



FLEURIEU REGIONAL
WASTE AUTHORITY

Annual Report 2018-2019



Photographs Cover-Clockwise

1. New Waste collection truck outside mechanical workshop – Goolwa Waste and Recycling Depot
2. New Loader – Goolwa Waste and Recycling Depot
3. FRWA Education Officer Jo McPhee and Encounter Lutheran CREST Sustainability Group
4. Recyclable load unloaded in the waste transfer shed – Goolwa Waste and Recycling Depot

CONSTITUENT COUNCILS:

Alexandrina Council
City of Victor Harbor
District Council of Yankalilla
Kangaroo Island Council

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About The Authority

WHO WE REPRESENT

The Fleurieu Regional Waste Authority (FRWA) was formed by the member councils of the Fleurieu Peninsula in South Australia:

- Alexandrina Council
- City of Victor Harbor
- District Council of Yankalilla
- Kangaroo Island Council

WHAT WE DO

FRWA provides waste and recycling services on behalf of the four member councils. This includes:

- The operation of four Waste and Recycling Depots,
- The provision of waste, recycling and green waste kerbside collection services,
- Public litter bin collections,
- Event bin provision and collection, and
- Community information and education.

These services are covered by a Service Level Agreement with each Council setting out the key performance indicators that must be achieved and the agreed budgets to deliver services.

The services are benchmarked against comparable services provided by local government and the private sector.

OUR HISTORY

In 2007 the Constituent Councils of the Fleurieu Region unanimously adopted the Fleurieu Peninsula Waste Strategy. A key recommendation of the strategy was that if Councils decided to own and operate common assets, then they should establish a Regional Subsidiary pursuant to Section 43 of the SA Local Government Act, 1999.

The Fleurieu Regional Waste Authority (FRWA) was subsequently established as a regional subsidiary.

The FRWA Charter was approved in January 2010 with the second revision completed and gazetted in November 2016.

THE FUTURE

A key consideration going forward for FRWA, is to ensure the region has the necessary strategy, infrastructure and planning in place to meet both the region's population growth and legislative requirements under the EPA's Environment Protection (Waste to Resources Policy).

Education and promotional programs within the community will continue to remain a high priority with community education based around;

- Waste avoidance and reduction,
- Reduction of food organics and green waste in the general waste stream,
- Recycle right, recycle more, and
- Hazardous waste management

The Authority is cooperating with neighbouring councils and other waste authorities in South Australia to develop a best-practice approach to sustainable waste and resource management.

The Authority commits to its continued support of local and regional businesses and services as their preferred suppliers wherever possible.



Chairperson's Message

The 2018/19 Financial Year was both a challenging and an exciting one for the Authority. Indeed, I note that this reflection resonates with my comments last year about the future of waste.

The challenges came in the form of the impact from the implementation by China of its waste import policy for recyclables, commonly known, as the 'China National Sword' policy. This policy, as mentioned in my first "Chairperson's Message" appearing in our last Annual Report, adversely impacted not only the Authority, but also Australia and the global market for recyclable materials.

The position for the Authority was further compounded by the consequential difficulties that one of our service providers, SKM, found itself in and contributing to its resultant receivership.

In addition, we saw the departure of the Authority's long-term Executive Officer, Marina Wagner, who had been fundamental to the establishment and evolution of the Authority from its inception to its current position.

The exciting matters for the Authority saw the November 2018 periodic elections resulting in the appointment of three new Board members in Elizabeth Williams, Michael Scott and Alistair Christie, each of whom have brought new skills and a fresh perspective to Board decision-making and direction. The 'new' Board has been working hard over the last half of the financial year in the development of the Authority's draft 10-year Strategic Plan.

This will become a final draft with input from and under the guidance of the new EO when he/she is appointed before it is presented to the Constituent Councils for input.

Relevant to the Strategic Plan are the emerging opportunities which are being recognised as a necessary consequence of the impact of the China National Sword policy. South Australia is and has shown itself to be, a leader in recycling. The State Government ban on single use plastics is testimony to this State's environmental leadership. In addition, it is to be noted that the amount of recovered materials reprocessed locally is significant at 87%.

The Authority is well placed to participate both directly and indirectly in the exciting initiatives which are now occurring in our economy that seek to positively address the requirements of and for a circular economy. With a particular interest in green waste and an eye on waste to energy and the necessary community education and engagement, the Authority will continue to pursue its objectives and goals to minimise waste to landfill and the increased use of resources in a sustainable manner.

As we move forward in a new era of sustainability, the Authority looks forward to a focus that is less on waste but improved use of resources to achieve broader environmental, social and economic benefits. In the words of Otto Scharmer "*We are truly standing on a precipice, a turning point.*" (*Leading from The Emerging Future*) and our commitment to our Constituent Councils and their respective communities is that the Authority recognises this position and will continue to identify and pursue opportunities in the circular economy, as appropriate.

MICHAEL KELLEDY

CHAIRPERSON, FRWA BOARD OF MANAGEMENT

The FRWA Board

FRWA is governed by a nine member Board comprising an Independent Chair to govern and lead the Authority and eight other members, made up of an Elected Member and one Officer from each Constituent Council.



Independent Chairperson
Michael Kelledy



Elizabeth Williams
General Manager Resources
Alexandrina Council



Michael Scott
Councillor
Alexandrina Council



Glenn Sanford
Director Environment &
Infrastructure
City of Victor Harbor



Tim Glazbrook
Councillor
City of Victor Harbor



Andy Baker
Chief Operating Officer
District Council of Yankalilla



Alistair Christie
Councillor
District Council of Yankalilla



Greg Georgopoulos
Chief Executive Officer
Kangaroo Island Council



Peter Denholm
Councillor
Kangaroo Island Council

BOARD MEETINGS

During the 2018/19 financial year the Board met eight times, with each council and FRWA taking turns in hosting the proceedings. All Board members complied with statutory requirements.

The FRWA Year - 2018 / 19

KERBSIDE COLLECTIONS

The Authority continued to service all four member councils, with kerbside collection services for over 51,000 residential and small business premises across the region. In July 2019 the City of Victor Harbor moved to a new fortnightly kerbside collection system. All four FRWA member councils now have a fortnightly system, with current trends indicating an increase in diversion and reduction in waste to landfill as a result.

Over the last 12 months FRWA delivered just over 1.7 million bin pickups across all four member councils and collected;

- 10,383 tonnes of general waste (14% decrease from last year)
- 4,848 tonnes of comingled dry recyclables (increase of 4% from last year)
- 5,644 tonnes of green waste (25% increase from last year)

The introduction of kerbside green waste collection in designated areas in the District Council of Yankalilla in July 2018 was well received, with all four constituent councils now providing this service in nominated areas within each council.

In preparation for the move to fortnightly collection, the City of Victor Harbor provided subsidised bins and compost equipment to residents and introduced Exceptional Circumstances (EC) bins, providing 140L general waste bins free of charge to eligible residents. The FRWA Education Officer and Kerbside Supervisor offered education and advice to residents and small businesses to assist in the transition to fortnightly collection.

FOGO COLLECTION LAUNCHED ON KANGAROO ISLAND

Via an education program, the Authority sought to increase diversion of FOGO (food organics / green organics) out of the landfill bin and into the green organics waste stream, for retention and processing on Kangaroo Island via the in vessel composting system.

Businesses and households were encouraged to place compostable food waste into the green bin, diverting it away from landfill.

The Authority along with KESAB and the Kangaroo Island Council worked with several food processing businesses in Kingscote, educating staff on diversion of food waste at the source, with waste separation occurring in the kitchen area before emptying into the correct bin. Initial audits of the general waste bin from four businesses indicated that 70% of the weight was FOGO material that could go into the green bin for composting.

The Authority continues to work with local businesses to increase diversion away from landfill and would like to thank KESAB, Green Industries SA and Kangaroo Island Council for their support of the FOGO campaign.



Compostable food waste placed in the general waste (landfill) bin

IN-VESSEL COMPOSTING UNIT

To assist in FOGO diversion and management of compostable material on Kangaroo Island, the Authority purchased an in vessel composting system to recycle this material into a product for use on the island, located at the Kangaroo Island Resource Recovery Centre (KIRRC) near Kingscote, production of compost from FOGO material commenced in July 2019.

Diversion of FOGO material out of the general waste bin and into the green waste bin to enable composting on Kangaroo Island will reduce compostable material going to landfill, reduce transport costs and also supply a high quality compost product for purchase by the community for use in domestic gardens and agricultural applications.

This compost unit was the first of its type installed in South Australia and allows Kangaroo Island residents the opportunity to see a circular economy in action, reducing both the financial and environmental cost of waste transport to the mainland.



In vessel composting system at the KIRRC

WOODEN BOAT FESTIVAL – WASTE LESS EVENT

The Goolwa Wooden Boat Festival took place along the foreshore area of the Goolwa Wharf Precinct in April 2019, with FRWA and Alexandrina Council working together to make this a 'Waste Less' event, promoting the use of compostable and recyclable material and minimising event waste going to landfill.

In addition, the program provided an opportunity to undertake education and behaviour change and encourage correct recycling practices for the yellow and green bins. FRWA assisted in planning for the event and provided waste separation posters and bin monitors, to assist attendees at bin stations located throughout the venue with advice on which bin to use for their waste.

The program was enthusiastically received by the majority of attendees. Many people chose to engage with the bin monitors and displayed a willingness to learn more about waste diversion, with many attendees surprised to learn that food waste could go into the green bin.

Only 25% of the event bins provided for the festival were general waste (landfill) bins, with the majority green (food waste and compostable packaging) and yellow (recyclable items) bins. Monitored bin stations were successful in encouraging correct use of the three bin system and engaging with

attendees through advice and education. FRWA will continue to explore opportunities for 'Waste Less' events in our member council areas.



Bin station to assist in waste segregation

BIN TAGGING PROGRAM

Bin tagging this year was a follow on program from bin tagging carried out last year in Mt Compass and Strathalbyn. This year it was located in selected areas of the City of Victor Harbor and District Council of Yankalilla.

Inspectors carried out weekly inspections of kerbside bins to provide advice to residents in the correct use of the three bin system. Bins were tagged with either a 'Thank You' tag for correct use of the bin, an 'Alert' tag to indicate some contamination and a need for improvement (e.g. food scraps in recycling bin) or an 'Unacceptable' tag if items placed in the bin were not suitable for kerbside collection (e.g. liquid or E waste).

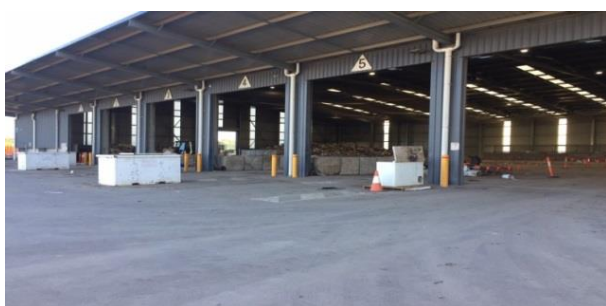
Data was collected at the beginning and end of the program in each area and revealed improvement in selected areas with the following results:

- 11% reduction in general waste bins containing recyclables in Victor Harbor
- 6% reduction in recycling bins containing non-recyclables in Victor Harbor
- 2% reduction in green organics bins containing non-compostable material in Victor Harbor
- 7% reduction in general waste bins containing recyclables in Yankalilla
- 4% reduction in recycling bins containing non-recyclables in Yankalilla
- 2% reduction in green organics bins containing non-compostable material in Yankalilla

The tagging program was funded via a grant from Green Industries SA and supported by councils and residents, with many residents engaging with tagging staff to find out more about waste diversion and correct use of their kerbside bins.

WASTE AND RECYCLING DEPOTS

FRWA operates four waste & recycling depots (WRD's) at Goolwa, Strathalbyn, Yankalilla and Kingscote, the largest at Goolwa where the recently redeveloped facilities are proving to be an efficient way of managing the waste and recycling needs of our communities.



Waste sorting shed at the Goolwa WRD

Through our waste and recycling depots we diverted a wide range of recyclable items in 2018/19 including;

- 2,181 mattresses with metal springs recovered for recycling
- 4,252 tonnes of green waste processed into mulch
- 7,364 tonnes of rock and inert construction waste processed into road base
- 1,223 tonnes of scrap metal diverted to recyclers
- 32,500 litres of waste oil collected and diverted to recyclers
- 690kg of light globes
- 17 tonnes of batteries
- 10,540 Drum Muster containers diverted to recyclers

FRWA came second in the national Agsafe Awards in July, for our contribution to the Drum Muster recycling program, with our Strathalbyn site handling over 7,000 containers in the 2018/19 year.

FRWA also provides a range of mulches, road base material, composting equipment, bin parts, advice and education via our WRD's to both residential and commercial customers.

COMMUNITY INFORMATION AND EDUCATION

The Authority continued its successful education and information sessions to community groups, kindergartens, primary and high schools during 2018/19. During the year a total of eighteen presentations to 599 students were delivered on the mainland and five presentations to 100 children at primary schools on Kangaroo Island.

On the mainland, one show and two local markets were attended and eleven presentations delivered to various local service and community groups directly reaching an audience of almost 300 residents. The focus of the presentations was 'where our waste goes', efficient waste separation and the Food Organics / Green Organics (FOGO) initiative to divert food waste away from landfill.



Jo McPhee Education Officer at Victor Harbor Kindergarten

On Kangaroo Island one market and three events were attended, with nearly 140 residents taking advantage of the opportunity to learn more about waste and recycling.

FRWA's Education Officer assisted in the implementation of fortnightly collection in the City of Victor Harbor through attendance at composting workshops presented by the ABC's Sophie Thompson, council foyer displays and community group presentations.

FRWA will continue the focus on community education in 2019/20 with continued interest from schools, businesses and community groups throughout our member council area keen to learn how to better manage their waste and reduce waste to landfill.

FRWA'S PEOPLE

FRWA employed 34 FTE staff of which

- 43% work in kerbside collections,
- 37% in WRD operations, and
- 20% in community education and corporate services.

FINANCE AND GOVERNANCE

The Authority is committed to meeting the highest standards in governance, financial and human resources management.

FRWA CHARTER

FRWA's Charter must be reviewed at least once in every four years and Revision 2 of the Charter was Gazetted on 17 November 2016.

INTERNAL AUDIT COMMITTEE

The Committee conducted six meetings during the 2018/19 financial year and provided advice and recommendations to the FRWA Board on the Authority's financial performance, the review of core financial controls, policies, procedures and asset management matters.

FINANCIAL STATEMENTS

Nexia Edward Marshall audited the 2018/19 Financial Statements which were provided to all Constituent Councils.

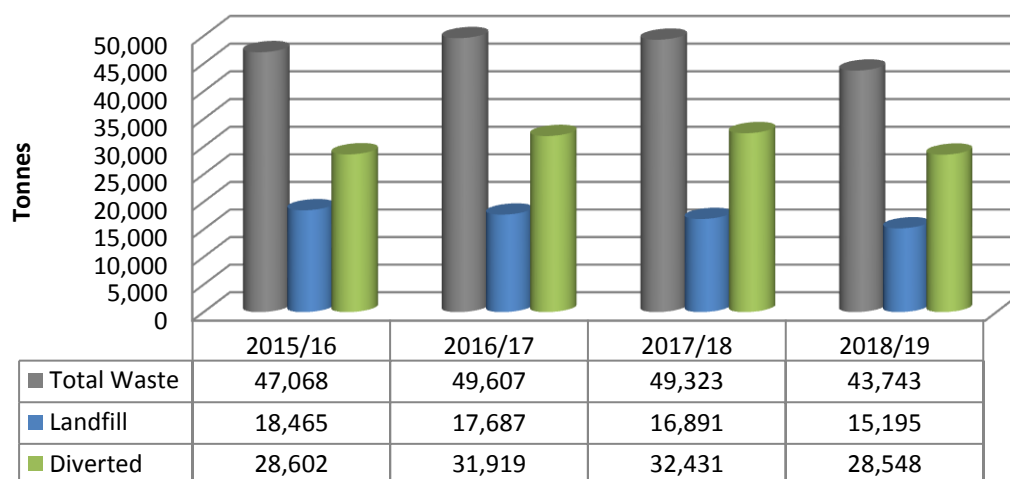
A complete copy of the FRWA Audited Financial Statements 2019 forms part of this report.

FRWA Region Waste Statistics 2018/19

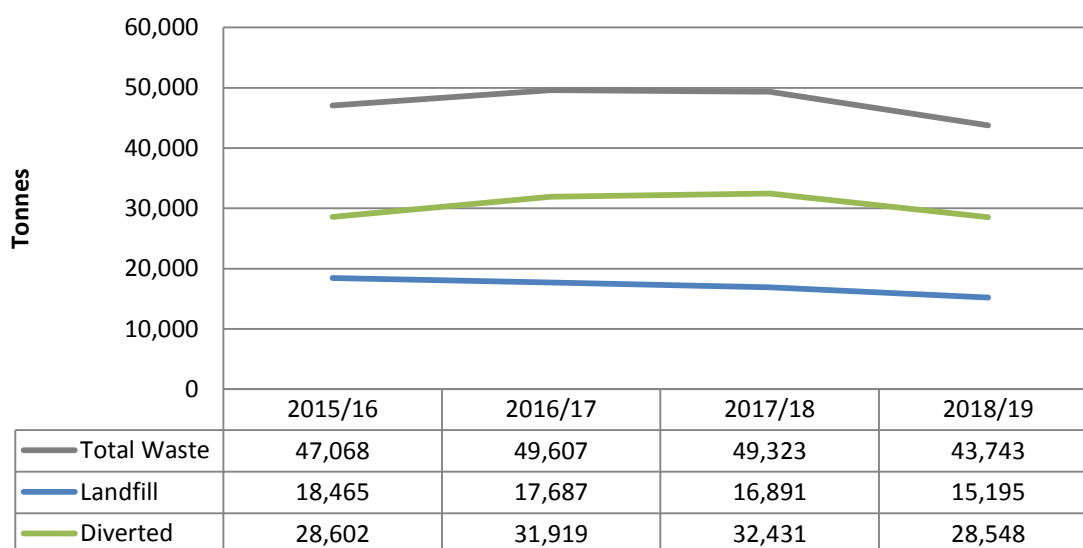
Annual Waste (t)	FRWA Region	Alexandrina	City of Victor Harbor	DC Yankalilla	KI Council
Waste to Landfill	15,195	8,243	3,573	1,596	1,783
Waste Diverted from Landfill	28,548	22,385	2,679	1,840	1,644
Total 2018/19	43,743	30,628	6,252	3,436	3,427

2015/16 to 2018/19 – FRWA Region

FRWA Region - Total Waste - 4 years



FRWA Regional Trend - Total Waste - 4 years

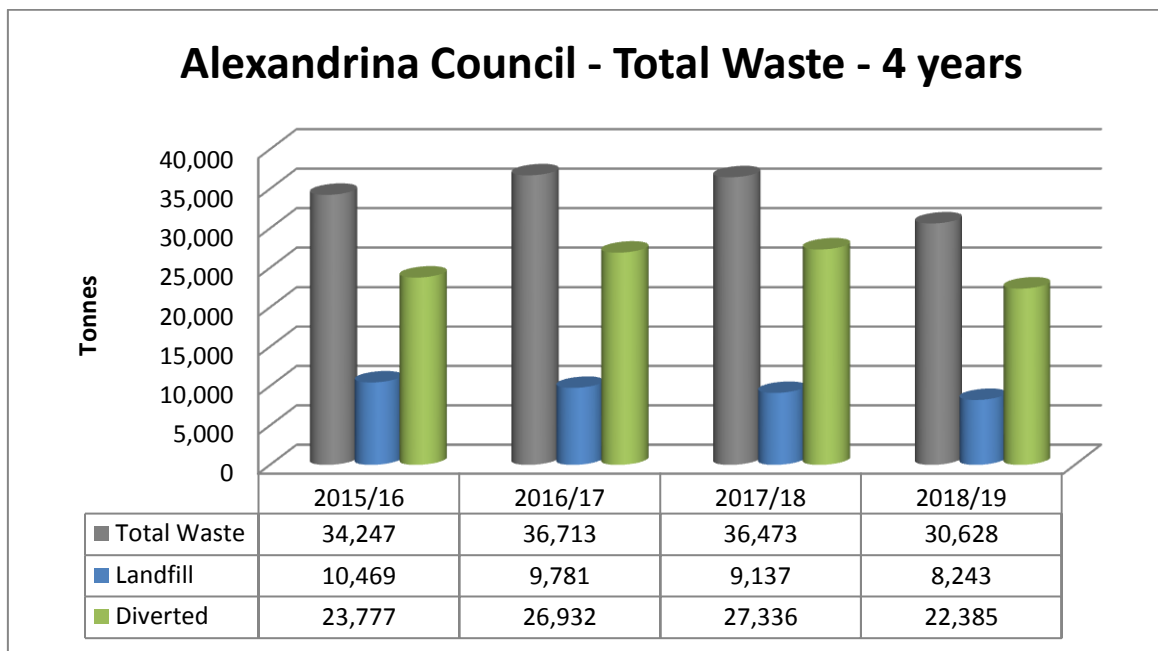


Waste Statistics 2018/19 by Council Area

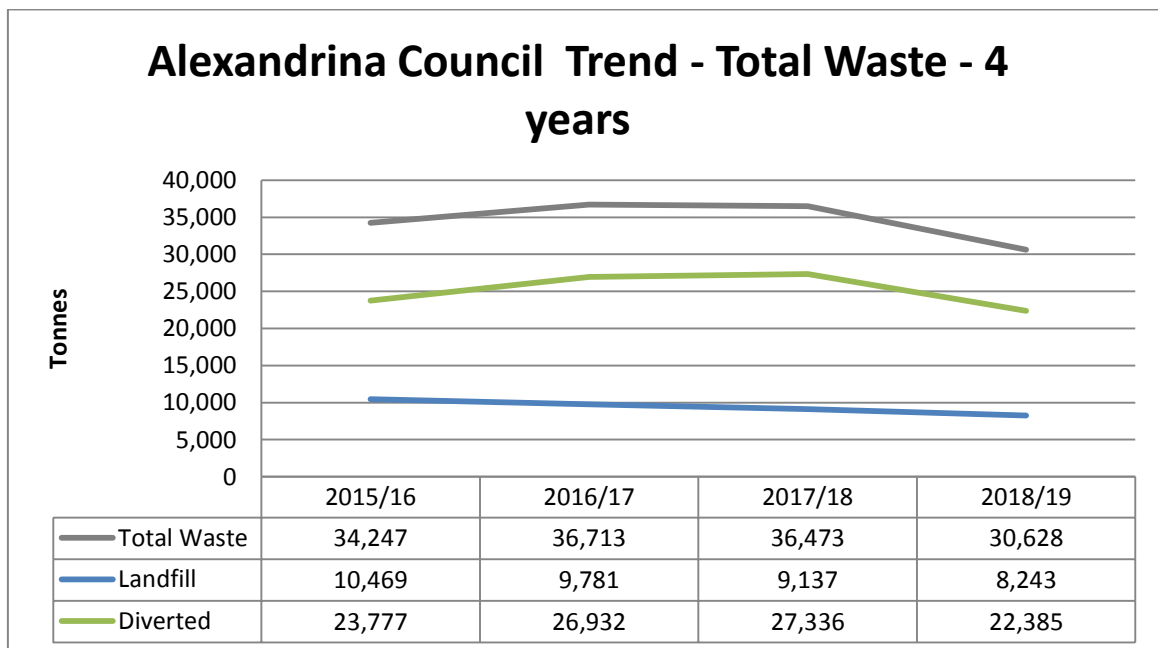
	FRWA Region	Alexandrina Council	City of Victor Harbor	District Council of Yankalilla	Kangaroo Island Council
Kerbside Waste to Landfill	10,383	4,804	3,573	1,134	872
Kerbside Green waste	5,644	3,300	1,492	658	194
Kerbside Recyclables	4,848	2,635	1,1187	551	475
Total Diverted from Landfill	10,492	5,935	2,679	1,209	670
Total Kerbside Collected	20,875	10,739	6,252	2,343	1,542
WRD Waste to landfill	4,812	3,439		461	911
WRD Waste Diverted	18,055	16,450		631	974
Total WRD Waste	22,867	19,889	N/A	1,092	1,885
Total Waste to Landfill	15,195	8,243	3,573	1,596	1,783
Total Waste Diverted	28,548	22,385	2,679	1,840	1,644
Total all Waste Streams	43,743	30,628	6,252	3,436	3,427

*The tables above only include waste streams that are weighed; there are a wide range of waste products diverted from landfill that are managed per item and not included; mattresses, lounges, light globes, batteries, paint, tyres, x-rays, mobile phones and a wide range of salvage items.

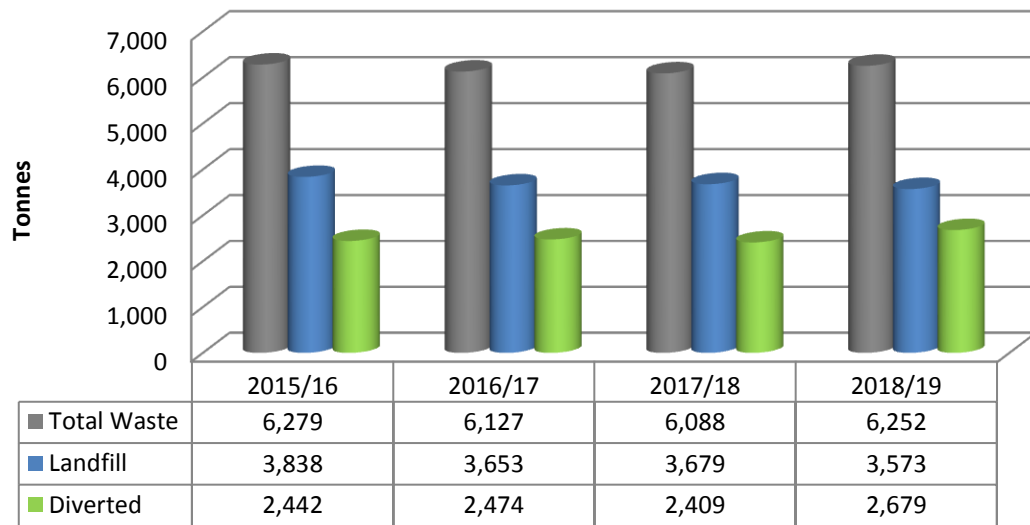
Trends 2015/16 to 2018/19 – by Council Area



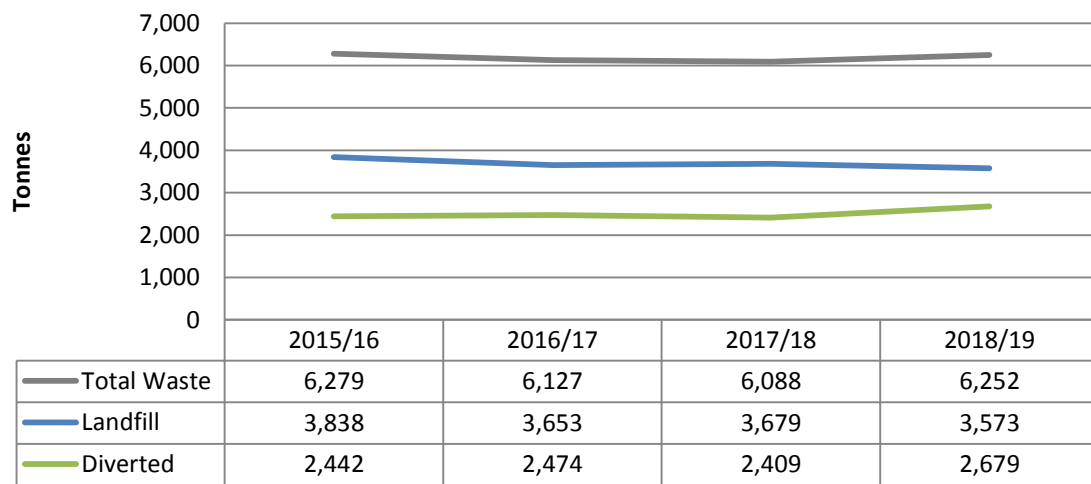
*Introduction fortnightly collection system July 2016



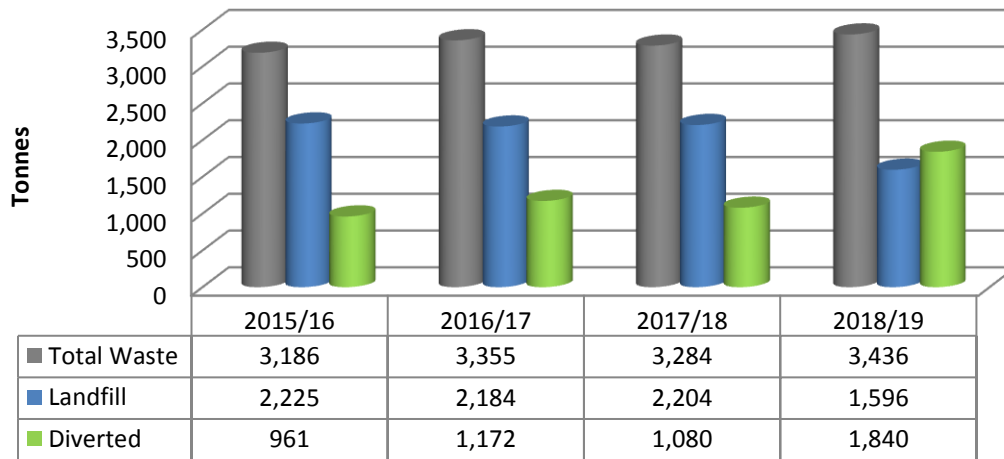
City of Victor Harbor - Total Waste - 4 years



City of Victor Harbor Trend - Total Waste - 4 years

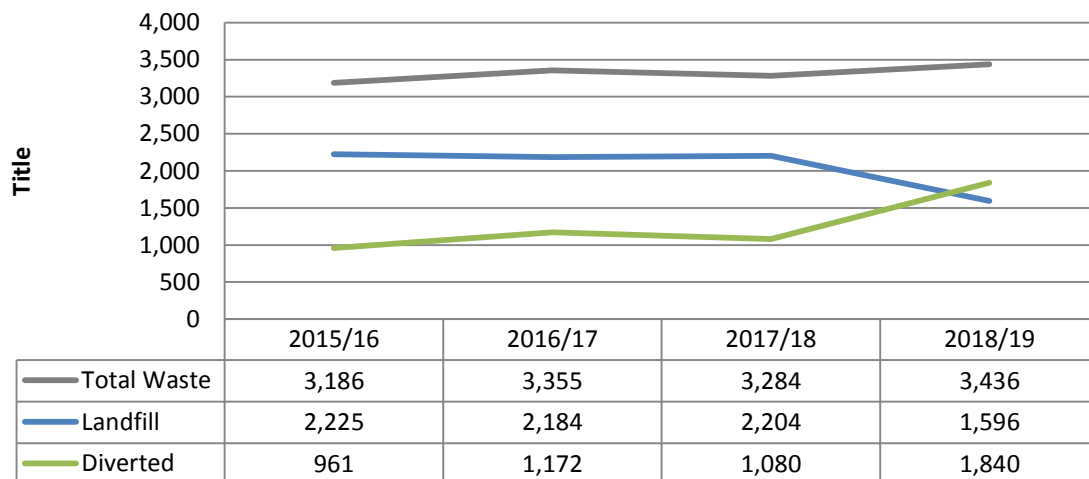


District Council of Yankalilla - Total Waste - 4 years

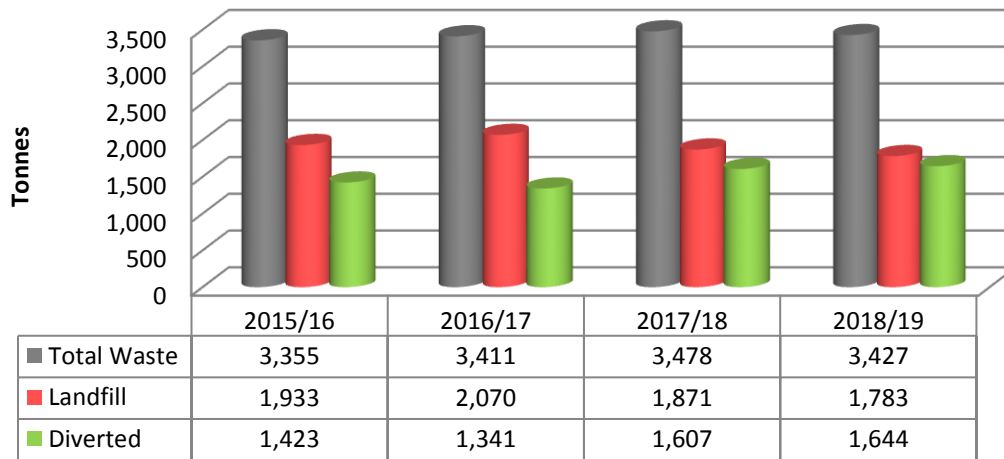


*Introduction fortnightly collection and kerbside green waste collection July 2018

District Council of Yankalilla Trend - Total Waste - 4 years

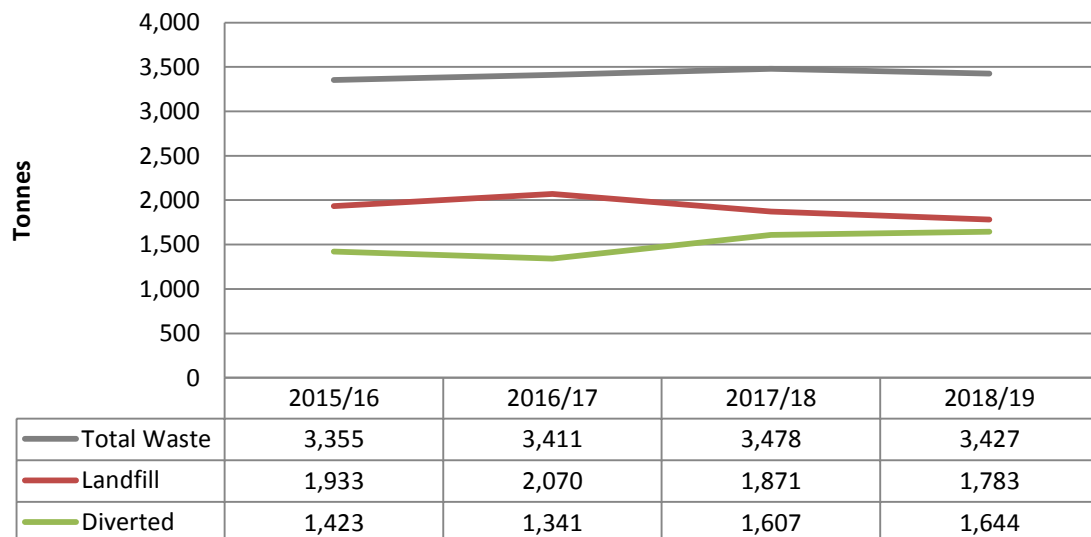


Kangaroo Island Council - Total Waste - 4 years



*Introduction fortnightly collection and kerbside green waste collection October 2017

Kangaroo Island Trend - Total Waste - 4 years



FLEURIEU REGIONAL WASTE AUTHORITY**General Purpose Financial Reports****for the year ended 30 June 2019****Table of Contents**

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FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

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 2019 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.


Michael Kelleedy
CHAIR OF THE BOARD


John Coombe
ACTING EXECUTIVE OFFICER

Date: **30 September 2019**

FLEURIEU REGIONAL WASTE AUTHORITY

Statement of Comprehensive Income

for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
INCOME			
User charges	2	7,848,469	7,711,038
Grants, subsidies and contributions	2	302,166	116,956
Investment income	2	2,876	2,948
Reimbursements	2	9,871	7,932
Other income	2	16,843	17,524
Total Income		8,180,225	7,856,398
EXPENSES			
Employee costs	3	3,018,245	2,888,006
Materials, contracts & other expenses	3	4,540,002	4,194,620
Depreciation, amortisation & impairment	3	543,092	602,350
Finance costs	3	85,413	84,107
Total Expenses		8,186,752	7,769,083
OPERATING SURPLUS / (DEFICIT)		(6,527)	87,315
Asset disposal & fair value adjustments	4	(20,536)	(1,000)
NET SURPLUS / (DEFICIT) (transferred to Equity Statement)		(27,063)	86,315
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(27,063)	86,315

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

FLEURIEU REGIONAL WASTE AUTHORITY

Statement of Financial Position

as at 30 June 2019

		2019	2018
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5	474,409	622,770
Trade & other receivables	5	380,329	323,005
Inventories	5	164,040	125,195
Total Current Assets		1,018,778	1,070,970
Non-current Assets			
Infrastructure, property, plant & equipment	6	3,641,795	2,781,701
Total Non-current Assets		3,641,795	2,781,701
Total Assets		4,660,573	3,852,671
LIABILITIES			
Current Liabilities			
Trade & other payables	7	1,155,940	1,009,656
Borrowings	7	335,516	495,270
Provisions	7	181,530	111,151
Other current liabilities	8	124,944	195,312
Total Current Liabilities		1,797,931	1,811,389
Non-current Liabilities			
Borrowings	7	2,015,684	1,161,470
Provisions	7	65,326	71,117
Total Non-current Liabilities		2,081,010	1,232,587
Total Liabilities		3,878,941	3,043,976
NET ASSETS		781,632	808,695
EQUITY			
Accumulated Surplus		781,632	808,695
TOTAL EQUITY		781,632	808,695

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

FLEURIEU REGIONAL WASTE AUTHORITY

Statement of Changes in Equity

for the year ended 30 June 2019

		Accumulated Surplus	TOTAL EQUITY
2019	Notes	\$	\$
Balance at end of previous reporting period		808,695	808,695
Net Surplus / (Deficit) for Year		(27,063)	(27,063)
Other Comprehensive Income			
Balance at end of period		781,632	781,632
2018			
Balance at end of previous reporting period		722,380	722,380
Net Surplus / (Deficit) for Year		86,315	86,315
Other Comprehensive Income		-	-
Balance at end of period		808,695	808,695

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

FLEURIEU REGIONAL WASTE AUTHORITY

Statement of Cash Flows for the year ended 30 June 2019

		2019	2018
	Notes	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts:</i>			
User charges		7,726,473	7,729,013
Investment receipts		2,876	6,381
Grants utilised for operating purposes		152,166	116,956
Reimbursements		9,871	7,932
Other revenues		17,248	14,091
<i>Payments:</i>			
Employee costs		(3,018,245)	(2,888,006)
Materials, contracts & other expenses		(4,371,812)	(4,263,537)
Finance payments		(87,674)	(84,107)
Net Cash provided by (or used in) Operating Activities	9	<u>430,903</u>	<u>638,723</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts:</i>			
Amounts specifically for new or upgraded assets		150,000	-
Sale of replaced assets		20,000	7,000
<i>Payments:</i>			
Expenditure on renewal/replacement of assets		(755,181)	(758,323)
Expenditure on new/upgraded assets		(688,542)	(276,382)
Net Cash provided by (or used in) Investing Activities		<u>(1,273,723)</u>	<u>(1,027,705)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts:</i>			
Proceeds from borrowings		1,189,730	721,722
<i>Payments:</i>			
Repayments of borrowings		(495,271)	(647,211)
Net Cash provided by (or used in) Financing Activities		<u>694,459</u>	<u>74,511</u>
Net Increase (Decrease) in cash held		<u>(148,361)</u>	<u>(314,471)</u>
 Cash & cash equivalents at beginning of period	9	<u>622,770</u>	<u>937,241</u>
Cash & cash equivalents at end of period	9	<u><u>474,409</u></u>	<u><u>622,770</u></u>

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

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

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

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 30 September 2019.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying 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

The Fleurieu Regional Waste Authority is incorporated under the SA Local Government Act 1999 and has its principal place of business at 1226 Port Elliot Road, Goolwa South Australia 5214. These financial statements include the Authority's direct operations and all entities through which the Authority controls resources to carry on its functions. In the process of reporting on the Authority as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

3 Income recognition

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

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

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

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.

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

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

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.

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.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to *infrastructure, property, plant & equipment* when completed ready for use.

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.

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. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

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.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

6.5 Impairment

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

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

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

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 are recognised as liabilities until the service is delivered or the amount is refunded as the case may be.

8 Borrowings

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

9 Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on costs) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based on costs) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as the Authority 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 employees' nominated superannuation fund. No changes in accounting policy have occurred during either the current or previous reporting periods.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

10 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.

11 Pending Accounting Standards

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

AASB 15	Revenue from Contracts with Customers
AASB 16	Leases
AASB 1058	Income of Not-for-Profit Entities

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

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

The Authority is of the view that other than AASB 16 and AASB 1058, none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

Accounting Standard AASB 16 *Leases* may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not the Authority's intention to adopt this Standard early.

Accounting Standard AASB 1058 *Income of Not-for-Profit Entities* may have a material effect on the amounts disclosed in these reports, particularly in relation to the timing of revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not the Authority's intention to adopt this Standard early.

12 New Accounting Standards

AASB 7 Financial Instruments – Disclosures and AASB 9 Financial Instruments commenced from 1st July 2018. Although the disclosures made in Note 10 Financial Instruments have changed, there are no changes to the amounts disclosed.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

Classification and measurement of financial assets and liabilities

The following table represents the classification and measurement of financial assets and financial liabilities under AASB 9 and AASB 139 at the date of initial application, 1 July 2018.

	Financial instrument category	
	AASB 139 original	AASB 9 new
Financial assets		
Bank, Deposits at Call, Short Term Deposits	Loans and receivables (amortised cost)	Financial assets at amortised cost
Receivables – Fees & Other Charges	Loans and receivables (amortised cost)	Financial assets at amortised cost
Financial liabilities		
Creditors and Accruals	Amortised cost	Financial liabilities at amortised cost
Interest Bearing Borrowings	Amortised cost	Financial liabilities at amortised cost

The application of these changes in accounting policies had no impact on the comprehensive income, financial position and cash flows of the Authority.

FLEURIEU REGIONAL WASTE AUTHORITY

Notes to and forming part of the Financial Statements

for the year ended 30 June 2019

Note 2 - INCOME

	Notes	2019 \$	2018 \$
USER CHARGES			
Council Contributions		5,658,579	5,417,569
Waste Disposal Operations		2,189,890	2,293,469
		<u>7,848,469</u>	<u>7,711,038</u>
INVESTMENT INCOME			
Interest on investments:			
Banks & other		2,876	2,948
		<u>2,876</u>	<u>2,948</u>
REIMBURSEMENTS			
- other		9,871	7,932
		<u>9,871</u>	<u>7,932</u>
OTHER INCOME			
Sundry		16,843	17,524
		<u>16,843</u>	<u>17,524</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Other grants, subsidies and contributions		302,166	116,956
		<u>302,166</u>	<u>116,956</u>
Sources of grants			
State government		302,166	116,956
		<u>302,166</u>	<u>116,956</u>
Conditions over grants & contributions			
	Notes	2019 \$	2018 \$
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
<i>Unexpended at the close of the previous reporting period</i>		90,000	-
<i>Less: expended during the current period from revenues recognised in previous reporting periods:</i>			
<i>Plant & Equipment</i>		(90,000)	-
<i>Subtotal</i>		<u>(90,000)</u>	<u>-</u>
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Plant & Equipment</i>		-	90,000
<i>Subtotal</i>		<u>-</u>	<u>90,000</u>
<i>Unexpended at the close of this reporting period</i>		<u>-</u>	<u>90,000</u>

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 3 - EXPENSE

	Notes	2019 \$	2018 \$
EMPLOYEE COSTS			
Salaries and Wages		2,488,717	2,419,042
Employee leave expense		141,935	58,080
Superannuation	16	221,876	212,778
Superannuation - defined benefit plan contributions	16	5,336	6,108
Workers' Compensation Insurance		106,251	146,159
Other		54,130	45,839
Total Operating Employee Costs		3,018,245	2,888,006
 Total Number of Employees		 34	 32
<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		9,980	10,020
- Auditing of Internal Controls		1,970	1,930
Bad and Doubtful Debts		70,000	-
Board members' expenses		25,379	20,246
Operating Lease Rentals - non-cancellable leases			
- minimum lease payments		80,000	25,890
Subtotal - Prescribed Expenses		<u>187,329</u>	<u>58,086</u>
<u>Other Materials, Contracts & Expenses</u>			
Contractors		1,044,974	969,040
Energy		618,875	564,568
Waste Disposal		1,595,931	1,603,844
Maintenance		374,365	362,255
Legal Expenses		87,600	43,567
Parts, accessories & consumables		105,097	150,480
Professional services		126,500	59,718
Sundry		399,331	383,062
Subtotal - Other Materials, Contracts & Expenses		<u>4,352,672</u>	<u>4,136,534</u>
		<u>4,540,002</u>	<u>4,194,620</u>
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Plant, machinery & equipment		543,092	602,350
		<u>543,092</u>	<u>602,350</u>
FINANCE COSTS			
Interest on Loans		85,413	84,107
		<u>85,413</u>	<u>84,107</u>

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

	Notes	2019 \$	2018 \$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		20,000	7,000
Less: Carrying amount of assets sold		<u>(40,536)</u>	<u>(8,000)</u>
Gain (Loss) on disposal		<u>(20,536)</u>	<u>(1,000)</u>
 NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS		 <u>(20,536)</u>	 <u>(1,000)</u>

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 5 - CURRENT ASSETS

		2019	2018
	Notes	\$	\$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		100,188	269,510
Deposits at Call		374,221	353,260
		<u>474,409</u>	<u>622,770</u>
TRADE & OTHER RECEIVABLES			
Debtors - general		414,186	294,425
Prepayments		36,143	28,580
Total		<u>450,329</u>	<u>323,005</u>
Less: Provision for Impairment		<u>(70,000)</u>	<u>-</u>
		<u>380,329</u>	<u>323,005</u>
<i>Amounts included in receivables that are not expected to be received within 12 months of reporting date.</i>		-	-
INVENTORIES			
Stores & Materials		164,040	125,195
		<u>164,040</u>	<u>125,195</u>

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

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

	2018				2019			
	\$				\$			
	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Plant, machinery & equipment	2,781,701	6,500,239	(3,718,538)	2,781,701	-	7,235,643	(3,593,848)	3,641,795
Office Equipment, Furniture & Fittings	-	20,634	(20,634)	-	-	20,634	(20,634)	-
Buildings & Other Structures	-	3,181	(3,181)	-	-	3,181	(3,181)	-
Total IPP&E	2,781,701	6,524,054	(3,742,353)	2,781,701	-	7,259,458	(3,617,663)	3,641,795
Comparatives		5,536,534	(3,179,187)	2,357,347	2,781,701	6,524,054	(3,742,353)	2,781,701

	2018	CARRYING AMOUNT MOVEMENTS DURING YEAR							2019
	\$	\$							\$
	Carrying Amount	Additions		Disposals	Depreciation	Impairment	Transfers		Net Revaluation
		New / Upgrade	Renewals				In	Out	
Plant, machinery & equipment	2,781,701	688,542	755,180	(40,536)	(543,092)	-	-	-	-
Total IPP&E	2,781,701	688,542	755,180	(40,536)	(543,092)	-	-	-	-
Comparatives	2,357,347								2,781,701

This note continues on the following pages.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

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

Buildings & Other Structures

Buildings and other structures are recognised on a cost basis.

Plant, Furniture & Equipment

These assets are recognised on a cost basis.

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
Buildings - new construction/extensions	\$5,000

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	3 to 20 years
Building & Other Structures	30 to 80 years

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 7 - LIABILITIES

		2019		2018	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		502,222	-	481,194	-
Revenue received in advance		23,645	-	95,475	-
Accrued expenses - employee entitlements		392,911	-	352,200	-
Accrued expenses - other		237,162	-	74,638	-
Other		-	-	6,149	-
		<u>1,155,942</u>	<u>-</u>	<u>1,009,656</u>	<u>-</u>
BORROWINGS					
Loans		<u>335,516</u>	<u>2,015,684</u>	<u>495,270</u>	<u>1,161,470</u>
		<u>335,516</u>	<u>2,015,684</u>	<u>495,270</u>	<u>1,161,470</u>
<i>All interest bearing liabilities are secured over the future revenues of the Authority</i>					
PROVISIONS					
Employee entitlements (including oncosts)		146,530	65,326	111,151	71,117
Other		35,000	-	-	-
		<u>181,530</u>	<u>65,326</u>	<u>111,151</u>	<u>71,117</u>

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 8 - OTHER CURRENT LIABILITIES

		2019 \$	2018 \$
OTHER	Notes		
Deferred gate sales		124,944	195,312
		<u>124,944</u>	<u>195,312</u>

Revenue received from gate takings associated with rock to be crushed at a later date is quarantined as an other liability until such time as it is utilised for crushing expenditure.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

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

	Notes	2019 \$	2018 \$
Total cash & equivalent assets	5	474,409	622,770
Balances per Cash Flow Statement		<u>474,409</u>	<u>622,770</u>

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

Net Surplus (Deficit)	(27,063)	86,315
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	543,092	602,350
Net increase (decrease) in unpaid employee benefits	29,588	(19,086)
Grants for capital acquisitions treated as Investing Activity	(150,000)	-
Net (Gain) Loss on Disposals	20,536	1,000
	<u>416,153</u>	<u>670,579</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(57,324)	(118,061)
Net (increase) decrease in inventories	(38,845)	(117,667)
Net increase (decrease) in trade & other payables	146,284	170,059
Net increase (decrease) in other provisions	159,947	(124,127)
Net increase (decrease) in other liabilities	(195,312)	157,940
Net Cash provided by (or used in) operations	<u>430,903</u>	<u>638,723</u>

(c) 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	868,520	500,000

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 10 - FINANCIAL INSTRUMENTS

Accounting Policies - Recognised Financial Instruments

Initial Recognition and Measurement	<p>Recognition: Financial assets and financial liabilities are recognised when the Authority becomes a party to the contractual provisions of the instrument. For financial assets, this is the date that the Authority commits itself to the purchase or sale of the asset.</p> <p>Measurement: Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.</p>
Classification and Subsequent Measurement	
Financial Assets	<p>Financial assets are measured at amortised cost if they meet the following conditions;</p> <ul style="list-style-type: none"> - the financial asset is managed solely to collect contractual cash flows and - the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates
Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Bank deposits are measured at amortised cost, interest is recognised when earned.</p> <p>Terms & conditions: Deposits are returning fixed interest rates between 0.10% and 0.15% (2018: 0.05% and 0.50%).</p>
Receivables - Fees & Other Charges	<p>Accounting Policy: Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the Authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.</p>

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 10 - FINANCIAL INSTRUMENTS (con't)

Classification and Subsequent Measurement

Financial Liabilities	<p>Financial liabilities are subsequently measured at amortised cost.</p> <p>The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.</p> <p>The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount of initial recognition.</p>
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 day terms.</p>
Interest Bearing Borrowings	<p>Accounting Policy: Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p>Terms & conditions: secured over future revenues, borrowings are repayable in six monthly instalments; interest is charged at fixed or variable rates between 3.10% and 4.80% (2018: 4.00% and 6.65%)</p>
Derecognition	<p>Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.</p>
	<p>Derecognition of financial liabilities A liability is derecognised when it is extinguished i.e. when the obligation in the contract is discharged, cancelled or expires. An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.</p> <p>The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non cash assets transferred or liabilities assumed is recognised in profit or loss.</p>

FLEURIEU REGIONAL WASTE AUTHORITY

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

Note 10 - FINANCIAL INSTRUMENTS (con't)

Derecognition of financial assets A financial asset is derecognised when the holder's contractual rights to its cash flows expires or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset;

- the right to receive cash flows from the asset has expired or been transferred
- all risk and rewards of ownership of the asset have been substantially transferred, and
- the Authority no longer controls the asset
i.e. no practical ability to make a unilateral decision to sell the asset to a third party

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the simplified approach to impairment, as applicable under AASB9.

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to receivables.

In measuring the expected credit loss, a provision matrix for receivables is used, taking into consideration various historical data to get to an expected credit loss, (ie diversity of its customer base, appropriate groupings of its historical loss experience etc).

Recognition of expected credit losses in financial statements At each reporting date the Authority recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

For financial assets that are unrecognised e.g. loan commitments yet to be drawn, a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019
Note 10 - 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:	<p><u>Credit Risk</u> 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 allowance for doubtful debts. 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 & 6 in relation to individual classes of receivables, exposure is concentrated within the Authorities's boundaries, and there is no material exposure to any individual debtor.</p> <p><u>Market Risk</u> 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.</p> <p><u>Liquidity Risk</u> 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.</p> <p><u>Interest Rate Risk</u> 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.</p>

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

Note 10 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2019	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<u>Financial Assets</u>	\$	\$	\$	\$	\$
Cash & Equivalents	474,409			474,409	474,409
Receivables	344,186	-	-	344,186	380,329
Total	818,595	-	-	818,595	474,409
<u>Financial Liabilities</u>					
Payables	525,867			525,867	525,867
Current Borrowings	431,866			431,866	335,516
Non-Current Borrowings		1,808,076	492,084	2,300,160	2,015,685
Total	957,733	1,808,076	492,084	3,257,893	2,351,201

2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<u>Financial Assets</u>	\$	\$	\$	\$	\$
Cash & Equivalents	622,770	-	-	622,770	622,770
Receivables	294,425	-	-	294,425	323,005
Total	917,195	-	-	917,195	945,775
<u>Financial Liabilities</u>					
Payables	582,818			582,818	582,818
Current Borrowings	561,499			561,499	495,270
Non-Current Borrowings		1,103,730	178,847	1,282,577	1,161,470
Total	1,144,317	1,103,730	178,847	2,426,894	2,239,558

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

	30 June 2019		30 June 2018	
	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate	Carrying Value
	%	\$	%	\$
Variable Rates	3.10	735,480		-
Fixed Interest Rates	2.08	1,615,720	4.63	1,656,740
		2,351,200		1,656,740

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 11 - COMMITMENTS FOR EXPENDITURE

	2019	2018
Notes	\$	\$
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Board & Employee Remuneration Contracts	248,500	408,218
Maintenance Contracts	63,333	-
	<u>311,833</u>	<u>408,218</u>
These expenditures are payable:		
Not later than one year	281,138	211,374
Later than one year and not later than 5 years	30,695	196,844
Later than 5 years	-	-
	<u>311,833</u>	<u>408,218</u>

Kangaroo Island Council provide mobile garbage bins for residents and small commercial operations and provision for replacement of these bins on the island has been accrued since 2011. This amount was spent in full during the 2017/18 year with the change to fortnightly waste collection on the island and replacement of existing mobile garbage bins for residents and small businesses under the kerbside collection system.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 12 - FINANCIAL INDICATORS

	2019	2018	2017
Operating Surplus Ratio			
<u>Operating Surplus</u>	-0.33%	1.10%	0.00%
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>	37%	27%	22%
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>Net Outlays on Existing Assets</u>	63%	99.0%	87.0%
Net Asset Renewals - IAMP			

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.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13 - 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 Authorities in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

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

	2019	2018
	\$	\$
Income	8,180,225	7,856,398
Expenses	<u>(8,186,752)</u>	<u>(7,769,083)</u>
Operating Surplus / (Deficit)	(6,527)	87,315
 Net Outlays on Existing Assets		
Capital Expenditure on renewal and replacement of Existing Assets	(755,181)	(758,323)
Add back Depreciation, Amortisation and Impairment	543,092	602,350
Proceeds from Sale of Replaced Assets	<u>20,000</u>	<u>7,000</u>
	(192,089)	(148,973)
 Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets	(688,542)	(276,382)
Amounts received specifically for New and Upgraded Assets	150,000	-
	<u>(538,542)</u>	<u>(276,382)</u>
Net Lending / (Borrowing) for Financial Year	<u>(737,158)</u>	<u>(338,040)</u>

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 14 - OPERATING LEASES

Lease payment commitments of the Authority

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

	2019	2018
	\$	\$
Not later than one year	-	26,000
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	<hr/>	<hr/>
	-	26,000
	<hr/>	<hr/>

The Authority had entered into a non-cancellable operating lease for office premises in Goolwa that ended on 30th June 2018.

The Authority is currently negotiating a lease agreement for office and workshop premises at Goolwa with Alexandrina Council. This leasing arrangement had not been finalised as at signing of these financial statements.

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 15 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Authority include the Independent Board Chair, External Member of the Internal Audit Committee and Executive Officer under section 112 of the Local Government Act 1999. In all, three persons were paid the following total compensation:

	2019	2018
	\$	\$
Salaries, allowances & other short term benefits	169,697	163,422
Post-employment benefits	18,418	17,883
Long term benefits	4,073	4,902
Termination benefits	-	-
TOTAL	192,188	186,207

FLEURIEU REGIONAL WASTE AUTHORITY
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 16 – SUPERANNUATION

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2018-19; 9.50% in 2019-20). No further liability accrues to 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 2017-18) of "superannuation" salary.

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

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

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

Contributions to Other Superannuation Schemes

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.

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 17 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

At times there are contingencies, assets and liabilities that do not qualify for recognition in the Balance Sheet but knowledge of those items is considered relevant to the user of the financial report in making and evaluating decisions about the allocation of scarce resources. From our knowledge there are no known contingencies, assets or liabilities that should be disclosed that have not been included in the balance sheet.

FLEURIEU REGIONAL WASTE AUTHORITY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2019

Note 18 - EVENTS OCCURING AFTER REPORTING DATE IN THE BALANCE SHEET

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLEURIEU REGIONAL WASTE AUTHORITY**

Opinion

We have audited the financial report of Fleurieu Regional Waste Authority, which comprises the Statement of Financial Position as at 30 June 2019, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of Financial Statements.

In our opinion, the financial report presents fairly, in all material respects, the financial position of Fleurieu Regional Waste Authority as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Board are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board's Responsibility for the Financial Report

The Board of Fleurieu Regional Waste Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011. The Board's responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial report, the Board of Fleurieu Regional Waste Authority are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FLEURIEU REGIONAL WASTE AUTHORITY (CONT)**

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fleurieu Regional Waste Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Nexia Edwards Marshall
Chartered Accountants



Jamie Dreckow
Partner

Adelaide, South Australia
Dated: 30 September 2019

INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF FLEURIEU REGIONAL WASTE AUTHORITY

We have audited the Internal Controls of Fleurieu Regional Waste Authority ("the Authority") under the requirements of *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, the acquisition and disposal of property and incurring of liabilities for the year ended 30 June 2019 have been conducted properly and in accordance with law.

The Authority's Responsibility for the Internal Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Authority's compliance with *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, the acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with *Section 125 of the Local Government Act 1999* in relation only to the Internal Controls specified above for the year ended 30 June 2019. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design of controls on a sample basis based on the assessed risks.

Limitation of Use

This report has been prepared for the members of the Authority in accordance with *Section 129(1)(b) of the Local Government Act 1999* in relation to the Internal Controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Authority, or for any purpose other than that for which it was prepared.

**INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF FLEURIEU REGIONAL WASTE
AUTHORITY (CONT)****Inherent Limitations**

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with *Section 125 of the Local Government Act 1999* in relation to the Internal Controls specified above, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with *Section 125 of the Local Government Act 1999* in relation to the Internal Controls specified above are undertaken on a test basis.

The opinion expressed in this report has been formed on the above basis.

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the Authority has complied, in all material respects, with *Section 129(1)(b) of the Local Government Act 1999* in relation to Internal Controls established by the Authority relating to the receipt, expenditure and investment of money, the acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Authority have been conducted properly and in accordance with law for the year ended 30 June 2019.



Nexia Edwards Marshall
Chartered Accountants



Jamie Dreckow
Managing Partner

Adelaide
South Australia

Dated: 30 September 2019

FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2019, the Authority's Auditor, Edwards Marshall, 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 Kelleedy
CHAIR OF THE BOARD
Fleurieu Regional Waste Authority

PRESIDING MEMBER
AUDIT COMMITTEE
Subsidiary is exempt from the
requirements for an external audit
committee

Date: 22.8.2019

FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2019, the Authority's Auditor, Nexia Edwards Marshall, 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*.



.....
John Coombe
ACTING EXECUTIVE OFFICER
Fleurieu Regional Waste Authority

**PRESIDING MEMBER
AUDIT COMMITTEE**
Subsidiary is exempt from the
requirements for an external audit
committee

Date: 20th August 2019

FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2019, the Authority's Auditor, Nexia Edwards Marshall, 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*.



Glenn Rappensberg
CHIEF EXECUTIVE OFFICER
Alexandrina Council

PRESIDING MEMBER
AUDIT COMMITTEE
Subsidiary is exempt from the
requirements for an external audit
committee

Date: 21 August 2019

FLEURIEU REGIONAL WASTE AUTHORITY




ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2019, the Authority's Auditor, Nexia Edwards Marshall, 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*.


Victoria MacKirdy
CHIEF EXECUTIVE OFFICER
City of Victor Harbor

**PRESIDING MEMBER
AUDIT COMMITTEE**
Subsidiary is exempt from the
requirements for an external audit
committee

Date: 21 August 2019.

FLEURIEU REGIONAL WASTE AUTHORITY




ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2019, the Authority's Auditor, Nexia Edwards Marshall, 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
District Council of Yankalilla

**PRESIDING MEMBER
AUDIT COMMITTEE**
Subsidiary is exempt from the
requirements for an external audit
committee

Date: **21st August 2019**

FLEURIEU REGIONAL WASTE AUTHORITY



ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Waste Authority for the year ended 30 June 2019, the Authority's Auditor, Nexia Edwards Marshall, 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
Kangaroo Island Council

**PRESIDING MEMBER
AUDIT COMMITTEE**
Subsidiary is exempt from the
requirements for an external audit
committee

Date: **2nd September 2019**

**FLEURIEU REGIONAL WASTE AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

STATEMENT BY AUDITOR

I confirm that, for the audit of the financial statements of Fleurieu Regional Waste Authority for the year ended 30 June 2019, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board and 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*.



Jamie Dreckow
Partner



Nexia Edwards Marshall
Chartered Accountants

Dated: 30 September 2019

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Fleurieu Regional Waste Authority

