for doubtful debts.</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 the Authority.</p> <p>Terms & conditions: liabilities are normally settled on 30 days after the month of invoice.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest bearing borrowings	<p>Accounting Policy: carried at the principle amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, interest is payable quarterly and principle due at CAD end date.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Leases	<p>Accounting Policy: accounted for in accordance with AASB 16 as stated in Note 1.</p>

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 9 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2024	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
Cash & Equivalents	1,740,142			1,740,142	1,740,142
Receivables	850,340			850,340	850,340
Total	2,590,482	-	-	2,590,482	2,590,482
Financial Liabilities					
Payables	1,199,835			1,199,835	1,123,556
Lease Liabilities	55,949	37,793		93,742	90,434
Total	1,255,784	37,793	-	1,293,577	1,213,990
2023					
	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
Cash & Equivalents	1,478,418			1,478,418	1,478,418
Receivables	956,920	-	-	956,920	956,920
Total	2,435,338	-	-	2,435,338	2,435,338
Financial Liabilities					
Payables	975,952	-	-	975,952	883,440
Lease Liabilities	54,852	93,742	-	148,594	141,604
Total	1,030,804	93,742	-	1,124,546	1,025,044

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 9 - FINANCIAL INSTRUMENTS (con't)

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 impairment. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 in relation to individual classes of receivables, exposure is concentrated within the Authority'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 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 Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority 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. The Authority 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.

Note 10 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingencies, assets or liabilities not recognised subsequent to 30 June 2024 that need to be disclosed in the financial statements.

Note 11 - EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There were no events subsequent to 30 June 2024 that need to be disclosed in the financial statements.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 12 - COMMITMENTS FOR EXPENDITURE

	2024	2023
Notes		
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Plant & Equipment	<u>465,945</u>	<u>-</u>
	465,945	-
These expenditures are payable:		
Not later than one year	<u>465,945</u>	<u>-</u>
	465,945	-

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 13 - FINANCIAL INDICATORS

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. Detailed methods of calculation are set out in the SA Model Statements.

	2024	2023	2022
Operating Surplus Ratio			
<u>Operating Surplus</u>	3.8%	4.6%	4.7%
Total Operating Income			

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

Net Financial Liabilities Ratio			
<u>Net Financial Liabilities</u>	22%	10%	13%
Total Operating Income			

Net Financial Liabilities are defined as total liabilities less financial assets. These are expressed as a percentage of total operating revenue.

Asset Renewal Funding Ratio			
<u>Outlays on Existing Assets</u>	74%	337%	0%
Asset Renewals - IAMP			

Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 14 - UNIFORM PRESENTATION OF FINANCES

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

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

The arrangements ensure that all local government entities provide a common 'core' of financial information, which enables meaningful comparisons of each local government entity's finances.

	2024	2023
	\$	\$
Income		
<i>User charges</i>	6,726,942	6,157,023
<i>Grants, subsidies and contributions - operating</i>	21,600	15,000
<i>Investment income</i>	62,843	18,014
<i>Other income</i>	3,036,761	2,674,892
	<u>9,848,146</u>	<u>8,864,929</u>
Expenses		
<i>Employee costs</i>	(2,230,086)	(1,814,004)
<i>Materials, contracts and other expenses</i>	(6,162,497)	(5,821,230)
<i>Depreciation, amortisation and impairment</i>	(1,049,320)	(810,157)
<i>Finance costs</i>	(36,837)	(7,709)
	<u>(9,478,740)</u>	<u>(8,453,100)</u>
Operating Surplus / (Deficit)	369,406	411,829
Timing adjustments for grant revenue	-	-
Adjusted Operating Surplus / (Deficit)	369,406	411,829
Net Outlays on Existing Assets		
Capital expenditure on renewal and replacement of existing assets	(688,528)	(1,079,713)
Add back depreciation, amortisation and impairment	1,049,320	810,157
Proceeds from sale of replaced assets	145,528	149,265
	<u>506,320</u>	<u>(120,291)</u>
Net Outlays on New and Upgraded Assets		
Capital expenditure on new and upgraded assets <i>(including investment property & real estate developments)</i>	(974,300)	(117,326)
Adjusted Annual Net Impact to Financing Activities surplus/ (deficit)	(98,574)	174,212

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 15 - LEASES

The Authority as a Lessee

Right of Use Assets

The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, being the land leased at Brinkley Landfill.

Set out below are the carrying amounts (written down value) of right of use assets recognised within Infrastructure Property, Plant & Equipment and the movements during the period:

Right of Use Assets (Carrying Value)	Land
At 1 July 2023	129,451
Depreciation Charge	<u>(48,543)</u>
At 30 June 2024	<u>80,908</u>

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

	2024
Opening Balance 1 July 2023	141,604
Accretion of Interest	3,682
Payments	<u>(54,852)</u>
Closing Balance 30 June 2024	<u>90,434</u>
Current	53,598
Non Current	36,836

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

The Authority had total cash outflows for leases of **\$59,437**.

The following are amounts recognised on profit or loss:

Depreciation expense right of use assets	48,543
Interest expense on lease liabilities	<u>8,267</u>
Total amount recognised in profit and loss	<u>56,810</u>

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 16 – SUPERANNUATION

The Authority makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and Statewide Super). 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 (11% in 2023-24; 10.5% in 2022-23). 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 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 2022-23) 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 119.34(a), 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 Willis Towers Watson as at 30 June 2023. 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 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 net assets of the scheme, and no further liability attaches to the Authority.

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

Note 17 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Authority include the Chair, the Board, Executive Officer and certain prescribed officers under section 112 of the Local Government Act 1999. In all, Key Management Personnel were paid the following total compensation:

	2024	2023
	\$	\$
Salaries, allowances and other short term benefits	588,838	207,518
Long term benefits	47,670	10,857
TOTAL	636,508	218,375

Allowances / benefits incurred in the ordinary course of performing the KMPs role, and amounts paid as direct reimbursement of expenses incurred on behalf of the Authority have not been included above.

The following transactions occurred with related parties:

	2024	Outstanding	2023	Outstanding
	\$,000	30 June 2024	\$,000	30 June 2023
		\$,000		\$,000
Adelaide Hills Council - provision of waste processing & disposal service	1,523	236	1,525	187
Alexandrina Council - provision of waste processing & disposal service	278	25	219	19
Mount Barker District Council - provision of waste processing & disposal service	1,473	116	1,325	119
Rural City of Murray Bridge - provision of waste processing & disposal service	814	68	771	69
TOTAL	4,088	445	3,840	394

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

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 Constituent Councils. Constituent Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial operating decisions of the Authority. No Constituent Council individually has control of the policies.

Adelaide Hills Region Waste Management Authority

Certification of Auditor Independence for the year ending 30 June 2024

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2024, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

Greg Georgopoulos
CHIEF EXECUTIVE OFFICER
Adelaide Hills Council



Date: 21 August 2024

Adelaide Hills Region Waste Management Authority

Certification of Auditor Independence for the year ending 30 June 2024

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2024, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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



Alan Harvey
ACTING CHIEF EXECUTIVE OFFICER
Alexandrina Council

Date: 6 August 2024

Adelaide Hills Region Waste Management Authority

Certification of Auditor Independence for the year ending 30 June 2024

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2024, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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



Andrew Stuart
CHIEF EXECUTIVE OFFICER
Mount Barker District Council

Date: 6 August 2024

Adelaide Hills Region Waste Management Authority

Certification of Auditor Independence for the year ending 30 June 2024

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Adelaide Hills Region Waste Management Authority for the year ended 30 June 2024, the Authority's Auditor, Dean Newbery & Partners Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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



Tim Vonderwall
Acting CHIEF EXECUTIVE OFFICER
Rural City of Murray Bridge

Date: 08 August 2024

HEAD OFFICE

214 Melbourne Street
North Adelaide SA 5006

PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
www.deannewbery.com.au

Dean Newbery
ABN: 48 007 865 081

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Adelaide Hills Region Waste Management Authority for the year ended 30 June 2024, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, 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) Regulations 2011*.



SAMANTHA CRETEN

Director

DEAN NEWBERY

2 August 2024



**Polystyrene
Recycling**
(Foam must be white, dry, clean, no tape or stickers)

 **AHRWMA**
Adelaide Hills Regional Waste Management Authority

 **Adelaide Hills
Council**

8

AUDIT AND RISK COMMITTEE **ANNUAL REPORT**





AUDIT & RISK COMMITTEE ANNUAL REPORT 2023/24



AUDIT & RISK COMMITTEE ANNUAL REPORT 2023/24



TABLE OF CONTENTS

1	THE ROLE OF THE COMMITTEE	2
2	LETTER FROM THE CHAIR	3
3	MEMBERSHIP OF THE COMMITTEE.....	4
4	COMMITTEE MEMBER OVERVIEW	5
5	HOW THE COMMITTEE DISCHARGED ITS RESPONSIBILITIES	6
6	COMMITTEE RESOLUTIONS.....	7
7	AUDIT AND RISK COMMITTEE EVALUATION	11
8	AUDIT AND RISK COMMITTEE SKILLS ASSESSMENT	12
9	PLANS FOR FY2025	13

1 THE ROLE OF THE COMMITTEE

Audit and Risk Committees are a key component of local government framework.

Their function is to provide an independent, high level resource to support good governance and strong public financial management. Its purpose is to provide the Board independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

The Audit and Risk Committee operates in accordance with the AHRWMA Audit and Risk Committee Terms of Reference (ToR) and Authority Charter. The ToR details the objectives and role of the Committee.

The Committee's responsibilities include, but are not limited to, the following matters with a view to bringing any relevant issues to the attention of the Board:

- Oversight of the integrity of the Authority's financial reporting and sustainability
- Oversight of governance, risk management and internal control arrangements
- Oversight of the external auditors' performance, objectivity, and independence
- Oversight of the performance of the internal audit function
- Provide independent assurance and advice to the Board on accounting, internal audit, financial management, internal controls, risk management and governance matters
- Provide effective liaison between the External Auditor and the Board

2 LETTER FROM THE CHAIR

Dear Board Members,

As the Chair of the Audit and Risk Committee, I am pleased to present our inaugural annual report for the 2023 / 24 financial year. Since the Committee's inception in 2013, it has been committed to providing robust oversight of the Authority's audit and risk management processes, ensuring that the governance framework continues to meet the highest standards.

Over the past year, the Committee has supported the Board by providing input, review, and recommendations for key documents including the Strategic Plan, Annual Business Plan and Budget, Annual Report, budget reviews, financial statements and major policies. We have established a comprehensive work program, undertaken a self-assessment of our effectiveness inclusive of recommended changes to our Terms of Reference, and implemented an internal control framework. We continue to work closely with the Authority's management and external auditors to ensure transparency and accountability in all our activities.

We acknowledge the resignation of one of our valued members, Heather Barclay, earlier this year and extend our appreciation for their contributions to the Committee.

I would like to express my gratitude to my fellow Committee members, Rebecca Wilson and Alex Oulianoff, for their dedication and expertise. Together, we have made significant progress in strengthening the Authority's audit and risk management functions.

Looking ahead, the Committee remains committed to its role in safeguarding the financial integrity and operational excellence of the Authority. We will continue to work diligently to provide the Board with insightful recommendations and thorough reviews of the Authority's financial, risk and audit processes.

Thank you for your continued support, and we look forward to another productive year.

Yours sincerely,
Elizabeth Williams

Independent Chair, Audit and Risk Committee
Adelaide Hills Region Waste Management Authority

3 MEMBERSHIP OF THE COMMITTEE

During 2023-24, the Audit and Risk Committee was comprised of a four member Committee, with two independent members. Earlier in the year Heather Barclay stepped down from the Audit and Risk Committee due to Heather being appointed as CEO of Rural City of Murray Bridge. The Committee is now comprised of two independent member's and one representative from the Board.

The Committee met five times during the year. The external auditor was in attendance at the September 2023 meeting.

The Authority and the Board are satisfied the current members of the Committee are competent and have recent, relevant and extensive experience, as highlighted by the self-assessment process that the Committee has undertaken.

Committee membership is as follows:

Audit and Risk Committee Membership

Member	Representative	Meetings Attended	Term	Appointed	Expires
Independent Member, Chairperson	Elizabeth Williams	5/5	2 Years	8 February 2023	8 February 2025
Independent Member	Rebecca Wilson	5/5	2 Years	8 February 2023	8 August 2026
Board Representative	Alex Oulianoff	5/5	3 Years	21 September 2022	21 September 2027
Board Representative	Heather Barclay	2/4	3 Years	21 September 2022	Resigned 24 April 2024

4 COMMITTEE MEMBER OVERVIEW

Elizabeth Williams

Elizabeth Williams is an accomplished MBA and CPA-qualified senior executive with over 16 years of invaluable experience in local government. As the Chair of the Audit and Risk Committee, she brings a wealth of knowledge and a deep understanding of various organisational functions.

Her dedication to long-term planning, both financial and non-financial, coupled with her passion for process automation and best practice in customer service, underscores her commitment to excellence. With a strong background as a former AHRWMA Board member, Elizabeth is unwavering in her pursuit of the sustainable growth and continued success of the Adelaide Hills Region Waste Management Authority.



Rebecca Wilson

Rebecca is a seasoned leader with expertise in legal, governance, risk, and compliance, having worked across industries like banking, finance, local government, and statutory bodies. After practicing law, she transitioned to governance roles, including Company Secretary for the Seafood Cooperative Research Centre and Chief Risk Officer at the Royal Automobile Association (RAA).

Currently, she is the Registrar for the Veterinary Surgeons Board of South Australia. She is the director of the Boards of St John Ambulance SA, the Mary Potter Hospice Foundation and Green Industries SA, and a member of the Flinders Law School Advisory Board and the Bedford Group Service Governance Committee.



Alex Oulianoff

Alex is an experienced and dynamic finance professional with over 17 years of experience in both the public and private sectors. Currently the President of the South Australian Local Government Financial Management Group (SALGFMG) and General Manager of Corporate Services for Mount Barker District Council, he brings a wealth of knowledge and strategic insight.

Holding a bachelor's degrees in Commerce, Laws, and Legal Practice, along with a CPA and GAICD accreditation, Alex has spent the last 13 years in local government, demonstrating how commercial acumen can deliver exceptional public value.



AUDIT & RISK COMMITTEE ANNUAL REPORT 2023/24



5 HOW THE COMMITTEE DISCHARGED ITS RESPONSIBILITIES

Key Audit Committee Activities	Sept 2023	Nov 2023	Feb 2024	March 2024	May 2024	June 2024
Financial Reporting	✓					
Budget Reviews		✓	✓		✓	
Considered FY2023 Financial Result Comparison	✓					
Reviewed 2023-24 Budget and Annual Business Plan				✓		
Considered the FY2023 Management Representation Letter	✓					
Policy Review – Credit Card Policy		✓				
Skills Matrix and Self-Assessment						✓
Recommend appointment of External Auditor			✓			
Policy Review – Procurement Policy	✓					
Meet with External Auditors	✓					
Considered progress update on the 2022 Risk Evaluation of the WHS and IM System		✓				
Considered proposed internal control framework implementation and Draft Internal Audit Policy			✓			
Review of the ARC Terms of Reference						✓
FY2024 External Audit Plan				✓		
Policy Review – WHS Policy		✓				
Reviewed General Purpose Financial Reports and Annual Reports for the year ended 30 June 2023	✓					
FY2023 Audit Completion Report	✓					
Policy Review – Entertainment Policy			✓			
Considered FY2023 Equity Interest Report	✓					
Policy Review – Return to Work Policy		✓				
Policy Review - Schedule of Authorities		✓				

AUDIT & RISK COMMITTEE ANNUAL REPORT 2023/24



6 COMMITTEE RESOLUTIONS

Below is a list of resolutions for noting by the Committee or recommendations from the Committee to the Board. All Committee recommendations were adopted by the Board.

Category	Meeting Date	Topic
1.1 Financial Reporting		
	06-09-2023	Draft Financial Statements FY2023 and Annual Report That the Board receives and adopts the General Purpose Financial Reports and Annual Report for the year ended 30 June 2023.
	06-09-2023	FY2023 Audit Completion Report That the Audit and Risk Committee note the Audit Completion Report for the financial year ending 30 June 2023.
	06-09-2023	FY2023 Equity Interest That the Audit and Risk Committee recommend the Board adopt the CCI Schedule FY2023.
	06-09-2023	FY2023 Management Representation Letter Report Report noted.
	06-09-2023	FY2023 Financial Result Comparison That the Audit and Risk Committee recommend the FY2023 Financial Results Comparison be noted by the Board, with administration to make minor amendments in accordance with feedback received at the meeting.
	07-11-2023	FY2024 Budget Review One The Audit Committee recommends that the Board receive and adopt FY2024 budget review one.
	07-11-2023	Significant Transactions Report noted.
	06-02-2024	Appointment External Auditor The Executive Officer to review relevant Local Government Act regulations as it relates to Auditor appointment and circulates a revised report and recommendation out of session.

AUDIT & RISK COMMITTEE

ANNUAL REPORT 2023/24



06-02-2024 **Approach to Internal Controls**

The Audit and Risk Committee supports the implementation of an internal control framework.

The Audit and Risk Committee recommends the Board adopt the Internal Audit Policy.

The Audit and Risk Committee engages with the internal audit firm once appointed to develop a risk based internal audit program.

06-02-2024 **FY2024 Budget Review Two**

The Audit and Risk Committee recommends the Board receive and adopt FY2024 budget review two.

06-02-2024 **Significant Transactions**

Report noted.

07-02-2024 **Appointment External Auditor**

The Audit and Risk Committee recommends the Board endorse the Executive Officer to enact the 2-year extension.

19-03-2024 **FY2024 External Audit Plan**

The Audit and Risk Committee accepts the external audit plan for 30 June 2024.

07-05-2024 **Significant Transactions**

Report noted.

07-05-2024 **FY2024 Budget Review Three**

The Audit and Risk Committee recommends the Board receive and adopt FY2024 budget review three.

1.2 Budgets

19-03-2024 **Draft FY2025 Annual Business Plan and Budget**

Confidential Item.

1.3 Policy Review

06-09-2023 **Procurement Policy Review**

No major issues were noted, however Mount Barker has recently adopted a revised policy and therefore administration will review member Council's policies and LGA templates and circulate to the Audit and Risk Committee out of session prior to presenting to the Board for adoption.

AUDIT & RISK COMMITTEE

ANNUAL REPORT 2023/24



07-11-2023 **Credit Card Policy Review**

That the Audit and Risk Committee recommends that the Board receive and adopts Credit Card Policy V2.0 with minor amendments.

07-11-2023 **Board Approved Policies and Documents**

That the Audit and Risk Committee recommends:

1. The Board adopts the WHS & RTW Policy with the Executive Officer able to make minor edits.
2. The Board approve the Executive Officer to update the Schedule of Authorities (AHR-DOC-920) accordingly.
3. The Entertainment Policy be reviewed as a priority in consideration of the SA Ombudsman Employee Recognition Practices.

06-02-2024 **Board Approved Policies and Documents**

The Audit and Risk Committee recommends the Board adopt the revised AHRPOL-H05 Entertainment Policy with amendments and that further consideration be given to the clauses on Fringe Benefit Tax.

1.4 Risk Management

07-11-2023 **Update – 2022 Risk Evaluation, WHS and IM System**

That the Audit and Risk Committee recommends the Board receive the progress update on the 2022 Risk Evaluation of the WHS and IM System.

06-02-2024 **Approach to Internal Controls**

The Audit and Risk Committee supports the proposed internal control framework implementation and recommends the Board adopt the Internal Audit Policy.

1.5 Other

07-11-2023 **Work Plan**

That an approach to internal control audit be presented at the next Audit and Risk Committee meeting.

07-11-2024 **Draft Strategic Plan**

That the Audit and Risk Committee recommends the Draft Strategic Plan 2023 to 2033 to the Board with minor amendments and formatting.

07-05-2024 **Proposed Changes to the AHRWMA Audit & Risk Committee Terms of Reference**

The Audit and Risk Committee recommends;

1. That Members undertake self-assessment, as per agenda item 5.4, and review the proposed changes to the Audit and Risk Committee Terms of Reference, as provided, by 3 June 2024.
2. That Administration collates the responses received and prepares a draft report and final draft Terms of Reference for Audit and Risk Committee review, out of session, prior to the June Board meeting.
3. Note the upcoming expiry of terms.

07-05-2024 **Final Strategic Plan for Council Approval**

The Audit and Risk Committee recommends that;

1. The Board receives and endorses the Final Strategic Plan and this plan be sent to Constituent Councils seeking approval.
2. The Board approves the Executive Officer to make minor amendments to the plan as required.

07-05-2024 **Audit and Risk Committee Self-Assessment Review Report**

The Audit and Risk Committee recommends;

1. That Members complete individual responses to the Audit and Risk Committee Self-Assessment Survey in attachment b to this report and provide those responses to the Executive Officer by 3 June 2024.
 2. The Executive Officer presents the results of the assessment to the Audit and Risk Committee.
 3. It annually reviews its own performance in line with the purpose of establishing the Committee, and annually reviews the Terms of Reference to ensure it is operating at maximum effectiveness and recommends any changes it considers necessary to the Board.
-

7 AUDIT AND RISK COMMITTEE EVALUATION

The Committee recently conducted a self-assessment of its Terms of Reference and its overall performance. This evaluation was carried out in consultation with all Committee members and considered various factors, including:

- The Committee's work program
- The Committee's ability to fulfill its role and responsibilities
- The Committee's effectiveness
- The working relationship with the senior management team
- The Authority's risk and control environment

The results of the self-assessment were overwhelmingly positive. Out of 42 self-assessment opportunities, 33 were rated as 'strongly agree,' 8 as 'agree,' and 1 received a 'neutral' rating. Several constructive suggestions for improvement were also identified and will be considered, including:

- Strengthening the balance of expertise and experience within the Committee by incorporating more technical waste industry knowledge or private sector skills.
- Increasing interaction with the Board to gain a better understanding of the Authority's strategic direction. The Committee found its inclusion in the strategic planning day to be particularly beneficial.
- Requesting the Board to provide feedback on how the Committee can further enhance its value to the organisation.

Incorporating feedback from the Committee's self-assessment helps to refine its practices and enhance its contribution to the Authority's success.

AUDIT & RISK COMMITTEE ANNUAL REPORT 2023/24



8 AUDIT AND RISK COMMITTEE SKILLS ASSESSMENT

In addition to the self-assessment survey, the Committee also participated in a skills assessment. Members were assessed against the key skills required by the ARHWMA ARC ToR and legislative framework.

Audit and Risk Committee Skills Matrix

	Required / Desired Committee Skills																		
	Financial - Accounting Knowledge	Financial - Auditing Expertise	Financial - Risk Management	Financial - Strategic Financial	Financial - Financial - Planning	Legal - Qualifications	Legal - Contract review	Legal - Policy Development	Legal - Regulatory Knowledge	Governance - Ethical Oversight	Governance - Regulatory Compliance	Governance - Risk Governance	Commercial - Waste and Recycling	Commercial - S/holder Engagement	Commercial - Marketing	Commercial - Regulatory Awareness	Commercial - Innovation and Tech	Strategic Planning	Local Government Expertise
Member 1	✓✓✓	✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓✓	✓✓	✓✓	✓✓	✓✓✓	✓✓✓
Member 2	✓✓✓	✓✓	✓✓✓	✓✓✓	✓✓✓		✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓✓	✓	✓✓	✓✓	✓✓✓	✓✓✓
Member 3	✓	✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓	✓	✓✓✓	✓	✓✓✓	✓✓

AUDIT & RISK COMMITTEE ANNUAL REPORT 2023/24



9 PLANS FOR FY2025

The Audit and Risk Committee's work plan for the 2024/25 fiscal year has been developed to align with the Authority's strategic objectives and to ensure robust oversight of the Authority's functions as per the Committees ToR.

Audit and Risk Committee Work Plan FY2025



Audit and Risk Committee Work Plan 2025		November	February	March	May	September
ARC meeting dates		12/11/2024	11/02/2025	11/03/2025	13/05/2025	9/09/2025
Recommendations to Board Meeting Dates		28/11/2024	20/02/2025	20/03/2025	22/05/2025	18/09/2025
1	Financial Reporting					
1.1	Review statutory financial statements					
1.2	Comparison of actual to budget for year ending 30 June 2023					
1.3	Review quarterly financial position (budget review)					
2	Risk Management					
2.1	Work Health and Safety Update					
2.2	Risk Register					
3	External Audit					
3.1	Consider and make recommendations re appointment of external auditor					
3.2	Review and make recommendation on external audit plan					
3.3	Meeting with external auditor and review findings					
3.4	Review external audit management report and management's response					
4	Governance					
4.1	Review Draft Annual Business Plan					
4.2	Review Asset Management Plan					
4.3	Review Long Term Financial Plan					
4.4	Review of other policies and documents endorsed by Board					
4.5	ARC self-assessment and review					
5	Internal Audit					
5.1	Internal audit work plan					
5.2	Review Internal audit report					
5.3	Independent self-assessment for fixed assets and project costings					



WWW.AHRWMA.COM 08 8532 6385 INFO@AHRWMA.COM
PO BOX 519, MURRAY BRIDGE SA 5253

