

# 2021-22 ANNUAL REPORT





# **CONTENTS**

1	ABOUT AHRWMA	4
2	REPORT FROM THE CHAIR	5
3	STRATEGIC DIRECTION	7
4	GOVERNANCE	8
5	2021/22 ACHIEVEMENTS	12
6	LANDFILL OPERATIONS	17
7	RESOURCE RECOVERY CENTRE OPERATIONS	20
8	2021/22 ANNUAL BUSINESS PLAN	24
9	ORGANISATION CHART 2021/22	26
10	AUDITED FINANCIAL STATEMENTS	27

# **ABOUT AHRWMA**

The Adelaide Hills Region
Waste Management Authority
(the Authority) is a Local
Government Regional Subsidiary
established by its Constituent
Councils – Adelaide Hills Council,
Alexandrina Council, Mount
Barker District Council and
Rural City of Murray Bridge.

Waste management and recycling services for local ratepayers, residents and visitors is a key Local Government function.
The Constituent Councils resolved to work together via the Authority to coordinate waste management and recycling within the region.

The Authority undertakes landfill operations, resource recovery centre management, hook-lift truck transport services and mobile concrete crushing for the benefit of its Constituent Councils. The Authority provides an avenue for Constituent Councils to be represented in relevant forums and provides technical waste and resource management advice to Constituent Councils when required, along with coordinated education services to Constituent Council communities.

The Authority recently completed a review of its Charter and in accordance with the revised Charter established a new five-member Board with an independent Chair. The first meeting of the new Board was held on 16th June 2022.

The Authority continues to focus on optimising and evaluating waste and recycling services throughout the region to determine where it can add value to Constituent Councils by applying a resource sharing model.

# **AHRWMA CONSTITUENT COUNCILS MAP**





# **REPORT**FROM THE CHAIR



Firstly, I would like to thank our Constituent Councils for their continuing support throughout the year, and particularly for their involvement and input during of the charter review process.

I wish to acknowledge the ongoing commitment that the Authority's Executive Officer, Leah Maxwell, and Board Members hold in striving to achieve the best outcomes for the Authority and its Constituent Councils. I am pleased to have seen the increasing efficiency of our operation at the Brinkley landfill site. Our staff have demonstrated their commitment by achieving higher compaction rates through improved practices.

The Authority continues to focus on improved governance and risk management across all areas of operation while assisting its Constituent Councils in delivering efficient and effective waste and resource management services. Beyond these core services the Authority maintains a productive engagement with the wider industry where it continues to represent its Constituent Councils in relevant forums.

The 2021/22 period has been yet another challenging, and successful year for the Authority:

- The Authority has continued to successfully navigate the COVID-19 pandemic, ensuring that all operations were maintained and has also assisted Local Government in coordinating its waste sector response to the pandemic.
- Continued assistance to Constituent Councils with managing the impacts of the China Sword Policy and recycling services.
- Commenced a new contract with the Mount Barker
  District Council for the provision of hook-lift bins
  at the Windmill Hill Transfer Station and transport of
  waste streams off site for processing.
- In line with the Asset Management Plan purchased three new hook-lift bins fitted with individual roll-back tarping systems and carried out a tender process for the replacement of the backhoe loader utilised at the Heathfield Resource Recovery Centre, with the replacement machine scheduled for delivery in September 2022.
- Authority staff continue to navigate changing EPA
   Legislation and ensure systems are in place to meet
   requirements, such as Mass Balance Reporting. As
   Federal legislation continues to evolve in response
   to both external and international challenges, I am
   confident that our organisation will continue to
   respond to these changing conditions appropriately.
- The Authority continues to build a resilient team to ensure we can manage operational needs, meet legislative requirements and the needs of Constituent Councils, while remaining focussed on the delivery of an efficient and timely service to ratepayers and non-constituent councils.

Following the charter review process being finalised, the new Board structure came into effect June 2022, and the previous Board was dissolved. I wish to thank all members of this Board, both current and past, for their support of and commitment to the Authority over many years. Finally, on behalf of this outgoing Board I wish to congratulate the members and Chair of the new Board appointed under the new Charter. We wish them, and all involved with the Authority, continued success in serving their communities in this often-underrated role.

CR HARRY SEAGER

Chair



# STRATEGIC DIRECTION

# **THE VISION**

"Sustainable Waste
Management through
Shared Services for the
communities of Adelaide
Hills, Alexandrina, Mt Barker
and Murray Bridge"



# THE MISSION

- To meet resource recovery targets across the region where economically and environmentally justified.
- To continue to develop and manage the Authority's landfill as an EPA compliant regional landfill, that provides the most cost-effective disposal option for Constituent Councils and commercial customers.
- To educate the regional community on responsible waste choices that enhance and maintain their environment.

# THE OBJECTIVES

# The Authority's vision and mission will be achieved through five key objectives:

- 1. To take a leadership role in resource recovery and community education.
- 2. Responsibly develop and manage the Authority's landfill to be a model regional landfill meeting all legislative requirements and operating benchmarks.
- 3. Financial sustainability in waste services for Constituent Councils by pursuing a shared services model.
- **4.** Advocate, research and promote best practice waste management and actively represent Constituent Councils in all forums.
- 5. A fully compliant regional subsidiary that meets the highest standards in governance, financial and human resource management.

# 4

# **GOVERNANCE**

# **BOARD**

The Authority is administered by a Board in accordance with the *Local Government Act* (1999) and the Authority's Charter.

During 2021/22 the Board consisted of eight Members, being one Elected Member appointed by each Constituent Council and one employee appointed by each Constituent Council. Each Constituent Council also appoints a Deputy Board Member. The Chairperson and Deputy Chairperson of the Board were elected by ballot of the whole Board from those Board Members who are Elected Members. This Board held six meeting during the 2021/22 financial year.

The Authority undertook a review of its Charter and with the introduction of the Authority's revised Charter a new Board was established in June 2022, consisting of five members appointed by the Constituent Councils, including an Independent Chair.

The Board is responsible for managing all activities of the Authority, 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 decisions made by the Board and managing the day-to-day operations of the Authority.

# 2021/22 BOARD MEMBERS

# **RURAL CITY OF MURRAY BRIDGE**

# **Heather Barclay**

General Manager Assets & Infrastructure

# **Cr Fred Toogood**

# Sue Reynolds

Manager City Assets, Deputy Board Member

# MOUNT BARKER DISTRICT COUNCIL

# **Greg Parker**

Executive Officer to the Summit Sport and Recreation Park Board

# **Cr Harry Seager**

Chairperson

# Cr Simon Westwood

Deputy Board Member

# **ALEXANDRINA COUNCIL**

# **Elizabeth Williams**

General Manager Resources

# **Cr Mike Farrier**

### Cr John Carter

Deputy Board Member

# ADELAIDE HILLS COUNCIL

### Marc Salver

Executive and Strategic Policy Planner (resigned April 2022)

# Cr Ian Bailey

Deputy Chairperson

# **2021/22 BOARD MEMBERS**

The new Board commenced June 2022.



CR HARRY SEAGER Chair Attended 5 of 6



CR IAN BAILEY
Deputy Chair
Attended 5 of 6



CR MIKE FARRIER
Attended 5 of 6



CR FRED TOOGOOD
Attended 3 of 6



**CR SIMON WESTWOOD**Deputy Member



**CR JOHN CARTER**Deputy Member



HEATHER BARCLAY
General Manager
Assets & Infrastructure
Attended 4 of 6



GREG PARKER
General Manager
Community Services
Attended 6 of 6



MARC SALVER
Director Development
& Regulatory Services
Attended 3 of 5



ELIZABETH WILLIAMS

General Manager

Resources

Attended 4 of 6



SUE REYNOLDS
Deputy Member
Manager City Assets
Attended 1 of 1

# **AUDIT COMMITTEE**

In accordance with the *Local Government Act* (1999) the Authority has an Audit Committee.

The principal objective of the Audit Committee is to add value to and improve the Authority's operations, by assisting the Board to meet its legislative and probity requirements as required by the *Local Government Act* (1999) and other relevant legislation, standards and codes. During 2021/22 the Audit Committee comprised of two Board Members as determined by resolution of the Board and one Independent Member, who is also the Chair:

# **INDEPENDENT MEMBER:**

# **Peter Brass**

Attended 5 of 5 meetings

# **BOARD MEMBERS:**

# **Greg Parker**

Mount Barker District Council
Attended 5 of 5 meetings

# **Elizabeth Williams**

Alexandrina Council
Attended 4 of 5 meetings

The Audit
Committee meets as
required and at least once
every four months, prior to
Board Meetings. The Audit
Committee held 5 meetings
during the 2021/22
financial year.





# 5

# 2021/22

# **ACHIEVEMENTS**

- Continued to navigate COVID-19 lockdowns and restrictions successfully, ensuring essential waste services were maintained. The Authority's Executive Officer has also assisted the LGA in coordinating its waste sector response to the pandemic.
- Fees and charges have been reviewed and updated, considering the waste disposal levy increases for the period.
- A tender process was carried out for the changeover of the backhoe utilised at the Heathfield Resource Recovery Facility. Despite the order being placed with the successful tenderer in May, due to global market impacts, the machine is not expected to be received until September 2022.
- The mattress stockpile at the Brinkley Landfill was processed, of which approximately 2,100 mattresses were processed in August 2021. This generated 26.56 tonnes of steel for recycling and 38.96 tonnes of flock returned to landfill.
- Overall, 57.7 tonnes of steel were recovered from the landfill during the 2021/22 financial year, generating \$19,870 in revenue when combining the recovered EPA levy with the income from scrap metal recyclers.
- A compaction rate of 0.81t/m3 was achieved at the Brinkley Landfill across Cells 7 and Cell 8/9 for the 2021/22 financial year. While this reflects a drop in compaction on the previous financial year of 0.03t/m3 this is still a positive compaction rate result, considering the volume of waste received into cell 8/9 increased by almost 30% on the previous financial year and 80% of this increase was hard waste which is challenging to compact. The combined compaction rate still exceeded the long running target of 0.8 t/m3.
- The receival of waste into Cell 7
  was put on hold for much of
  the 2021/22 financial year as a
  landfill management strategy,
  to ensure adequate levels and
  filling rates across the site.
- 1,280 cubic metres of mulch was produced at the Brinkley RRC.
- 4,024 tonnes of concrete were crushed to produce rubble at the Brinkley RRC. This material was tested with the results categorising the material as waste fill suitable for re-use. An additional 100 tonnes of material were reduced in size using the pulveriser.





- A grant application was submitted to GISA for the acquisition of a waste grapple that can be fitted to the wheel loader to assist with the handling and removal of various waste streams (mattresses, tyres, steel) from the landfill. This application was successful, the order was placed in May 2022 with the grapple arriving in August 2022.
- 8,480m3 of mulch was produced at the Heathfield RRC over four individual processing campaigns.
- The polystyrene melt machine that was installed at the Heathfield RRC in December 2020 is operating 4-5 times per week and produced approximately 480 melted poly blocks with a total weight of roughly 4.25 tonnes. This product is then sold to be reused in the manufacture of other products made of plastic (ie picture frames).
- A landfill gas feasibility study is being undertaken by an external body. This is being completed following the EPA's review of the phyto-cap landfill capping design that was drafted and submitted to the EPA for review and approval. This will provide valuable insight into the preferred type of landfill cap for our site while managing landfill gas.
- Despite several capital items being scheduled for renewal during the 2021/22 financial year (landfill compactor, excavator, E/O vehicle) these were not achieved due to impacts relating to COVID-19.





# MAJOR PURCHASES

- 10 hook-lift bins with tarps
  - Waste Grapple
  - Replacement backhoe, (machine to be delivered September 2022)

# **COMPLIANCE**

- The Authority's revised Charter was gazetted 9th June 2022.
   The new board met for the first time on the 16th of June 2022.
- The charter review also included a review of the equity interest calculation methodology and this has been reflected in a 2021/22 CCI schedule.
- The WHS system implementation continued during 2021/22, to formalise WHS requirements and to continually improve WHS.
- A Work Health Safety and Return to Work Plan has been developed, approved and implemented.

- The Authority continues to achieve a high-level of EPA compliance by meeting Solid Waste Levy and Mass Balance Legislation.
- A Competitive Neutrality review was conducted and the report adopted by the Board.
- The Authority continues to review and develop a suite of policies and procedures. This suite supports the Authority's commitment to minimise risk. Among the documents implemented during the year include a reviewed Risk Management Framework, reviewed Procurement Procedure and new Board Member Code of Conduct.
- A Regional Waste and Resource Recovery plan has been drafted.





# VALUE ADD, RESOURCE SHARING AND RESOURCE RECOVERY CENTRES

- Free greens days have been held across the RRCs on behalf of Constituent Councils.
- Hook-lift waste and recycling transport services continue to be provided across the region.
- Through the "Paintback" scheme, 7,675kgs of paint and related product were recovered through the Brinkley RRC and 38,189kgs of paint and related product were recovered through the Heathfield RRC.
- The Heathfield RRC also recovered 87,891kgs of hazardous waste via the on-site "Household Hazardous Waste and Chemical Drop-off Facility" for processing. This is an increase of more than 27% on the previous year.
- The Heathfield RRC received an upgrade to the mulch, waste soil and waste concrete bay area with funding provided by the Adelaide Hills Council.
- The Authority submitted and was awarded the tender to undertake the hook-lift transport services for the Mount Barker District Council. An agreement was established with Mount Barker and the service commenced.
- Positive working relationships have been maintained with Constituent Councils, commercial and non-member local government customers.
- Assistance has continued to be provided to Constituent Councils regarding the recycling market changes resulting from the China Sword Policy and the Authority has ensured Constituent Council representation across all forums.
- The Authority has continued to participate in a high-level education working group assisting Green Industries SA with the implementation of a state-wide education program titled "Which Bin".
- The Authority has assisted with a joint hard waste tender between Murray Bridge and Mount Barker Councils.

# **FINANCES**

- The audited financials have been completed for the 2021/22 financial year and are attached.
- The year to 30 June 2022 ended with the Authority achieving a total surplus of \$384K compared to a third quarter budget review of net surplus \$102K.
- The Brinkley RRC finished the financial year in line with the budgeted target of a net loss of \$34,000. Processing of material on site occurred in 2021/22 as planned.
- The Heathfield site finished the year with a net loss of \$65,302, compared to a budgeted net loss of \$50,000, a negative variance of \$15,302.
- The Authority will continue to monitor the Resource Recover Centre budgets and adjust operations where required, aiming to minimise the losses across the site. It is recognised that the sites are operated for community benefit and we aim to recover costs at the sites and work towards a break-even position, without significantly increasing user fees.





# 6

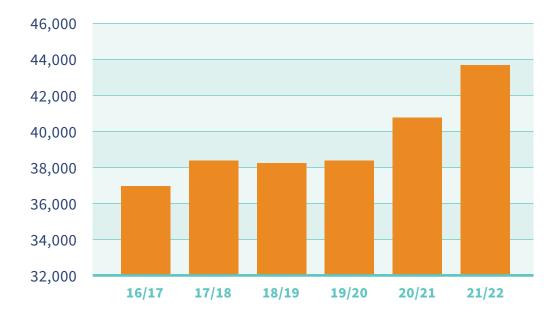
# LANDFILL OPERATIONS

# **BRINKLEY LANDFILL STATISTICS**

Waste disposed to landfill increased by 2,866 tonnes in the 2021/22 financial year. Waste tonnes to landfill increased across all sectors.

Constituent Council tonnes increased by 2,516 tonnes, other Local Government increased by 345 tonnes and commercial tonnes increased by 5 tonnes. This increase in waste disposal may be a result of COVID-19 implications along with growth across the regions serviced by the landfill.

# WASTE TONNES TO LANDFILL







# **REVENUE**

Landfill gross revenue increased in 2021/22 due to increasing tonnes and an increase in the Solid Waste Disposal Levy.

The Authority is required to pay the Solid Waste Disposal Levy for every tonne of waste disposed to landfill and therefore collects the levy from Constituent Councils and landfill customers as part of the landfill gate fees.

In 2021/22 the levy increased from \$71.50 to \$74.50 for non- metropolitan waste and from \$143.00 to \$149.00 for metropolitan waste.

# LANDFILL GROSS REVENUE



# **FINANCIAL INDICATORS**

The Authority adopted financial indicators for 2021/22 financial year which are outlined in the table below.

	Budget	Actual	Short Term Adopted Target
Operating Surplus Ratio	6%	5%	>0%
Net Financial Liabilities Ratio	38%	13%	70%
Asset Renewal Funding Ratio	97%	0%	100%



# **RESOURCE RECOVERY**

# CENTRE OPERATIONS

The Authority manages two Resource Recovery Centres (RRCs) on behalf of its Constituent Councils. These sites are the Heathfield RRC, which serves the Adelaide Hills Council area with an approximate population of 40,000 people and the Brinkley RRC, which serves the Rural City of Murray Bridge area with an approximate population of 22,000 people.

# SITE USAGE

Both facilities have shown strong customer growth since the Authority commenced operations. The Heathfield customer numbers have increased over previous years, which is likely a result of increased services, such as the chemical drop off, fire waste disposal and free green organics days. This trend remained steady during 2021/22. The Brinkley RRC customer patronage also remained steady during 2021/22.



# **HEATHFIELD RRC TRANSACTIONS**



# **BRINKLEY RRC TRANSACTIONS**







**TONNES TO LANDFILL** 

The tonnes of waste disposed to landfill from the Brinkley RRC have increased for 2021/22. All material which can be reused, reprocessed, or recycled is removed from the waste stream prior to transportation to landfill. For example, green organics are chipped on site and sold as mulch and construction and demolition material is stored for crushing and reuse.

The Authority collects asbestos,
Drummuster containers and tyres across our RRCs for recycling or appropriate disposal at licenced facilities.

# RESOURCE RECOVERY SITES WASTE TONNES TO LANDFILL

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Heathfield	1,840	1,562	1,533	1,719	1,760	1,940
Brinkley	1,818	1,719	1,623	1,138	1,041	1,137



# (8)

# **2021/22 ANNUAL**

# **BUSINESS PLAN**

# RESPONSES TO THE 2021/22 ANNUAL BUSINESS PLAN, PERFORMANCE TARGETS AND MEASURES



- 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.
- Represent Constituent Councils in the waste and resource recovery sector.

The Authority has continued to represent Constituent Councils in the waste and resource recovery sector while embracing the waste hierarchy and circular economy principals via its operations and services.

**3** Finalise the charter review.

The charter review was finalised, gazetted and a new Board established, including an Independent Chair.

Develop a regional waste and resources management plan.

A regional waste and resources management plan was drafted and circulated to the Board.

**5** Finalise the 10-year Strategic Plan.

The 10-year Strategic Plan is not yet finalised as this was delayed due to a new Board being established. A strategic planning workshop has been undertaken with the new Board. The reviewed capping and closure plan for Cell 6 has been delayed pending the findings and recommendations from the Landfill Gas feasibility study which is underway.

6 Implement staged capping and closure of Brinkley landfill cells in accordance with capping and closure plan.

Cell 7 is receiving "solid inert" waste in line with directions from the EPA, while all putrescible waste is deposited in cell 8/9.

- Continue to manage the Brinkley Landfill site and cell construction to maintain adequate airspace for waste disposal needs.
- Manage the Brinkley Landfill as a compliant facility.

The final stage of cell 8/9 is currently being excavated, this process also generates "daily cover" required for landfill compliance and operating cost minimisation. The completion of this final stage is scheduled for the 2022/23 financial year.

Establish the landfill to be a model and leading-edge regional facility. Utilise the landfill and transfer stations as educational tools where possible.

The landfill continues to operate and evolve in line with best-practise filling techniques utilising industry leading plant and equipment.

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.

The Authority continues to provide up-to-date waste and resource management industry advice and information to its Constituent Councils by regularly attending/participating in industry focussed forums.

Continue to implement media and advertising programs aiming to increase education across the region.

Filming was carried out at the Brinkley Landfill site in June 2021 at the request of Adelaide Hills Council to be uploaded and featured on their website as an educational tool.

In conjunction with Constituent Councils continue services across Constituent Councils via the Strategic Resource Recovery Coordinator role and implement an additional shared resource across the Members that require this service.

The Constituent Councils decided to discontinue the Strategic Resource Recovery Coordinator role. A new Authority position is proposed for 2022/23.

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.

A combined "Hard Waste Collection Service" tender has been prepared on behalf of two Constituent Councils.

Maintain quarterly meetings with key senior staff from each of the Constituent Councils to consider Constituent Council priorities.

Quarterly meetings with key senior staff from Constituent Councils were difficult to complete due to COVID-19 impacts however communication lines remained open.

Maintain and conduct at least two catch up meetings between Constituent Council CEO's and the Authority EO.

The EO met with CEOs as required and presented to Constituent Councils at Councils discretion.

Continue to provide quarterly key outcomes summary to Constituent Councils, following Board Meetings.

Quarterly key outcomes were provided to Constituent Councils following Board meetings.

Continue to operate the Resource Recovery
Centres efficiently, with a focus on resource
recovery, waste hierarchy and cost effectiveness.

The Resource Recovery Centres continue to operate efficiently and effectively with a focus on maximising resource recovery wherever possible.

- 18 Review and update WHS policies and systems.
- Work with the LGA Mutual Liability Scheme to ensure the Authority is meeting requirements.

WHS policies and procedures have continued to be reviewed and implemented where required, along with some new systems and processes with a focus on continual improvement, while working with the guidance of the LGA Mutual Liability Scheme to ensure the Authority is meeting its requirements.

20 Undertake a customer and charging review.

A review of customers and relevant charges was undertaken to ensure relevant discounts were being applied appropriately and accordingly.

Work with Constituent Councils to consider upcoming opportunities for kerbside collection and recycling contracts – particularly across Mount Barker and Murray Bridge Councils.

See 13 response.

9

# **ORGANISATION CHART**



# 2021-22 AUDITED FINANCIAL STATEMENTS



# Adelaide Hills Region Waste Management Authority General Purpose Financial Reports for the year ended 30 June 2022

# **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	17
Note 8 - Reconciliation of Cash Flow Statement	18
Note 9 - Financial Instruments	19
Note 10 - Expenditure Commitments	21
Note 11 - Contingencies, Assets & Liabilities not Recognised	21
Note 12 - Events Occuring After Reporting Date	21
Note 13 - Superannuation	22
Note 14 - Financial Indicators	23
Note 15 - Uniform Presentation of Finances	24
Note 16 - Operating Leases	25
Note 17 - Related Party Transactions	26
Council Certificate of Audit Independence	27
Auditor Certificate of Audit Independence	32

# Adelaide Hills Region Waste Management Authority Annual Financial Statements for the year ended 30 June 2022

# **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 2022 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.

Ben Tume

**ACTING EXECUTIVE OFFICER** 

Date: 21 September 2022

Adrian Skull CHAIRPERSON

1

# **Statement of Comprehensive Income**

for the year ended 30 June 2022

		2022	2021
	Notes	\$	\$
INCOME			
User charges	2	5,725,347	5,300,030
Grants, subsidies and contributions	2	20,000	=
Investment income	2	915	16
Other income	2	2,509,049	3,991,821
Total Income	_	8,255,311	9,291,867
	_		
EXPENSES			
Employee costs	3	1,608,869	1,388,354
Materials, contracts & other expenses	3	5,567,723	5,371,434
Depreciation, amortisation & impairment	3	680,098	612,849
Finance costs	3	14,485	32,143
Total Expenses		7,871,175	7,404,780
	_		
OPERATING SURPLUS / (DEFICIT)	_	384,136	1,887,087
	_		
Asset disposal & fair value adjustments	4	<u>-</u>	47,052
<b>NET SURPLUS / (DEFICIT)</b> (transferred to Equity Statement)		384,136	1,934,139
TOTAL COMPREHENSIVE INCOME	_	384,136	1,934,139

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

# **Statement of Financial Position**

# as at 30 June 2022

		2022	2021
ASSETS	Notes	\$	\$
Current Assets			
Cash and cash equivalents	5	1,051,069	264,637
Trade & other receivables	5	1,355,484	1,788,975
Inventories	5	9,153	1,958
Total Current Assets	_	2,415,706	2,055,570
Non-current Assets	•	4.000.000	4 744 050
Infrastructure, property, plant & equipment	6_	4,373,956	4,744,650
Total Non-current Assets Total Assets	-	4,373,956	4,744,650
lotal Assets	-	6,789,662	6,800,220
LIABILITIES			
Current Liabilities			
Trade & other payables	7	847,330	853,291
Borrowings	7	224,073	671,808
Provisions	7	338,649	308,568
Total Current Liabilities	_	1,410,052	1,833,667
Non-current Liabilities			
Borrowings	7	141,604	190,429
Provisions	7	1,893,306	1,815,560
Total Non-current Liabilities	′ -	2,034,910	2,005,989
Total Liabilities	-	3,444,962	3,839,656
NET ASSETS	_	3,344,700	2,960,564
	-	0,011,100	2,000,001
EQUITY			
Accumulated Surplus		3,344,700	2,960,564
TOTAL EQUITY	_	3,344,700	2,960,564

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

# Statement of Changes in Equity for the year ended 30 June 2022

		Accumulated Surplus	TOTAL EQUITY
2022	Notes	\$	\$
Balance at end of previous reporting period		2,960,564	2,960,564
Net Surplus / (Deficit) for Year		384,136	384,136
Balance at end of period		3,344,700	3,344,700
2021			
Balance at end of previous reporting period		1,026,425	1,026,425
Net Surplus / (Deficit) for Year		1,934,139	1,934,139
Balance at end of period		2,960,564	2,960,564

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

# **Statement of Cash Flows**

for the year ended 30 June 2022

		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	\$	\$
Receipts:			
User charges		5,669,183	5,812,283
Investment receipts		359	16
Grants utilised for operating purposes		20,000	-
Other revenues		2,994,261	2,899,094
Payments:			
Employee costs		(1,550,030)	(1,348,408)
Materials, contracts & other expenses		(5,597,961)	(5,985,112)
Finance payments	-	(17,954)	(37,033)
Net Cash provided by (or used in) Operating Activities		1,517,858	1,340,840
	-		
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts:			
Sale of replaced assets		-	80,780
Payments:			
Expenditure on renewal/replacement of assets		-	(514,300)
Expenditure on new/upgraded assets	-	(234,866)	(64,200)
Net Cash provided by (or used in) Investing Activities		(234,866)	(497,720)
Payments:	-		
Repayments of borrowings		(450,000)	(801,607)
Repayment of principal portion of lease liabilities	-	(46,560)	(44,373)
Net Cash provided by (or used in) Financing Activities		(496,560)	(845,980)
Net Increase (Decrease) in cash held	-	786,432	(2,860)
Cash & cash equivalents at beginning of period	8	264,637	267,497
Cash & cash equivalents at end of period	8	1,051,069	264,637

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

# Notes to and forming part of the Financial Statements

### for the year ended 30 June 2022

**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 Authority is a Local Government Authority 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

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 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

Adelaide Hills Region Waste Management Authority operates as a regional subsidiary pursuant to Section 43 of the Local Government Act 1999 & 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, Mt Barker. These financial statements have been prepared for use by Constituent Councils of the Authority.

### 3 Income recognition

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

### 4 Cash, Cash Equivalents and Other Financial Instruments

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

### 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 policy applied to financial instruments forms part of Note 9.

### 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.

# Notes to and forming part of the Financial Statements

# for the year ended 30 June 2022

Note 1 - Significant Accounting Policies

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

Office Furniture & Equipment \$1,000

Other Plant & Equipment \$1,000

Landfill Assets \$1,000

Road Construction & Reconstruction \$10,000

### 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.

### 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 in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

### Plant, Furniture & Equipment

Office Equipment 3 - 5 years

Other Plant & Equipment 3 - 10 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

### 6.5 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 inflows or value in use).

# Notes to and forming part of the Financial Statements

### for the year ended 30 June 2022

Note 1 - Significant Accounting Policies

### 6.6 Borrowing Costs

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

### 7 Payables

### 7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

### 7.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Authority 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 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 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 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.

# 9.2 Superannuation

The Authority makes superannuation contributions in respect of its employees to the Hostplus Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policy and the Authority's involvement with the scheme are reported in Note 13.

# 9.3 Provision for reinstatement, restoration and 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 an alternate capping design being accepted by the Environmental Protection Authority South Australia (EPA) which is in the process of being approved. Should there be an unfavourable outcome from the alternate capping plan application process, this may result in further increases to the liability needing to be recorded in future periods.

#### Notes to and forming part of the Financial Statements

#### for the year ended 30 June 2022

Note 1 - Significant Accounting Policies

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.

#### 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 comencement 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 Changes to comparative figures

During the financial year, the Authority has reviewed the allocation and classification of some transactions which has been updated in the comparative information presented. Changes in classification has resulted in no change to the previously reported financial performance and position of the Authority.

#### 12 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.

# Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 2 - INCOME

	2022	2021
Notes	\$	\$
USER CHARGES		
Waste processing and disposal fee	5,725,347	5,300,030
	5,725,347	5,300,030
INVESTMENT INCOME		
Interest on investments:		
Interest on investments	915	16
	915	16
OTHER INCOME		
Consultancy service	10,053	14,889
Waste officer contribution	59,588	174,671
Waste transfer station income	1,711,808	1,648,655
Waste transfer station recuperation	99,302	52,773
Transport income	317,837	250,938
Fuel tax rebate	52,185	48,219
Machinery charge out	109,774	123,725
Recycled income	15,745	8,561
Sundry	132,757	1,669,390
	2,509,049	3,991,821
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Sundry	20,000	=
The functions to which these grants relate are shown in Note 12.		
Sources of grants		
Other	20,000	<u> </u>
	20,000	

# Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 3 - EXPENSE

		2022	2021
	Notes	\$	\$
EMPLOYEE COSTS			
Salaries and Wages		1,187,834	1,017,531
Employee leave expense		174,725	164,666
Superannuation - defined contribution plan contributions	13	123,126	102,336
Superannuation - defined benefit plan contributions	13	4,595	3,071
Workers' Compensation Insurance		46,358	34,012
Other	_	72,231	66,738
Total Operating Employee Costs	=	1,608,869	1,388,354
Total Number of Employees		16	13
(Full time equivalent at end of reporting period)			
MATERIALS, CONTRACTS & OTHER EXPENSES			
Prescribed Expenses			
Auditor's Remuneration			
- Auditing the financial reports		5,289	5,508
Bad and Doubtful Debts	=	<u> </u>	812
Subtotal - Prescribed Expenses	_	5,289	6,320
Other Materials, Contracts & Expenses			
Materials, contractors and other		293,753	364,193
Waste transfer station expenses		1,212,752	1,134,076
Consultants		47,044	52,681
Administration and Board		76,094	71,261
EPA licence fee		9,793	9,611
Repairs and maintenance		201,980	179,075
Insurance and legal		39,978	66,053
EPA waste levy paid		3,394,154	3,311,107
Parts, accessories & consumables		263,237	157,621
Sundry		23,649	19,436
Subtotal - Other Materials, Contracts & Expenses	_	5,562,434	5,365,114
	_	5,567,723	5,371,434

# Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 3 - EXPENSE con't

		2022	2021
	Notes	\$	\$
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Road infrastructure		5,534	5,534
Buildings		15,062	15,012
Vehicles		31,501	29,378
Plant and equipment		317,487	284,909
Landfill cells		144,320	99,583
Leachate pond		8,697	8,697
Landfill rehabilitation		46,121	38,443
Landfill cell capping		62,833	82,750
Right of Use Assets	16	48,543	48,543
		680,098	612,849
FINANCE COSTS			
Interest on overdraft and short-term drawdown		8,323	24,999
Interest on Leases		6,162	7,144
	_	14,485	32,143

# Notes to and forming part of the Financial Statements

## for the year ended 30 June 2022

#### Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

		2022	2021
	Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
Assets renewed or directly replaced			
Proceeds from disposal		-	80,780
Less: Carrying amount of assets sold	_		33,728
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	_	-	47,052

# Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 5 - CURRENT ASSETS

		2022	2021
CASH & EQUIVALENT ASSETS	Notes	\$	\$
Cash on Hand and at Bank		324,529	264,637
Deposits at Call		726,540	-
	_	1,051,069	264,637
TRADE & OTHER RECEIVABLES	_		
Accrued Revenues		705,312	1,209,967
Debtors - general	_	650,172	579,008
		1,355,484	1,788,975
INVENTORIES			
Stores & Materials	_	9,153	1,958
	_	9,153	1,958

# Adelaide Hills Region Waste Management Authority Notes to and forming part of the Financial Statements for the year ended 30 June 2022

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

			Carrying Amount	88,477	155,955	77,524	1,756,476	962,151	102,438	171,273	838,008	43,660	177,994	4,373,956	4,744,650
	22	00	Acc' Dep'n	(49,875)	(121,244)	(87,244)	(2,056,669)	(1,596,991)	(71,500)	(289,933)	(699,074)	•	(145,629)	(5,118,159)	(4,438,060)
	2022	\$.000	Cost	138,352	277,199	164,768	3,813,145	2,559,142	173,938	461,206	1,537,082	43,660	323,623	9,492,115	9,182,710
			Fair Value	•	•	•	1	1	•	•	•	•	-	-	1
			Carrying Amount	94,011	168,350	109,025	1,859,874	1,106,471	111,135	217,509	851,738	1	226,537	4,744,650	4,936,546
	21	00	Acc' Dep'n	(44,341)	(106,182)	(55,743)	(1,739,181)	(1,452,671)	(62,803)	(243,812)	(636,241)	1	(97,086)	(4,438,060)	(3,955,243)
,	2021	\$,000	Cost	138,352	274,532	164,768	3,599,055	2,559,142	173,938	461,321	1,487,979	1	323,623	9,182,710	8,891,789
			Fair Value	-	1	'	1	1	'	'	1	'	_	-	-
			Fair Value Level												Se
				4			nt			L	Cr		S		Comparatives

Plant and equipment

Road infrastructure

Buildings Vehides Landfill rehabilitation Landfill cell capping

Leachate pond

Landfill cells

Right of Use Assets

WIP

Total IPP&E

This Note continues on the following pages.

15

Adelaide Hills Region Waste Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

_		_												_	
2022	<b>↔</b>	Carrying	Amount	88,477	155,955	77,524	1,756,476	962,151	102,438	171,273	838,008	43,660	177,994	4,373,956	4,744,650
		Net	Reval'n	•	•	•	•	•	•	•	•	•	•	-	•
Year			Impair't Adjustment		•	•	•	•	•	(115)	49,103	•	•	48,988	(123,819)
t During the			Impair't		•	•	•	•	•	•	•	•	•	-	•
Carrying Amounts Movement During the Year	↔		Dep'n	(5,534)	(15,062)	(31,501)	(317,487)	(144,320)	(8,697)	(46,121)	(62,833)	•	(48,543)	(880,089)	(612,849)
ying Amoun			Disposals	•	•	•	•	•	•	•	•	•	•	-	(33,728)
Carr		Additions	Renewals	•	•	•	•	•	•	•	•	•	•	-	514,300
		Addir	New / Upgrade Renewals	-	2,667	•	214,089	•	•	•	•	43,660	•	260,416	64,200
2021	↔	Carrying	Amount	94,011	168,350	109,025	1,859,874	1,106,471	111,135	217,509	851,738	•	226,537	4,744,650	4,936,546
				Road infrastructure	Buildings	Vehicles	Plant and equipment	Landfill cells	Leachate pond	Landfill rehabilitation	Landfill cell capping	WIP	Right of Use Assets	Total IPP&E	Comparatives

This note continues on the following pages.

## Notes to and forming part of the Financial Statements

#### for the year ended 30 June 2022

Note 7 - LIABILITIES

	2022			20	21
		;	\$	;	\$
TRADE & OTHER PAYABLES	Notes	Current	Non- current	Current	Non-current
Goods & Services		744,440	-	768,118	-
Payments received in advance		15,000	-	20,000	-
Accrued expenses - other		765	-	4,234	-
GST Payable		43,173	-	24,262	-
Other Payables		43,952	<u>-</u>	36,677	-
		847,330	-	853,291	-
Amounts included in trade & other payables that are not expected to be settled within 12 months of reporting date.					
BORROWINGS					
Leases Liabilities	16	48,825	141,604	46,560	190,429
LGFA cash advance debenture facility		175,248	<u>-</u>	625,248	-
		224,073	141,604	671,808	190,429
All interest bearing liabilities are secured ov	er the fut	ure revenues	of the Council.		
PROVISIONS					
Employee entitlements (including oncosts)		338,649	51,800	308,568	23,042
Future reinstatement / restoration, etc		-	461,206	-	461,321
Cell capping		-	1,380,300		1,331,197
		338,649	1,893,306	308,568	1,815,560
Movements in Landfill Provisions - 2022 year only (current & non-current)		Future Reinstate- ment	Cell capping	Total	
Opening Balance		461,321	1,331,197	1,792,518	
Add (Less) Remeasurement Adjustments		(115)	49,103	48,988	=
Closing Balance		461,206	1,380,300	1,841,506	_
			_		

# Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### 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:

		2022	2021
	Notes	\$	\$
Total cash & equivalent assets	5	1,051,069	264,637
(b) Reconciliation of Change in Net Assets to Cash from Op	erating Ac	tivities	
Net Surplus (Deficit)		384,136	1,934,139
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		680,098	612,849
Net increase (decrease) in unpaid employee benefits		58,839	39,946
Net (Gain) Loss on Disposals		-	(47,052)
	·-	1,123,073	2,539,882
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		433,491	(1,174,426)
Net (increase) decrease in inventories		(7,195)	298
Net increase (decrease) in trade & other payables	_	(31,511)	(24,914)
Net Cash provided by (or used in) operations		1,517,858	1,340,840
(c) Non-Cash Financing and Investing Activities			
Estimated future reinstatement etc. costs	_	48,988	(123,819)
(d) Financing Arrangements	-		
Unrestricted access was available at balance date to the following	ng lines of c	redit:	
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.

#### Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 9 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as loans and receivables.

**Accounting Policies - Recognised Financial Instruments** 

Bank, Deposits at Call Accounting Policy: initially recognised at lower of cost and net

realisable value, interest is recognised when earned.

Terms & conditions: deposits at call have an average maturity of 90

days and an average interest rate of 1.55% (2021: 90 days 0.3%)

Carrying amount: approximates fair value due to the short term to

Receivables - Fees and other charges

Accounting Policy: carried at nominal values less any allowances for

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

Terms & conditions: liabilities are normally settled on 30 days after the

month of invoice.

Carrying amount: approximates fair value.

Liabilities - Interest Bearing

Borrowings

Accounting Policy: carried at the principle amounts. Interest is charged

as an expense as it accrues.

Terms & conditions: secured over future revenues, interest is payable

quarterly and principle due at CAD end date.

Carrying amount: approximates fair value.

Liabilities - Leases

Accounting Policy: accounted for in accordance with AASB 16 as

stated in note 1.

## Notes to and forming part of the Financial Statements

#### for the year ended 30 June 2022

Note 9 - FINANCIAL INSTRUMENTS (con't)

#### **Liquidity Analysis**

2022		Due < 1 year	Due > 1 year <a></a> 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets		\$'000	\$'000	\$'000	\$'000	\$'000
Cash & Equivalents		1,051,069	-	-	1,051,069	1,051,069
Receivables		1,383,072	-	-	1,383,072	1,355,484
	Total	2,434,141	-	-	2,434,141	2,406,553
Financial Liabilities						
Payables		846,565	-	-	846,565	846,565
<b>Current Borrowings</b>		190,407	-	-	190,407	175,248
Lease Liabilities		53,776	148,595	-	202,371	190,429
	Total	1,090,748	148,595		1,239,343	1,212,242
2021		Due < 1 year	Due > 1 year; <pre></pre> <pre></pre> <pr< td=""><td>Due &gt; 5 years</td><td>Total Contractual Cash Flows</td><td>Carrying Values</td></pr<>	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2021 <u>Financial Assets</u>		Due < 1 year \$'000	• •		Contractual	, ,
		·	≤ 5 years	years	Contractual Cash Flows	Values
Financial Assets		\$'000	≤ 5 years	years	Contractual Cash Flows \$'000	Values \$'000
Financial Assets  Cash & Equivalents	Total	\$'000 264,637	≤ 5 years	years	Contractual Cash Flows \$'000 264,637	Values \$'000 264,637
Financial Assets  Cash & Equivalents	Total	\$'000 264,637 1,788,975	≤ 5 years	years	Contractual Cash Flows \$'000 264,637 1,788,975	Values \$'000 264,637 1,788,975
Financial Assets  Cash & Equivalents  Receivables	Total	\$'000 264,637 1,788,975	≤ 5 years	years	Contractual Cash Flows \$'000 264,637 1,788,975	Values \$'000 264,637 1,788,975
Financial Assets Cash & Equivalents Receivables Financial Liabilities	Total	\$'000 264,637 1,788,975 2,053,612	≤ 5 years	years	Contractual Cash Flows \$'000 264,637 1,788,975 2,053,612	Values \$'000 264,637 1,788,975 2,053,612
Financial Assets  Cash & Equivalents Receivables  Financial Liabilities Payables	Total	\$'000 264,637 1,788,975 2,053,612 849,057	≤ 5 years	years	Contractual Cash Flows \$'000 264,637 1,788,975 2,053,612	Values \$'000 264,637 1,788,975 2,053,612 849,057

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

	30 June	2022	30 Jun	e 2021
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$'000	%	\$'000
LGFA cash advance debenture	1.75	175,248	2.4	625,248
Non interest bearing	_	842,728	_	849,057
		1,017,976	•	1,474,305

# Notes to and forming part of the Financial Statements

#### for the year ended 30 June 2022

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 theAuthority 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 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 Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. The Authority also has available a range of 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 - EXPENDITURE COMMITMENTS

The Authority as at 30 June 2022 had no obligation for expenditure.

#### Note 11 - CONTINGENCIES, ASSETS & LIABILITIES NOT RECOGNISED

There were no contingencies, assets or liabilities not recognised subsequent to 30 June 2022 that need to be disclosed in the financial statements.

#### Note 12 - EVENTS OCCURING AFTER REPORTING DATE

There were no events subsequent to 30 June 2022 that need to be disclosed in the financial statements.

#### Notes to and forming part of the Financial Statements

#### for the year ended 30 June 2022

Note 13 - SUPERANNUATION

The Authority makes employer superannuation contributions in respect of its employees to Hostplus (formerly 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 (9.5% in 2020-21; 10.0% in 2021-22). 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 2020-21) 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 Willis Towers Watson as at 30 June 2021. 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 net assets of the scheme, and no further liability attaches to the Authority.

# Notes to and forming part of the Financial Statements

#### for the year ended 30 June 2022

#### Note 14 - FINANCIAL INDICATORS

	2022	2021	2020
Operating Surplus Ratio			
Operating Surplus	4.7%	20.3%	2.0%
Total Operating Income			

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

#### **Net Financial Liabilities Ratio**

Net Financial Liabilities Total Operating Income	13%	19%	60%

Net Financial Liabilities are defined as total liabilities less financial assets. 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 between years.

Adjusted Operating Surplus Ratio Adjusted Net Financial Liabilities Ratio	4.7% 13%	20.3% 19%	2.0% 60%
Asset Renewal Funding Ratio			
Outlays on Existing Assets Asset Renewals - IAMP	0%	87%	100%

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.

# Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 15 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2022		2021	
	\$	5	\$	
Income		8,255,311		9,291,867
Expenses		(7,871,175)		(7,404,780)
Operating Surplus / (Deficit)	·	384,136	_	1,887,087
Net Outlays on Existing Assets				
Capital Expenditure on renewal and replacement of Existing Assets	-		(514,300)	
Add back Depreciation, Amortisation and Impairment	680,098		612,849	
Proceeds from Sale of Replaced Assets	-		80,780	
		680,098		179,329
Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets (including investment property & real estate developments)	(234,866)		(64,200)	
		(234,866)		(64,200)
Net Lending / (Borrowing) for Financial Year		829,368	- -	2,002,216

# Notes to and forming part of the Financial Statements

#### for the year ended 30 June 2022

#### Note 16 - OPERATING LEASES

#### The Authority as a Lessee

#### Right of Use Aset

Set out below are the carrying amounts (written down value) of right of use assets recognised within Infrastructure Propery, Plant & Equipment

Carrying Value	Land
At 1 July 2021	226,537
Deprecaition Charge	(48,543)
At 30 June 2022	177,994

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

and borrowings) and the movements during the period.	
	2022
Opening Balance 1 July 2021	236,989
Accretion of Interest	6,162
Payments	(52,722)
Closing Balance 30 June 2022	190,429
Current	48,825
Non Current	141,604
The maturity analysis of lease liabilities is included in note 9.	
Authority and its associated entities (the group) had total cash outflows for leases	of \$52,722.
The following are amounts recognised on profit or loss:	
Deprecaition expense right of use asset	48,543
Interest expense on lease liabilities	6,162
Total amount recognised in profit and loss	54,705

# Notes to and forming part of the Financial Statements for the year ended 30 June 2022

#### Note 17 - RELATED PARTY DISCLOSURES

#### KEY MANAGEMENT PERSONNEL

The key management personnel of the Authority include the Chair, the Board and the Executive Officer being prescribed officers under section 112 of the Local Government Act 1999. In all, key management personnel were paid the following total compensation:

	2022	2021
	\$	\$
Salaries, allowances & other short term benefits	227,175	214,063
Termination benefits	-	-
TOTAL	242,120	227,632

The following transactions occurred with related parties:

	2022	Outstanding 30 June 2022	2021	Outstanding 30 June 2021
	\$,000	\$,000	\$,000	\$,000
Adelaide Hills Council - provision of waste processing & disposal service	1,481	136	1,380	160
Alexandrina Council - provision of waste processing & disposal service	261	25	276	34
Mount Barker District Council - provision of waste processing & disposal service	1,260	109	1,219	134
Rural City of Murray Bridge - provision of waste processing & disposal service	885	62	781	58
TOTAL	3,887	332	3,656	386

#### PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

\*Comparatives have been updated to include the EPA levy received from the Authority's Constituent Councils.

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 one Constituent Council individually has control of the policies.

# Certification of Auditor Independence for the year ending 30 June 2022

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 2022, 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 Aitken
CHIEF EXECUTIVE OFFICER
Adelaide Hills Council

Date: 12 July 2022

#### **Certification of Auditor Independence** for the year ending 30 June 2022

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 2022, 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.

Nigel Morris CHIEF EXECUTIVE OFFICER

Alexandrina Council

Date: 11 July 2022

# Certification of Auditor Independence for the year ending 30 June 2022

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 2022, 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: 19 July 2022

#### ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

#### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2022

#### CERTIFICATION OF AUDITOR INDEPENDENCE

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 2022, 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.

Michael Sedgman

CHIEF EXECUTIVE OFFICER

Rural City of Murray Bridge

Date: 12.07.2022

# Adelaide Hills Region Waste Management Authority Annual Financial Statements for the year ended 30 June 2022

#### CERTIFICATION OF AUDITOR INDEPENDENCE

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 2022, 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.

Adrian Skull CHAIRPERSON

Adelaide Hills Region Waste Management Authority

Date: 21 September 2022



#### Chartered Accountants

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: 30 164 612 890

#### **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 2022, 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) Regulations 2011.

**SAMANTHA CRETEN** 

Partner

**DEAN NEWBERY** 

Dated this 4th day of July 2022

North Adelaide | Balaklava

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8532 6385 WWW.AHRWMA.COM LANDFILL, 527 BRINKLEY RD, BRINKLEY SA 5253



