

# Annual Report 2016 - 2017



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# INTRODUCTION

Mayor's Reflections

Chief Executive Officer's Report



# Mayor's Reflections

**This was a year of steady progress, reliable service delivery, and prudent financial management interspersed with significant highlights.**

The most significant of which was the decision about the location of Council's new community hub, library, innovation and business centre, meeting rooms and offices. After public consultation to confirm community needs and aspirations, Council engaged skilled specialists to undertake detailed analysis about the best location for the new facility. Nine options were investigated, with the optimum location for overall community outcomes, and the highest forecast level of visitation, being chosen.

The new combined facility will be constructed on a portion of the current Civic Centre site on Prospect Road. The new building will take advantage of the four level High Street zoning for the site and will adjoin the original Town Hall building. The balance of the site will be sold to stimulate the development of a building of similar scale, incorporating mixed uses, and providing a retail shop front to Prospect Road in a location that has lacked activation since the Council occupied the site with a staff carpark many years ago.

This year Council also successfully lobbied to review and improve the regulations relating to apartment and townhouse developments along our main road corridors. Our broad consultation across locals, neighbours, specialists, Elected Members, developers and industry, enabled Council to deliver a significantly improved Development Plan, and to successfully convince the Planning Minister to enact it under interim effect on the 30th May.

A significant increase in heritage protection was another major highlight for Council this year. With many other council's struggling to achieve increases in heritage listings, City of Prospect was successful in adding over 70 addresses and five historic conservation zones, almost doubling our previous level of heritage protection throughout the city. The significance of this achievement was recognised by many in the sector, highlighting the leadership role City of Prospect continues to exhibit.

There were a number of other highlights and events throughout the year, only a small sample of which are listed below.

## PLACES TO LOVE

### St Helens Playspace Upgrade

Stage 2 of the St Helens Park playspace upgrade was completed and included nature play elements such as a dry creek bed, boulders, log steps, and planting. Artworks done by local groups were incorporated in the form of mosaic stepping stones, BBQ mural and totem pole. A feature cubby house was installed to enhance the inclusive play and complete the project.



### Ern Sconce Rotary Park Upgrade

Stage 2 of the upgrade for Ern Sconce Rotary Park was completed and included artistic sculptures, upgrade of timber-framed playground equipment and nature play elements to compliment the natural aspect of the park as well as enhancing the area with a playful style.

### Collaborations

City of Prospect signed a Memorandum of Understanding with the University of Adelaide to collaborate on Smart City and Business Incubation projects. We participated in the launch of the University of Adelaide's Smart City Consortium and were recognised for our collaboration with the University on a range of new projects.

Prospect collaborated with other Councils in the Smart City space and has hosted a number of events at Prospect including:

- Welcoming Cofounder and Chair of the New York based Intelligent Communities Forum Mr John Jung and several CEO's and Mayors to assist in building international links.
- Hosting the Smart Cities Seminar with speakers from the LGA and Department of Prime Minister and Cabinet.

### Business Support

Training, networking and support continued to be a highlight of Council's interaction with our micro and small business community. Regular training opportunities, business profiling and video production was provided for a range of local businesses and used to promote the city and the business through a variety of media including Facebook and email.

# Mayor's Reflections

A Business Collective was formed for those along our main roads, with a particular focus on promoting the Village Heart on Prospect Road. To assist with funding, Council introduced a levy on Village Heart traders to raise approximately \$10,000 to fund a combined marketing campaign for this important main road strip.

The Digital Hub continued to deliver digital literacy outcomes to the community through awareness sessions, workshops, training and meeting facilities and one to one sessions throughout 2016/17. A total of 2,344 people attended group and one-on-one sessions, meaning that The Hub has now had over 9,800 people attend one-on-one or group trainings sessions since it commenced in 2013.

## Intelligent Communities Forum

City of Prospect was once again recognised as one of the 21 Smartest Communities in the world by the USA based Intelligent Communities Forum for five out of the last six years. Council continues to gain the recognition as it continues to innovate and collaborate with business, government and education sectors across a range of fields.

## PEOPLE

### NAIDOC Week

Council celebrated the history, culture and achievements of Aboriginal and Torres Strait Islander peoples with a Welcome to Country, talks about the history and theme of NAIDOC Week, an interactive cultural performance of music and songs from the Torres Strait Islands, Kurna storytelling, and art workshops at the Thomas Street Centre. 130 children from Prospect, Prospect North and Nailsworth Primary, Saint Bridget's and Blackfriars Early Learning Centre participated.

### Reconciliation Week

Wonggayerlo, "Footprints in the Sand" was presented in the Prospect Town Hall where Karno Telfer and Michael Mills performed their highly interactive play to an audience of 98 children and their families.

### Events

For the 22nd consecutive year, the annual Twilight Concert series took place each Friday during February 2017 in Memorial Gardens, and this year the concerts featured as part of the Adelaide Fringe Festival. Attendances were up on the previous year, and for the first and last weeks we introduced food trucks and a pop-up VW Bar which were very well received.

Our flagship event, Tourrific Prospect was held on Monday 17 January 2017 and attracted an estimated 15,000 plus people to the heart of Prospect Road.

Of the 100,222 people reached through Council's social media strategy for the event, 10,066 were from outside of Australia, with India as the largest demographic with 3,251 people reached. Based on research it is estimated, the 15,000 attendees spent \$391,500 at the event, which highlights a strong local investment.

### Arts

Prospect Gallery delivered 9 exhibitions in the 2016/17 financial year, with 17,055 people coming through the Gallery doors.

Prospect Arts Action Network (PAAN) continues to meet monthly to guide and provide advice on Gallery business and exhibition programming, as well the PAAN drive member-led arts projects and initiatives and volunteer their time at Gallery events.

The City Wide Public Art Advisory Board was renamed the City Wide Public Art Roundtable (CWPAR) on 23 May 2017 and continued to assist Council



# Mayor's Reflections



with the development and placement of public art throughout our City, including a major commission at the intersection of Collingrove and Galway Avenues in Broadview really got the locals talking.

## Grants for Community

Council received 22 applications to the annual Community Support Fund, requesting a total of \$45,571 from a budget allocation of \$25,000. Each of the grants provided direct benefit to the many local community groups and clubs that make essential contributions to community life in Prospect.

## Prospect Park Angels

One of the new volunteer programs established over the past year is 'Parks Angels', a dedicated group of local residents who support the work of our City Maintenance staff to care for local children's 'natural play' spaces. Council provides a wide range of volunteer opportunities while also supporting local community groups to develop their own volunteer programs.

## For our Older Residents

Council's Community Support Program (formerly HACC) provided a wide range of social support activities, including weekly activity groups held within Council's community halls, a monthly Friday Matinee program within the Town Hall, Men's shed, supported visits to Adelaide Central Market, Monthly Community Lunches, Exercise Classes, monthly supported trips to Adelaide Zoo and bus trips to locations outside of Adelaide.

## Volunteers

Council celebrated National Volunteer Week in early May to celebrate volunteering as a driver of community connectedness, improving the health and wellbeing of individuals with 150 volunteers attending a lunch at Casa D'Abruzzo Molise Club on Churchill Road, Prospect.

The lunch featured the presentation of Community Service Awards to community members who have made a noteworthy, voluntary contribution to our community. The awards were presented by Council's CEO Cate Hart to Betty Castle, Clare Mahoney, Tracey Clark, Connor Watson, Valeta Bakhus, and Joy Palmer. A plaque was presented to a local business - Good Things Marketing - a successful international digital marketing agency located within Little City Studio in Prospect.

## Australia Day Awards

City of Prospect's Australia Day awards were presented at Tourrific Prospect on the main stage, and this year included the announcement of the special Freedom of the City of Prospect Award to Ann Newmarch, for her service to the arts, locally, at state level and nationally, over many years.

Other award recipients were

- Kay Seary - Citizen of the Year
- Megan Davies - Young Citizens of the Year
- Diwali Festival in St Helens Park (Nov 2016) - Community Event of the Year

# Mayor's Reflections

## SERVICES

### Roads

A number of road, footpath and other infrastructure projects were completed this year including resurfacing of Allan Street, Totness Avenue, Princes Street, Mendes Street, Mackie Avenue and Jellicoe Street.

### Footpaths

Our popular footpath paving program continued with sections of the following streets completed in 2016/2017: Regency Road, Alexandra Street, Boucher Place, Vine Street, Braund Road, Elderslie Avenue, Milner Street, New Street, Union Street, Jacaranda Avenue, Rosetta Street and Cheffers Street.

We are one year closer to completing the campaign to completely replace aging asphalt footpath paving with coloured concrete pavers across the whole city.

### Main Roads

The next stage of undergrounding powerlines along Prospect Road was commenced, taking this long term initiative as far as Regency Road in the north, leaving just one more stage in order to complete the undergrounding from Fitzroy Terrace to Grand Junction Road.

Galway Avenue received an injection of new life in the form of over 60 new advanced gum trees along the prominent grassed median strip, supplemented by the installation of a major new piece of public art, providing an instant landmark at the intersection of Collingrove Avenue - creating a source of conversation and comment for many in the neighbourhood.

## Financial Results

On balance a measured financial outcome was achieved for the city with revenue lifting to \$22.5M and expenditure of \$22.6M, providing a small net operating deficit of \$96k.

The proportion of our revenue sourced from external grants was \$1.85M. Of this \$947k was received from the Commonwealth via the State Grants Commission, and \$631k from the state government's community care program, which is also part funded by the Federal Government.

## Summary

Council is extremely well placed to commence the 2017/18 year with confidence and good health. Next year will mark the commencement of the new Civic Centre on Prospect Road, the largest undertaking by this Council in many years and a development to benefit a generation (if not more).

It is testament to the diligent work of the Elected Members, CEO Cate Hart, and her staff, that we embark upon this challenging and significant journey in good financial shape, and a long term financial plan which indicates we will continue to do so for many years without imposing significant additional burdens upon our ever faithful community.

**David O'Loughlin**  
Mayor, City of Prospect



# Words from the CEO

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**2016/2017 was an extremely busy year for Council and the organisation while we continue to work closely together on delivering a wide range of services and projects to our ever changing community.**

Supporting our community is at the centre of what we do, and this year we have continued to focus on delivering a wide range of exciting community projects whilst maintaining ongoing service delivery.

A centrepiece of the year has been the ongoing development of our new Community Hub, Library and Innovation Centre planned to be opened in 2019. At this time last year, Council was deliberating on a preferred site. In January 2017 this was resolved to be our existing Civic Centre site on Prospect Road given its location, accessibility, and growing community demands from new development on our main road corridors. Following this decision, the organisation has been fully focussed on the opportunity to establish a centre that will meet the needs of our community and stakeholders for the coming 30 years.

Further to this Council's attention has turned to how best to promote public use of the Tram Barn on Council's works depot which is currently utilised for Council storage, in response to community advocacy to retain this building. The site is planned for sale in 2017/2018 and there is significant public desire to have it retained for public access. I am confident a better use of the building than for Council storage can be achieved (regardless of ownership of this State Heritage listed asset), and I am looking forward to considering the opportunity of an exciting development on the site.

Council continues to support to the community through our comprehensive grants program, and some of the wonderful events held this year included the Diwali Festival at St Helens Park in November 2016 and Anime Go at the Town Hall in October 2016. Elected Members are fully supportive of community groups undertaking events and I encourage you to consider your role in doing so in the coming year. Through grant funding and in-kind support to local organisations, community

**“As our city increases its range of housing and our population grows, we need to make sure we have the right plans in place to support this.”**



groups and sporting clubs, we deliver vitally important programs for our community, together with supporting our disabled and aged residents and youth activities.

Over the last year, we have seen our city embrace new forms of development following the rezoning of our main road frontages, reflecting the State Governments' desire to halt urban sprawl and provide housing choice close to the city. As our city increases its range of housing and our population grows, we need to make sure we have the right plans in place to support this. With this in mind, we have progressed further planning policy reforms intended to lift the design standard of the new higher density developments.

We have an enviable reputation as a great place to live, work, visit and invest. We anticipate the coming year will see continued change in our Council and we look forward to helping deliver and share in the successes that lie ahead.

**Cate Hart**

*CEO, City of Prospect*

# OUR COUNCIL

Elected Members

Council's Representation Quota

Elected Member Remuneration

Elected Member Training

Meetings, Workshops, Panels, Committees

Council Decision Making Structure

Executive Management Team

Human Resource Management

Rating Policy

Policy & Administration Documents

Information Statement



# Our Council

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## Elected Members

### DAVID O'LOUGHLIN

Mayor

Mobile: 0408 598 863

Email: david.oloughlin@prospect.sa.gov.au

### CR TALIS EVANS

Councillor for North Ward

Mobile: 0439 681 879

Email: talis.evans@prospect.sa.gov.au

### CR MONICA LEE

Councillor for North Ward

Mobile: 0414 375 982

Email: monica.lee@prospect.sa.gov.au

### CR KRISTINA BARNETT

Councillor for West Ward

Mobile: 0408 822 923

Email: kristina.barnett@prospect.sa.gov.au

### CR MATT LARWOOD

Councillor for West Ward

Mobile: 0458 019 994

Email: matt.larwood@prospect.sa.gov.au

### CR MARK GROOTE

Councillor for Central Ward; Deputy Mayor

Mobile: 0401 717 491

Email: mark.groote@prospect.sa.gov.au

### CR ALISON DE BACKER (Nee BOWMAN)

Councillor for Central Ward

Mobile: 0423 114 170

Email: alison.debacker@prospect.sa.gov.au

### CR ALLEN HARRIS

Councillor for East Ward

Mobile: 0419 324 397

Email: allen.harris@prospect.sa.gov.au

### CR MARK STANDEN

Councillor for East Ward

Mobile: 0408 826 151

Email: mark.standen@prospect.sa.gov.au



# Our Council

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## Council Boundaries

### Electors Representation

The table below demonstrates that the current average elector ratio in the City of Prospect is the second lowest of the metropolitan Councils. The intent of Section 26 and 33 of the Act is to achieve, as far as possible and practical, some degree of consistency in elector representation across the State.

Council	Councillors	Electors	Ratio
Walkerville (3.5km <sup>2</sup> )	9	5,566	1:618
Prospect (7.8km <sup>2</sup> )	9	14,806	1:1,645
Norwood (15.1km <sup>2</sup> ) *	14	25,264	1:1,804
Holdfast Bay (13.7km <sup>2</sup> )	13	27,610	1:2,123
Unley	13	27,664	1:2,128
Burnside (27.5km <sup>2</sup> )	13	31,841	1:2,449
Adelaide (15.6km <sup>2</sup> )	12	25,420	1:2,118
Campbelltown (23.3km <sup>2</sup> )	11	34,929	1:3,175

\*Denotes Norwood Payneham & St Peters

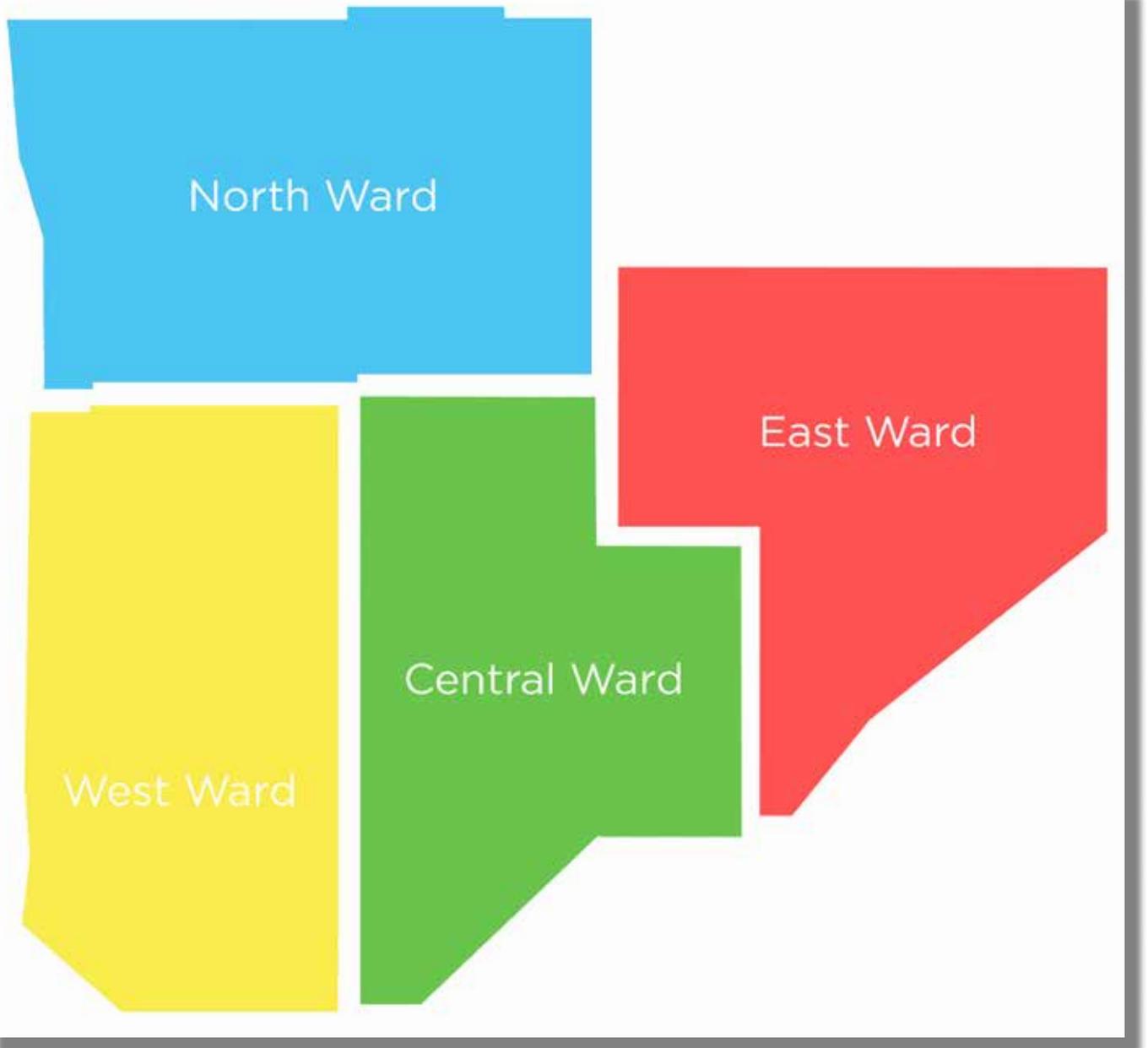
Source: Electoral Commission of SA (ECSA), current as at 28 February 2017

# Our Council

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The community of Prospect is represented by a Council consisting of the Mayor who is elected by the community at citywide elections and eight Councillors, two per ward. The current structure of Council has been in place since the 2014 General Election having last undertaken an Elector Representation Review in 2013.

Ward Boundaries are highlighted in the Ward Map.



# Our Council

## Elected Member Remuneration

Elected Member allowances were reviewed by the Remuneration Tribunal in Determination No. 7 of 2014, which resulted in an increase to allowances for City of Prospect Elected Members.

	<b>Prescribed Allowance</b>
<b>Mayor</b>	\$65,104
<b>Deputy Mayor</b>	\$20,345
<b>Elected Member</b>	\$16,276

In accordance with section 76(9) and 76(15) of the Local Government Act, allowances set out in Determination No. 7 of 2014: Members of Local Government Councils will be adjusted annually on the first, second and third anniversary of the 2014 local government election to reflect changes in the Consumer Price Index, where the Consumer Price Index is defined as "the Consumer Price Index (All groups index for Adelaide) Published by the Australian Bureau of Statistics.

City of Prospect is classified as a Group Two Council (there are six groups all together). The allowances came into operation following the November 2014 Council elections and were indexed from 7 November 2016.

## Elected Member Training

In accordance with the City of Prospect Training and Development Policy, the Elected Members were provided the opportunity to attend and take part in the following professional development and training sessions aimed at assisting in the performance and discharge of their functions and duties.

<b>Name</b>	<b>Date</b>	<b>Training/Development Session Details</b>
All Council Members	5 July 2016	Development Assessment Processes and the DAP
Mayor O'Loughlin Cr Monica Lee	13-14 July 2016	Urban Renewal Australia Conference
Mayor O'Loughlin	29-10 July 2016	Mayors and Chairpersons Forum
Mayor O'Loughlin	12 August 2016	Norman Waterhouse Lawyers Local Government Conference
Mayor O'Loughlin	6 September 2016	UDIA SA State Conference
Cr Alison De Backer	29 September 2016	Elected Members Workshops - Draft 30 Year Plan for Greater Adelaide
Mayor O'Loughlin Cr Kristina Barnett Cr Alison De Backer	20-21 October 2016	LGA Conference and AGM 2016
Mayor O'Loughlin Cr Kristina Barnett	9-11 November 2016	16th International Cities, Town Centres and Communities Conference
Mayor O'Loughlin	9-11 November 2016	National Local Roads and Transport Congress
Mayor O'Loughlin Cr Kristina Barnett	16-17 March 2017	Australian Smart Cities and Infrastructure Summit
Cr Alison De Backer	17-18 March 2017	Affordable Housing Australia Conference
Cr Matt Larwood	6-8 June 2017	Intelligent Community Forum Foundation Annual Conference
Mayor O'Loughlin Cr Mark Groote	18-21 June 2017	Australian Local Government Association National General Assembly

# Our Council

## Meetings, Workshops, Panels, Committees

Ordinary Meetings of Council are held on the fourth Tuesday of the month starting at 7:00pm. Workshops are held on the first and second Tuesday night of each month (except January), starting at 6:15pm.

Meetings attended by Elected Members 1 July 2016 - 30 June 2017						
	Council	Workshop	Audit Committee	SPD&P Committee	DAP	CEO Performance Review Committee
Mayor David O'Loughlin	13	21	6	2		3
Cr Talis Evans	15	25	5			
Cr Monica Lee	14	24		2	10	2
Cr Kristina Barnett	15	27	2	2		
Cr Matt Larwood	12	23		0		3
Cr Mark Groote	14	23				2
Cr Alison De Backer	14	25		1	12	
Cr Allen Harris	15	24				2
Cr Mark Standen	14	22				
<b>Total number of Meetings</b>	<b>15</b>	<b>28</b>	<b>7</b>	<b>2</b>	<b>12</b>	<b>3</b>

## Development Assessment Panel (DAP)

Council's Development Assessment Panel (DAP) meets on the second Monday of the month starting at 5.30pm (unless this date falls on a public holiday and then an alternative date will be selected if required).

Development Assessment Panel Members		Remuneration per Meeting
<i>Independent Members</i>	David Cooke	\$400
	Sam Green	\$400
	Julian Rutt	\$400
	Darren Starr	\$400
	Simon Weidenhofer	\$400
Council Members	Cr Alison de Backer	Paid EM Allowance
	Cr Monica Lee	Paid EM Allowance

# Our Council

## Audit Committee

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

Audit Committee Members		Remuneration per Meeting
Independent Members	Laurie Kozlovic	\$500
	David Moffatt	\$400
	Corinne Garrett	\$400
Council Members	Mayor David O'Loughlin	Paid EM Allowance
	Cr Kristina Barnett (until October 2016)	Paid EM Allowance
	Cr Talis Evans (from December 2016)	Paid EM Allowance

## Strategic Planning and Development Policy

Strategic Planning and Development Policy Committee with meetings being held up to four times per year, or as required.

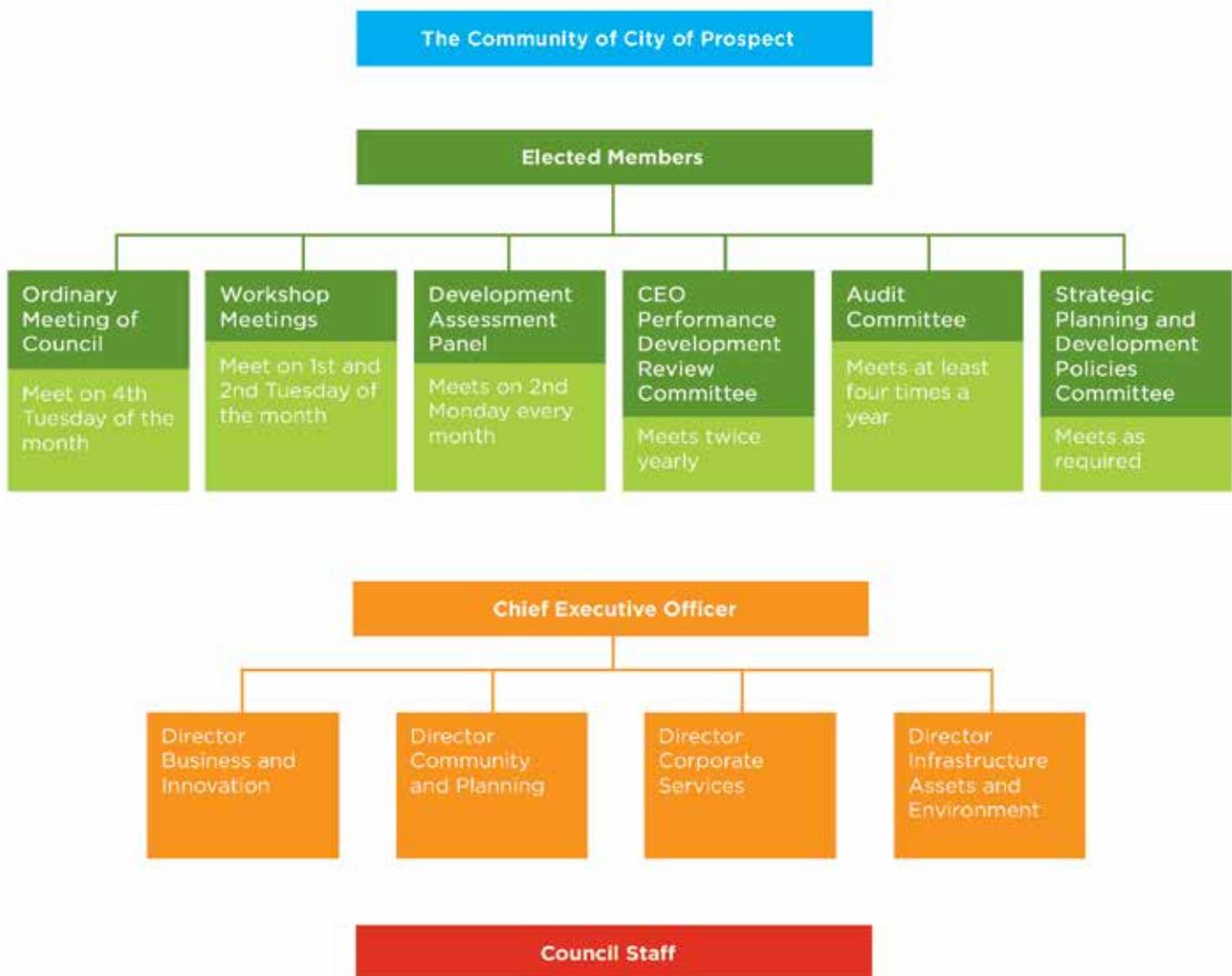
Strategic Planning and Development Policy Members	Remuneration per Meeting
Mayor David O'Loughlin	Paid EM Allowance
Cr Matt Larwood	Paid EM Allowance
Cr Monical Lee	Paid EM Allowance
Cr Kristina Barnett	Paid EM Allowance
Cr Alison de Backer	Paid EM Allowance

# Our Council

## Council Decision Making Structure

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

The Local Government system provides vital infrastructure, with social and environmental support and facilities for our community. City of Prospect is responsible for providing strategic direction for the local area, planning and development control, setting policy, providing and maintaining infrastructure and services, and regulating activities whilst complying with and enforcing many diverse pieces of legislation.



# Our Council

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## **Executive Leadership Team**

### **Cate Hart Chief Executive Officer**

The Chief Executive Officer is responsible for overall management of the Administration and Employee Relations and reports to the Mayor and Council. The CEO is the Work Health Safety responsible officer.

### **Ginny Moon Director Corporate Services**

The Director of Corporate Services is responsible for Customer Services, Financial Management, Information Management, Corporate Governance (Delegations, Policy, Elections), Civic Governance (Elected Members, Council Meetings and Workshops), Information Technology, Human Resource Management and Rates Administration.

### **Nathan Cunningham Director Community & Planning**

The Director of Community & Planning is responsible for Community Development, Aged and Youth Programs, Public Art and the Gallery, Events across the city, Library and the Digital Hub as well as Planning and Urban Development throughout the City.

### **Greg Georgopoulos Director Infrastructure, Assets & Environment**

The Director of Infrastructure, Assets and Environment is responsible for Public Realm Placemaking, City Maintenance, Asset Management, Stormwater Management, Traffic Management, Contract Management, Capital Works Programming, Parks and Gardens, Council Fleet, Community Land and Property, Waste Management, Environmental Projects, Risk, Work Health & Safety Management, as well as broader Community Safety.

### **Chris Hannaford Director Business & Innovation**

The Director of Business and Innovation is responsible for Economic Development, Investment Attraction, Business Relations, Traders Relations, External Funding Policy, Strategic Economic Planning and Communications

## Human Resource Management

Council maintains a policy of retaining a balance of well trained and responsive Council employed staff and the use of contractors for specialised projects and services.

In doing so, Council can ensure that projects are carried out using the specialist equipment and skills of contractors whilst retaining a core in-house workforce that can respond quickly and efficiently to localised issues and concerns.

Employees range in age from 19 through to 67 years holding job obtained skills or qualifications at all levels from Certificate level through to Post Graduate.

Staff are employed under the South Australian Municipal Salaried Officers Award and the Local Government Employees Award. Service delivery standards and employment conditions are enhanced through the enterprise bargaining process, which involves negotiation between Council staff and management.

In addition, training is provided to Council employees during the year to ensure they are equipped with the knowledge and skills required to service the community efficiently.

Council experienced minor staff turnover during 2016/2017, with 4 staff leaving the organisation to pursue other promotional or career opportunities. Council continues to develop strategies to attract and retain quality staff. Council seeks to balance the inevitable staff turnover generated by the tight labour market with a "core" of employees who have dedicated significant periods of their working life to serving the residents and community organisations within Prospect.

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

- Planning and Building
- Library Services
- Community Services
- Arts & Events
- Youth Development
- Work Health & Safety
- Horticulture & Civil Services
- Engineering
- Environmental Planning
- Placemaking
- General Inspectorial/Regulatory Services
- Economic Development
- Communications
- Customer Service
- Governance
- Human Resources
- Finance
- Information Technology

The following tables summarise the age profile and length of service of employees with City of Prospect as at 30 June 2017.

Age of Workforce	Male	Female	Total
18-29	4	8	12
30-39	7	14	21
40-49	11	18	29
50-59	12	12	24
60+	4	4	8
Total Employees*	38	56	94

\* Denotes number of employees capped at 85 FTE.

Years of Service	2014/2015	2015/2016	2016/2017
0-5	35	34	40
5-10	34	33	29
10-15	8	9	14
15-20	4	4	6
20+	6	5	5
Total Employees*	87	85	94

\* Denotes number of employees capped at 85 FTE.

# Our Council

## Rating Policy

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

After Council has established what services will be provided and how much those services are expected to cost, it then works out how much money will be collected from various sources, and how much it needs to collect from the community in the form of rates.

Providing and maintaining services and facilities costs money. Council must raise sufficient funds and does this by charging a rate on property.

While Council receives some money from other sources such as grants and fees, the largest portion (approximately 87%) of the money that Council requires comes from rate payers.

## Rating Strategy

Before Council can set its rates each financial year, it must review its Rating Strategy to assess if strategy positions previously taken need to be amended.

The Rating Strategy is a broad statement by the Council of the approach that it will take in determining rates and the reasons for this approach. This process helps to ensure accountability to the community.

The Rating Strategy for 2016/17 was adopted by Council on 19 July 2016 as part of Council's Annual Business Plan. It took into account:

- Valuations set by the Valuer-General
- City of Prospect Strategic Plan to 2020
- Council's Treasury Management Policy
- Inflation rates, Consumer Price Index (CPI) and Local Government Price Index
- The effect of rates on local business
- Employment rates
- Interest rates
- Council's borrowings
- Legislative changes
- Any financial change imposed by legislation
- Physical infrastructure requirements
- Environmental impacts and opportunities
- Income from fees and charges
- Income from grants
- Income from other sources

Council works hard to ensure rates are kept to a responsible level, consistent with meeting the needs and demands of the local community in maintaining infrastructure and providing services.

Council also seeks to ensure that rates are applied fairly across the community.

In 2016/2017, the total revenue raised from rates increased by 3.6%. This increase was made up of average residential rate increases of 2.6% plus growth of 1.0%. Local residential property valuations increased

by an average of 4.66% from the previous year.

## Land Use & Locality

Council has chosen to have four different rates depending on the type of land use and location within the City. One for residential, one for non-residential (including commercial shops, offices, light industry etc), one for vacant land located in the residential development zone and one for vacant land not in the residential development zone (non-residential).

## Minimum Rate

Council considers it appropriate that all rateable properties make a contribution to the basic services provided for all rate payers by way of a minimum rate. The minimum rate was increased from \$1,090 to \$1,118 for the 2016/2017 financial year.

## Payments

Council rates can be paid through a variety of methods, including Cash, Cheque, EFTPOS, Internet, Australia Post and BPay

## Every \$100 spent by Council is spent on:

Service	Dollars
Waste Management	\$8.22
Sanitation	\$0.23
Community Creativity, Events & Gallery	\$3.70
Library	\$3.67
Community Wellbeing & Development	\$2.73
Street Trees, Nature Strips, Parks & Landscapes	\$1.64
Stormwater Drainage	\$3.71
Business & Economic Development	\$2.87
Street Lighting	\$2.73
Public Health & Safety	\$0.88
Streets & Footpaths	\$13.34
Traffic Management	\$1.97
City Planning & Development	\$4.67
Fleet & Depot Operations	\$12.78
Governance & Administration	\$9.86
Information Technology	\$5.75
Rates Administration	\$0.91
Financial Management (includes NRM Levy)	\$2.14
Reserves & Loans	\$5.43
Sports, Recreation & Playgrounds	\$8.47
Communication	\$4.30
<b>Total</b>	<b>\$100</b>

# Our Council

## Mandatory Rebates

During the 2016/17 financial year, 130 (up from 129 in 2015/16) properties were granted mandatory rebates as follows:

Reason	No. of Rebates	Value of Rebate
Community Services	104	\$91,654.24
Education	6	\$122,305.34
Religious	20	\$121,312.23
<b>Total:</b>	<b>130</b>	<b>\$335,271.81</b>

## Discretionary Rebates

Five applications for discretionary rebates were approved by Council during the 2016/17 financial year.

Reason	No. of Rebates	Value of Rebate
Community Services	4	\$9,922.48
Services for Children	1	\$5,017.65
<b>Total:</b>	<b>5</b>	<b>\$14,940.13</b>

## Valuation

A capital value is assessed for each property and is used by Council for calculating rates. The capital value is provided each year by the Valuer-General. The table shows the trend of capital valuation for City of Prospect over the last few years.

	10/11	11/12	12/13	13/14	14/15	15/16	16/17
<b>Valuation of the City (Million)</b>	\$4,598	\$4,939	\$4,729	\$4,783	\$4,877	\$4,962	\$5,205
<b>Minimum Rate</b>	\$812	\$857	\$912	\$980	\$1,050	\$1,090	\$1,118
<b>Residential Rate in (dollar)</b>	0.27647	0.27470	0.303107	0.314506	0.321690	0.322342	0.319577
<b>Non-residential Rate in (dollar)</b>	0.49997	0.52823	0.583553	0.609000	0.658500	0.683288	0.654307
<b>Average Residential Rate</b>	\$1,321	\$1,394	\$1,464	\$1,531	\$1,605	\$1,683	\$1,732
<b>Vacant Land Rate</b>	0.36699	0.030981	0.323593	0.393132	0.402112	0.402927	0.399471
<b>Vacant Land Rate (Non-residential)</b>	0.36699	0.030981	0.323593	0.761250	0.823125	0.854110	0.817884

## Policy & Administration Documents

### National Competition Policy – Clause 7 Statement Reporting

The National Competition Policy was last revised in July 2002 and applies to all Local Government authorities in South Australia, including City of Prospect. The Policy aims to:

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

National Competition Policy does not mean competition at any cost, however competitive neutrality is one of the key principles of the Policy. The principle is based on the concept of a level playing field for people competing for business and relates to situations where there is, or the potential for, competition between the private and public sectors.

Councils are required to identify any significant business activities that it undertakes in either Category One (annual revenue in excess of \$2m or employing assets in excess of \$20m) or Category Two (all other significant business activities).

Council did not commence or cease any significant business activity during the reporting period however it continued to be a member of the Eastern Health Authority, a business with activity of interest with respect to the National Competition Policy.

The Eastern Health Authority is categorised as conducting significant business activity for Category One under the principles of the National Competition Policy. There are no business activities falling under Category Two to which the principles of Competitive Neutrality are to be applied.

City of Prospect has not received any complaints in relation to its application of competitive neutrality or the principles of the National Competition Policy during 2016/2017.

## By-Laws

All Council's By-Laws were reviewed in the last quarter of 2015 with all By-Laws gazetted in the SA Government Gazette on 24 December 2015 coming into effect from 3 January 2016.

Council's By-Laws relate to:

- Permits and Penalties
- Moveable Signs
- Local Government Land
- Roads
- Dogs
- Waste Management

## Registers, Codes, Policies and Guidelines

There are a number of registers, codes and policies the Council must endorse and regularly review to govern the conduct of its affairs, some of which are available on Council's website with the remainder available by request at the Civic Centre:

- Building Inspection Policy
- Caretaker Policy
- Code of Conduct for Council Employees
- Code of Conduct for Council Members
- Code of Conduct for Council Members – Complaint Handling Procedure Under Part 2
- Code of Practice - Meeting Procedures for Meetings of Council and Council Standing Committees
- Code of Practice for Public Access to Meetings and Documents
- Community Engagement and Consultation Policy
- Corporate Governance Framework (Internal Controls)
- Customer Service Charter (Including Requests for Service & Complaint Handling)
- Delegations Register
- Development Assessment Panel Code of Conduct
- Development Assessment Panel Complaints Handling
- Dog Register
- Elected Member Allowances and Benefits Policy
- Elected Member Gifts and Benefits Register
- Elected Member Training and Development Policy
- Fees and Charges Register
- Freedom of Information Statement
- Informal Gatherings Policy
- Internal Review of Council Decisions Policy
- Order Making Policy
- Procurement Policy
- Register of Campaign Donation Returns
- Register of Elected Member Allowances and Benefits
- Register of By-Laws

# Our Council

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- Register of Community Land
- Register of Public Roads
- Register of Salaries
- Treasury Management
- Whistleblowers Protection Policy and Reporting Process

## **Information Statement**

### **Providing Public Access to Official Documents and Records**

The Freedom of Information Act 1991 (the FOI Act) gives you the right to request access to documents held by Council and plays a vital role in the overall transparency of government. To meet the requirements of Section 9(1a) of the FOI Act, Council is required to publish an Information Statement. The purpose of the Information Statement is to provide the public with an overview of information held by Council and details how to access the information. The Information Statement is updated annually and published on Council's website.

### **Information Requests**

During the 2016/2017 financial year, Council received a total of 14 requests for information under the provisions of the Freedom of Information Act.

Freedom of Information application forms, as well as details of applicable processing fees and conditions, can be obtained from Council's website [www.prospect.sa.gov.au](http://www.prospect.sa.gov.au) or alternatively from Customer Service.

All applications should be submitted in writing and forwarded with the application fee to:

The FOI Officer  
City of Prospect  
PO Box 171  
Prospect SA 5082

## Matters Considered in Confidence

During the 2016/2017 financial year, the confidentiality provisions of the Local Government Act were used by Council a total of 8 times to consider matters in confidence.

Council adopted 213 resolutions on a broad range of issues during this period. Matters considered “in confidence” therefore represents approximately 3.7% of the total matters considered.

Orders made under Section 90(2) of the Local Government Act 1999 for 2016-2017		
Date of Meeting	Subject	Reason (Section 90(3))
25/10/2016	Report of the Audit Committee Meeting held on 17 October 2016 - Item 14.2 Appointment of External Financial Auditor 2017-2021	(k)
20/12/2016	Australia Day Citizen of the Year Awards 2017 and Freedom of City Award	(a)
28/02/2017	Recommendation for Award of Waste Contract	(d) & (k)
18/04/2017	Community Service Award Nominations 2017	(a)
18/04/2017	Strategic Property Acquisition - Prospect	(b)
9/05/2017	Award of Waste Contract	(k)
23/05/2017	Strategic Property Acquisition - Prospect	(b)
27/06/2017	Eastern Waste Management Authority Membership	(b)

Orders made under Section 91(7) of the Local Government Act 1999 for 2016-2017		
Date of Meeting	Subject	Reason (Section 90(3))
25/10/2016	Report of the Audit Committee Meeting held on 17 October 2016 - Item 14.2 Appointment of External Financial Auditor 2017-2021	(k)
28/02/2017	Recommendation for Award of Waste Contract	(d) & (k)

Orders made under 91(7) that expired, ceased or were revoked during 2016-2017			
5 Confidential Items were released during the 2016-2017 financial year.			
Date of Meeting	Subject	Reason (Section 90(3))	Date Released
25/10/2016	Report of the Audit Committee Meeting held on 17 October 2016 - Item 14.2 Appointment of External Financial Auditor 2017-2021	(k)	24/01/2017
20/12/2016	Australia Day Citizen of the Year Awards 2017 and Freedom of City Award	(a)	24/01/2017
18/04/2017	Community Service Award Nominations 2017	(a)	16/05/2017
9/09/2014	Eastern Health Authority Charter 2013 Review	(h)	27/06/2017
14/10/2014	Churchill Road Stage 2 - Road Works	(k) & (b)	27/06/2017

# Our Council

14 items remain in confidence as at 30 June 2017

Date of Meeting	Subject	Reason (Section 90(3))
25/10/2005	Supplementary Report - Supported Residential Facility	(a), (d) & (h)
25/10/2005	Supported Residential Facility	(a), (d) & (h)
22/02/2011	Unauthorised removal of six (6) significant trees at 252 Churchill Road, Prospect	(h)
19/04/2011	Unauthorised removal of six (6) significant trees at 252 Churchill Road, Prospect	(h)
21/02/2012	Settlement Proposal for removal of 6 Significant Trees - 252 CHR	(f) & (h)
13/03/2012	Settlement Proposal for removal of 6 Significant Trees - 252 CHR - Consideration of Deputation	(f) & (h)
13/03/2012	Settlement Proposal for removal of 6 Significant Trees - 252 CHR - Consideration of Proposal	(f) & (h)
15/05/2012	Removal of 6 Significant Trees - 252 CHR	(f) & (h)
27/11/2012	Rates Outstanding Report	(a)
25/03/2014	Digital Economy Strategy : 2014-2018	(b)
28/02/2017	Recommendation for Award of Waste Contract	(d) & (k)
18/04/2017	Item 23.2 Strategic Property Acquisition - Prospect	(b)
9/05/2017	Item 4.1 Award of Waste Contract	(k)
23/05/2017	Item 23.1 Strategic Property Acquisition - Prospect	(b)

The Development Assessment Panel did not consider any matters in confidence during this period.

## Key Performance Indicators

Council staff achieved approximately 82% completion of all budgeted projects for 2016/2017. This equates to 84 of the 103 projects endorsed by Council.

Whilst every effort was made to complete the projects of the 19 not completed:

7 of those projects were completed by July 2017

- Village Heart and Surrounds Tree Project
- Memorial Gardens Playspace 3/3 (Project)
- Council Buildings and Structures (maintenance)
- Upgrade of Play Space in identified parks
- Connecting Prospect Oval to Main North Road
- Green Neighbourhoods Connections and Attractions
- Beautification Project of Identified Parks

6 more were completed after 30 June 2017:

- Elizabeth Street Drainage and Road Construction - 2 projects (August)
- Fleet Management - Capital Acquisitions (Street

Sweeper delivery September)

- Prospect Oval Seating Repairs (September)
- Brussels Street Drainage and Road Construction - 2 projects (October)

5 Projects are still to be completed

- Heritage Grant Program (funds allocated, waiting on applicants to complete their projects)
- Prospect Road Footpath Upgrade & Upgrades following PLEC (2 projects)- Majority of upgrades completed and Percy Street locality about to commence
- Broadview Oval Master Plan (refer previous comments)
- Main North Road Central Precinct Concept Plan (refer previous comments)

And 1 Project was deferred:

- Scope Design and Delivery of an Extranet (to be addressed in website project)

# OUR PEOPLE

Library Services

Youth

Our Older Residents

Our Awarded Community

Our Inclusive Community

Our Volunteering Community

Community Transport

Community Support Fund

Our Creative Community

Events

Public Art



# Our People

## Library Services

Prospect Library continued to meet the ongoing needs of the community in 2016/17 by providing welcoming spaces, an exciting program of activities and accessible collections. Visits increased significantly with nearly 127,000 people walking through the doors, up significantly on the 94,000 visits of the previous year. Despite this increase in attendance, circulation of traditional items was down a little, with 177,000 items being borrowed throughout the year. This has however been offset by significant increases in borrowing of e-books and e-magazines via our shared state wide systems, trending towards predictions by industry experts that up to 50% of library item circulation will happen in the online environment in the near future. This trend aligns well with the broader sector.

The progression to a new library became much more tangible in 2016/17, and in early 2017 Council selected Prospect Road as the site for the new Community Hub, Library and Innovation Centre. The focus of library staff has now shifted in earnest to reviewing current services, and planning and preparing for this new facility.

## Programs and Services

The Library's ongoing programs continued to go from strength to strength in 2016/17. Particular highlights include:

- The Library being full to capacity with parents/caregivers and babies attending our weekly Baby Bounce & Rhyme sessions (Image - Communications stock photos)
- The Knitty Gritty group having strong attendances and promoting vibrant community connections through shared afternoon tea each week
- The hugely successful "Food for Fines" program which encouraged customers to donate non-perishable food items for charity in lieu of fine payment

- Celebrating NAIDOC week with a day of activities attended by various school groups
- Another successful year of the Annual Children's Writing Competition.

## Local History

In 2016/17 the library commenced an ambitious project to undertake a comprehensive review of the local history collection and begin the process of digitising key resources. This project is progressing exceptionally well and is transforming the local history collection from a static archive into a functional and well organised resource that will be useful to amateur and professional researchers alike.

## Youth

City of Prospect support the employment of a Youth Development Officer to coordinate a range of programs and initiatives for young people aged between 10 and 25 years. The joint Youth Officer arrangement with Walkerville ceased in July 2016 due to changes to Walkerville's youth budget priorities.

## Club5082

Provided every second Friday evening at Prospect Town Hall, this successful live music program provides performance opportunities for emerging and established artists in a professional venue operated by newly graduated technicians.

The program focuses upon developing an online audience through Council's Club5082 Facebook page and also makes a solid contribution to the Friday evening vibrancy and street activity of Prospect Road.

Club5082 Facebook page has over 3,400 'likes' with many more viewing the page over the year to access high quality photographs and stream the live events.

A local young person also designs the posters for each event which reflect the high production standards that have been part of the success to attract the communities interest.



# Our People

## YouthFM

City of Prospect continues to be an active participant and contributor to this popular regional youth radio program.

Each year young people are drawn from within each of the participating Council areas to come together for training and mentoring that supports each of them to be able to prepare and present radio programs.

Two intakes occurred in April and October school holidays with local young people being engaged through local schools and youth organisations. Council sponsored four young people aged between 15 -25 to participate.

YouthFM is aired on Three D Radio 93.7FM on Thursday afternoons from 4pm – 5pm. The live to air show is produced by young people for young people with the support of the YouthFM mentor and aims to promote local youth events, services, raise awareness of the issues that impact on young people and provide air time to young musicians.

## Children's School Holiday Program

Three high quality theatre shows were held at Prospect Town Hall in the April, July and October School Holidays catering for children aged from 3 - 10 years.

Events were offered as part of the Out of the Square program, a network of Suburban theatres who plan, package and present high quality arts and entertainment experiences for South Australian audiences.

The program has been a huge success with all shows selling out quickly. Due to its popularity the program will be offered next year.

## Youth Sponsorship Program

The Youth Sponsorship Program offered by City of Prospect aims to encourage and support young people aged 21 years and under who have been selected to represent their institution, club or organisation in areas

including sport & recreation, science, technology, arts and culture.

34 applications were processed and approved this financial year enabling young people to compete at competitions held in South Australia, interstate and overseas.

## Our Older Residents

Council's Community Support Program experienced an increase in demand for services during 2016/2017 with 183 new clients being registered to receive services. Services included:

- Home Modifications (grab rails, handheld shower hoses etc.)
- Home Maintenance (gutter cleaning, window cleaning, handyman service and gardening)
- Domestic Assistance (spring cleans and general house cleaning)
- Transport (Community Bus and taxi vouchers)

The Community Support Program also provided a wide range of social support activities for our older residents with the aim of connecting them with each other and the wider community, countering the negative health impact of social isolation. Activities included weekly activity groups held within Council's community halls, a monthly Friday Matinee program in the Town Hall, Men's Shed, supported visits to Adelaide Central Market, Monthly Community Lunches, Exercise Classes and bus trips to locations outside of Adelaide. In addition to these regular social programs, the Prospect Community Support Program also provided residents with the opportunity to participate in the Every Generation Festival and an information session run in conjunction with Arthritis SA.

Increasingly, the Community Support Program is being called upon to provide individual advice and support for our older residents as they navigate the many



# Our People

changes to aged care. In particular, many of our older residents require assistance to access the My Aged Care website, an Australia wide referral point for all aged care service provision.

## Men's Shed

The Men's Shed is a social program where older men can share and develop their skills to make/repair a range of items including childrens toys, while socialising over a cup of coffee. This year saw the re-opening of the Men's Shed with improved facilities, creating a safer, more accessible work environment for all who attend.

## Community Recognition

### Community Service Awards

The Community Service Awards recognise and celebrate the significant contributions made over the past year by local residents and business owners, who volunteer their time and energy for the benefit of our community. At a National Volunteer Week event held in May 2017, awards were presented to Betty Castle, Clare Mahoney, Tracey Clark, Connor Watson, Valeta Bakhus, and Joy Palmer. The local business award was presented to Good Things Marketing, a successful international digital marketing agency located within Little City Studio in Prospect.

### Citizen of the Year Award

The Citizen of the Year Award, Young Citizen of the Year Award and Community Event of the Year Award are provided by the Australia Day Council of South Australia and are administered by Councils throughout the state. The City of Prospect awards were presented at the 2017 Tourrific Prospect Street Party to Kay Seery as the recipient of the Citizen of the Year Award and Megan Davies as the recipient of the Young Citizen of the Year Award. The Federation of Indian Communities of South Australia took out the Community Event of the Year Award for their Diwali Festival held in St Helens Park in November 2016. A special presentation was made to Ann Newmarch as recipient of the Freedom of the City of Prospect Award.

## Our Inclusive Community

### English as a Second Language (ESL)

Council's English as a Second Language program continues to provide support to some of our growing cohort of new residents to improve their speaking, reading and writing skills. More than 30 students, originating from 15 different countries, attended the classes and individual tutoring sessions which are offered weekly during school terms at the Thomas Street Centre.

### NAIDOC Week

Council participated in the national celebrations of the history, culture and achievements of Aboriginal and Torres Strait Islander peoples at Thomas Street Centre in early July 2016. On 4 July, Uncle Lewis O'Brien (Kaurna Elder) gave a Welcome to Country

and spoke about the history and theme of NAIDOC Week "We all stand on Sacred Ground: Learn, Respect and Celebrate". Eddie Peters entertained with an interactive cultural performance of music and songs from the Torres Strait Islands. Sharon Karpany told traditional stories, and Aboriginal Community Connect presented art workshops in the Cottage. 130 children from Prospect, Prospect North and Nailsworth Primary, Saint Bridget's and Blackfriars Early Learning Centre participated in the celebrations and activities.

### The Jam the Mix The Gig (JMG)

A local community group providing services to residents living with poor mental health continued its residency within Prospect Town Hall, providing a music based program that focusses on skills and capabilities rather than disabilities.

JMG is in the Town Hall each Wednesday afternoon and a monthly weekend booking with financial support from SA Heath and the Northern Communities Health Foundation.

### Prospect Active Walkers

Regular community activities, either facilitated by Council or supported by Council are a great way for residents to get to know each other. One such group is Prospect Active Walkers who meet Mondays, Wednesdays and Fridays to keep fit, have fun and socialise. Supported by two of Council's volunteers, this program is registered as a Heart Foundation Program and in March 2017 the walkers participated in Clean Up Australia Day, and helped to keep our beautiful streets tidy.

### Community Halls

Support continues to be provided to community groups for their access to and provision of services from our three Community Halls - Prospect Community Hall, Nailsworth Community Hall, and the Community Cottage.



# Our People



The list below shows the range of groups who are making use of Council's three halls on a regular basis:

- English Conversation Class
- Friends of the Library
- Toddler Craft, Music and Dance
- Nailsworth Over 50's Group
- Maltese RSL
- COTA Strength for Life
- Children's Playgroup
- Bollywood Dance Group
- Friday Night Folk Club
- Deeper Christian Life Ministry
- CHSP Exercise Group
- Book Club
- Art Groups: Mosaics; Textiles; Painting
- Local History Group
- Australian Breastfeeding Association
- Collinswood Friendship Group
- Prospect Theatre for Young People
- Australian Retired Persons Association
- Taoist Tai Chi
- Just for Dance (new)
- Claire's Casual Classes (new)
- United Indian Community (new)
- Zen Do Kai - Karate
- Underwater Explorers Club of SA
- Various Probus Clubs
- Adelaide Treasure Hunters
- Thermomix Cooking Club
- Various Car Clubs

## Our Volunteering Community

Council provides a wide range of volunteer opportunities including driving the community bus, graffiti removal, teaching English, reading stories to our children, helping out at events and providing Justice of the Peace Services. In 2016/2017 160 volunteers, ranging in age from 15 to 90 years old, were registered with Council, generously giving their time to help create a connected community and improve the health and wellbeing of our residents.

Council's Volunteer and Community Programs Coordinator also supported local community organisations to develop their own volunteer programs by linking individuals who wish to undertake volunteer work in their local community with local organisations needing volunteers.

### End of Year Celebrations

To recognise and thank our volunteers for their efforts throughout the year, a celebration was held in November 2016 at the Eight Nights of Summer event in Vine Street Plaza. More than 70 volunteers attended.

### Justice of the Peace Service

Council continues to offer a Justice of the Peace service Mondays to Fridays during business hours and with growing demand for an 'after hours' service an additional service was introduced on Saturday mornings at the Prospect Library. In 2016/2017 21 JP's assisted over 9,000 people and certified almost 27,000 documents.

Council also hosted training throughout the year for JP's to keep up-to-date on trends, issues and matters affecting JP's through the Royal Association of Justices SA.

# Our People

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## Community Transport

Council's Community Transport program continues to provide a range of services, mostly for our older residents, including pick-up and return:

- Monthly day trips to regional areas
- Monthly Library run
- Northpark shopping, and
- Community Support Program activities

## Community Support Fund

The Community Support Fund provides grants of up to \$5,000 to locally based community groups to support their activities and develop programs which benefit our community. This year 22 grant applications were received (up from 13 applications the previous year). Funding was allocated to a range of sporting and community groups to assist with the purchase of equipment, facilities improvement, community development, community events and the environment.

## Our Creative Community

### Prospect Arts Action Network

Prospect Arts Action Network (PAAN) continues to meet monthly to guide and provide advice on Gallery business and exhibition programming, as well the PAAN drive member led arts projects and initiatives and volunteer at Gallery events. The nine-member group, included the Mayor and Cr Standen till 23 May 2017 when a Council Report endorsed that Cr Barnett and Cr Harris be appointed to update their membership.

### Prospect Gallery and Exhibition Program

The Prospect Gallery delivered 9 exhibitions in the 2016/2017 financial year, with 17,055 people coming through the Gallery doors.

- **Beneath the Stone** - Floating Goose Studio Artists, Curated by Lauren Mustillo (June - July 2016)
- **PAANdemonium** - Prospect Arts Action Network (PAAN) Artists August - September 2016)
- **WTF - Wasted, Treasured, Forgotten** - Cornucopia Artists (September - October 2016)
- **Outskirts** - Gary Campbell, Jayne Langford, Ewa Skoczynska (October - November 2016)
- **The 19th Prospect Community Show** - Local artists (December 2016 to January 2017)
- **Tipping Point** - Sum Woon Chow (February - March 2017)
- **As The Crow Flies** - James Martin (March- April 2017)
- **Form and Re-Form** - Annabelle Collett and Jeff Trahair (May - June 2017)
- **A Prospect of Prospects** - Stephanie Radok (June - July 2017)

## Events

### Prospect Fair is Moving

At its Council Meeting on 25 October 2016, Elected Members endorsed that the Prospect Fair not proceed in March 2017 at St Helens Park.

Council voted for a new 'Fair' style event to be developed for Broadview Oval, to be held towards the end of 2017 and that a new 'Spring' Fair event will include a sport and recreation program of activities, aligned with the a 'Play Well Sport & Rec Fair' as outlined in the 2016/2017 Annual Business Plan.

The new 'Spring Fair' event will be held on Saturday 28 October, and Council has committed to this new event for three (3) years to 2019 inclusive.

### 2017 Twilight Concerts

For the 22nd year in a row, the annual Twilight Concert series took place each Friday during February 2017 in Memorial Gardens. The weather was fine, and this year the concerts featured as part of the Adelaide Fringe Festival.

Attendances were up on the previous year, and a new approach to programming saw the first week 'Party in the Park' curated by Club5082. The second week saw the return of the Jazz Club and on the third week we presented 'Culture Night' with Indigenous, Bollywood and African music and dance. The final week was the ever popular Latin Night. In 2017, for the first and last weeks we introduced food trucks and a pop-up VW Bar which were all very well received.

As usual there was also entertainment for children which included a jumping castle and a range of activities including miniature golf, giant games, Sumo suits and a climbing wall.

Prospect Rotary Club was on hand once again with ice blocks and cool drinks for the kids, and Prospect Blair Athol Lions Club provided their big barbecue at affordable prices, while raising funds for local community projects.



# Our People

## 2017 Tourrific Prospect

Council's flagship event, Tourrific Prospect, was held on Monday 17 January and attracted an estimated 15,000 plus people to the heart of Prospect Road. The next morning, our community joined together to cheer on the cyclists of the Santos Tour Down Under Stage 1 Start as they travelled along Prospect Road on their way to Lyndoch.

In 2017, the Tourrific Prospect event was planned and delivered to support the endorsed 2017-2020 Tourrific Prospect objectives of:

- Place - Put a spotlight on 'Brand' Prospect to showcase it to the world; where people champion Prospect as a vital place to be and invest
- Prosperity - Leverage the event to stimulate and sustain business activity and community benefit
- People - Create an inclusive, innovative, culturally diverse and entertaining celebration that is a resident and visitor attractor

In addition, 'Our Colourful Community' event theme presented a celebration and demonstration of Prospect's cultural diversity and inclusive community. Programming supported our creative, culturally diverse and colourful community through a rich array of performers, events and activities where some of our 15,000 residents and/or visitors proclaimed 2017 to be the "best event ever".

The events ongoing success is underpinned by it being a free, local, family friendly event - through a program that includes something for all ages and budgets and

high levels of street activation, including roving street performers and a Prospect 'fringe' area, dedicated community cycling activities, four (4) entertainment stages including Club5082 in the Prospect Town Hall and a dedicated children's zone.

The event continued to focus on being 'zero waste' and with the help of the local service clubs we recycled all bottles and cans.

In 2017 we had 51 traders registered as participating in the event compared to 66 in 2016, with several increasing their site area to assist with the efficient serving of the crowds. Ten (11 in 2016) Prospect Road businesses registered as opening late however, a number also opened but did not register. It was pleasing to see the number of traders (participating with no local subsidy) registering from outside of City of Prospect was maintained at six.

In 2017, we welcomed back our great sponsors in Qattro, Fenwicks, Harris, First National Riggall, Transpacific Cleanaway, Residence Building Group, Hills Cider, Brew Boys, Blackfriars Priory School, ANZ Bank, Pak Rite and thanks again to Alfred James Funeral Home for their continuing site assistance.

In an increasingly difficult economic climate, cash sponsorship of \$40,200 (down from \$44,500 in 2016) was secured and when combined with in-kind sponsorship of \$7,000. Total sponsorship achieved was \$47,200, in line with the target. With the inclusion of trader fee income of \$18,502 (\$500 down from 2016), total sponsorship, cash and in-kind income was \$58,702 which was slightly below the \$60,000 target.



# Our People

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The 2017 event directly involved 35 Council staff who worked on the event in a variety of leadership and operational roles throughout the lead up, but particularly on the day. Total staff time for the event is estimated at 1040 hours and costed at \$42,129. These hours include all pre-event day planning and work, event day duties and post event evaluation. Importantly, the largest component of this figure comprises hours performed by the events team members who are salaried staff with their salary already budgeted to specifically deliver events across Council.

Part of the success of the Tourrific event for a Council of our size is the teamwork approach to delivering the biggest annual event in Council's history. This speaks volumes for the positive culture of our working environment and leads to overall savings by using Council trained staff rather than contactors where ever possible.

Further, 21 volunteers were registered through Council's Volunteer Program and together they performed approximately 160 hours of volunteer service across a wide range of duties in the lead up to the event and on the event day. This included many Tourrific volunteers returning from previous years, bringing their experience to the event since 2012.

In 2017, due to the new exciting cinema and business development on the corner of Flora Terrace and Prospect Road, the Loopy Kids Ride was held at the northern end of the event - Barker Gardens. Extreme heat, a new location and a smaller cycling circuit saw numbers slightly down on the day, despite the Ride being fully booked in the lead up.

Tourrific Prospect marketing and communications and social media strategy achieved a high level of awareness of the event. According to Facebook, we are now 6th on the list of similar 'pages to watch', following King William Road, Hyde Park that sits at 5th. Prior to the campaign, Prospect Road was not on this list.

Of the 100,222 people reached, 10,066 were from outside of Australia, with India as the largest demographic with 3,251 people reached.

Based on 2016 Tourrific Prospect Greenhill Research data, the per person spend was on average \$26.10. Given 15,000 people are estimated to have attended the event in 2017, this brings \$391,500 to our event in Prospect Road with approximately 51% or \$199,665 spent by people coming from outside the Prospect area.

For City of Prospect, Tourrific Prospect continues to be its largest annual event. The investment by Council is significant, the excitement that is generated is fantastic for the local community and local economy, and the support from local sponsors and businesses is highly valued.

## Public Art

The City Wide Public Art Advisory Board was renamed the City Wide Public Art Roundtable (CWPAR) on 23 May 2017. With a revised Terms of Reference, they continue to meet at least quarterly, overseeing and guiding Council's annual Public Art Capital and Program projects, assisting Council in the development and placement of public art throughout our City.

The following public art initiatives have been completed with regard to the priorities as set by the CWPAR and endorsed by Council for 2016/2017.

- Human Cocoon Project - Artist in Residence
- The 2016/17 annual, Small Temporary Public Art Grants program
- The purchase of Disorder of Things for Galway Ave by Will Hendricks
- The purchase of Everything and Nothing by Jina Lee for Ern Sconce Park
- The repairs to local murals that have been 'tagged'
- Two Concept Design Stage Contracts (Art in Parks for 2017/18) awarded to John Hayward and Lorry Wedding-Marchioro
- Beyond the Thorns by Chris Ormerod on the corner of Churchill and Torrens Roads is still in situ
- Fish Eat Fish and Water Dwellers by Gerry McMahon are still insitu in the small area between McGlashen's Furniture and Council Buildings

The City Wide Public Art Advisory Roundtable currently has seven (7) members consisting of Mayor David O'Loughlin, Cr Mark Standen (to 23 May 2017) Alison De Backer (from 23 May 2017) supported by Cathy Brooks, Katie Harten, Seb Humphries, Jack Condous (retired 14/11/2016) Gerry McMahon and Peter Syndicas.

# OUR PLACES

Development Assessment

City Planning

Main North Road Precinct Masterplan

Community Safety

Asset Management

Street Trees

City Maintenance

Environmental Sustainability



# Our Places

## Development Assessment

During 2016/2017, City of Prospect received 531 development applications, which is a decrease of 38 applications over the previous year. Despite this, the total value of applications received was significantly higher than the previous year, totalling \$147 million (\$133 million excluding project staging) compared to a total value in 2015/2016 of \$149 million (\$111.9 million excluded project staging). A substantial contributing factor to the total value of development received for this year is development within the Urban Corridor Zone.

Excluding project staging values, multi-storey building applications within this zone increased from \$45 million in 2015/2016 to \$80 million during 2016/2017. By way of comparison, the total value of all development applications received by City of Prospect in 2012/2013 was \$45.6 million.

## City Planning

City of Prospect is undertaking a Development Plan Amendment (DPA) to review and amend planning policy relating to multi-storey development along our major road corridors. The new planning policies within the Urban Corridor Zone & Interface Area Policy Review DPA will address issues including street level activation, building design and finishes, visual privacy, private open space, site landscaping, waste management and built form interaction within the Urban Corridor Zone. City of Prospect applied to the Minister for Planning for the Draft DPA to be brought into immediate effect (interim operation) which was granted by the Minister.

City of Prospect's Heritage Grant Program approved seven properties for funding in a range of Historical Conservation Policy Areas. This provides financial support to conservation projects of local heritage places in private ownership across the city.

As part of the review of the 30 Year Plan for Greater Adelaide - 2017 Update, City of Prospect engaged with the State Government in order to contribute local views and expectations on behalf of our community throughout the consultation process.

## Main North Road Precinct Masterplan

City of Prospect is re-imagining the future of Main North Road, with a vision to create a 'Green Corporate Boulevard' to attract investment, generate jobs and revitalise public spaces. The approach for the future of Main North Road is based on community engagement feedback and analysis over the course of the project. It includes 5 guiding principles, and was endorsed by Council, as follows;

- Increase Greenery
- Urban Design and Built form
- Economic and Business Investment
- Movement and Connection
- Art and Design Quality



A business and key stakeholder engagement workshop was held in April 2017 to discuss design opportunities related to;

- Upgrading the streetscape through greening along the road and improvements to footpaths, medians and side streets
- Improving frequent east - west connectivity
- Creating a sense of place using elements such as public art, seating, lighting, fencing and local 'gems' such as parks, primary school and heritage buildings.

A traffic movement study for broader Main North Road has also been undertaken coinciding with the concept design planning, which highlighted areas to investigate for feasibility analysis of signalised traffic lights at 4 locations to achieve connectivity through right hand turn movements.

## Community Safety

City of Prospect's Community Safety Team actively engages with our community, providing consultation and education in an effort to create a safe and orderly environment that aids vibrancy, community awareness and ownership.

The team provides a range of reactive and programmed services as follows:

- Road safety and parking control
- Dog and cat management
- Investigating issues relating to the keeping of animals or birds
- Dealing with abandoned vehicles
- Monitoring and enforcing Council's By-Laws
- Responding to issues relating to European wasps and bees
- Working with our residents to reduce flammable undergrowth and overhanging vegetation
- Addressing footpath and road obstructions
- Attending to litter and illegally dumped waste

Programmed services are scheduled in accordance with risk and focus on maintaining safety within the

# Our Places

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community and in addition, the team also provides a 24/7 customer response for emergency matters such as dog issues, parking obstructions or other safety related issues.

## Road Safety

Our Community Safety team focus on maintaining a safe environment for motorists, pedestrians and cyclists by monitoring and enforcing the Australian Road Rules. Key focus areas of high risk include bicycle lanes and school zones. Patrols of these areas are undertaken daily to detect and address traffic safety concerns. Our approach is to provide education to motorists where possible as well as issuing warnings and expiations.

In 2016/17 a total of 1,434 parking expiations and 1,004 written warnings were issued to motorists who parked illegally across our city.

## Dog Control

Council's Community Safety team plays a vital role in dog and cat management and are responsible for dog registration, collection and return of stray dogs, investigating complaints relating to nuisance barking and dog attacks.

The standard dog registration fee for 2016/2017 was set at \$70.00 and a number of rebates and concessions were offered for desexed, microchipped and obedience trained dogs.

In 2016/17 residents registered 2,367 dogs for the year. Council Officers investigated 30 complaints relating to barking dog nuisance, 2 dog attacks on other animals and 2 dog attacks on people for this year. 52 dogs found wandering at large were taken to the Animal Welfare League, and all of these were reunited with their owners.

In addition, a number of initiatives arising from our Animal Management Plan have been undertaken this year and include improved signage in parks relating to dog off-leash areas and times and the provision of dog tidy pouches available for residents to store spare dog tidy bags.

## Cat Control

Council's involvement in cat control has included hiring traps to residents who experience issues with feral cats entering their property and causing a nuisance. Council Inspectors assisted with the capture and removal of 13 cats in 2016/2017.

## Bees and Wasps

Council Inspectors attended to 74 complaints of bees and European wasp nests in City of Prospect, locating and destroying 8 European wasp nests.

## Local Nuisance and Littering Complaints

In February 2016 the Litter Provisions of the Local Nuisance and Litter Control Act 2016 were introduced which to enable Councils to more effectively deal with litter and illegal dumping issues. In 2016/17 Council received 466 calls relating to waste/dumped litter.

## Asset Management Strategy

Asset Management is a process of planning and prioritising works on the city's assets to ensure they continue to provide an agreed level of service to the community in the most cost effective and efficient manner. In other words, the correct treatment is undertaken at the right time to ensure that the required level of service is provided to the community. It considers maintenance as well as asset replacement and importantly, recognises that new assets require additional funding that in turn, increases the level of ongoing maintenance expenditure.

Infrastructure Asset Management Plans are about providing a level of service from the city's assets that the community expects and is prepared to fund. The purpose of the plan is to predict asset consumption, renewal needs and to consider asset needs to meet future community service expectations and needs.

The plan includes both a Capital Project Program for maintenance of existing assets and a capital project on new assets for the next 20 years, by class of asset and project type. These capital project programs are critical to advancing the sustainability of Council.

Council's major assets include its local road network, kerbs and gutters, footpaths, stormwater drainage network and buildings. The useful life of each asset has been considered and an estimate prepared for required expenditure each year to ensure the asset continues to provide 'fit for purpose' service to the community.

Other assets of significance are Council's community land and the buildings on this land. Over the current year, a new Community Land Management Plan (incorporating a Lease Register) has been drafted and subsequently published for public consultation. The results of consultation have been collated and adoption of the Plan will occur in 2017/18.

## Prospect Road Footpath Upgrade - Gordon to Regency

Following on from the successful undergrounding of power lines by the Power Line Environment Committee (PLEC), Council is reconstructing the streetscape along Prospect Road to complement the improved amenity of the newly removed stobie poles. The works included:

- New kerbs and gutters and increased capacity stormwater pits to improve stormwater management
- New footpath pavers
- Irrigated and landscaped garden beds at the intersections

The new streetscape works will greatly improve the amenity of the surrounding streetscape to the north of the Village Heart area.

## Footpath Reconstruction Program

Council completed the 2016/2017 Footpath Reconstruction Program which consists of the replacement of dilapidated asphalt footpaths with new concrete block paved footpaths. The 2016/17

# Our Places

program was completed on time and within the allocated budget. The 2016/17 program included the reconstruction of over 3.3km of footpath and is part of Council's rolling footpath reconstruction program, which will see all asphalt footpaths within the City of Prospect reconstructed of concrete block pavers by the year 2020.

## Kerb and Gutter Reconstruction Program

Council completed the 2016/17 Kerb and Gutter Program which consists of the reconstruction of pre-existing old sections of kerb and gutter prior to road resurfacing. The reconstructed kerbs and gutters improve the stormwater drainage in the street and by reconstructing prior to road surfacing improves the amenity and integrity of the new road surface.

## Beautification Project

This project continues to be an important aspect for appropriately maintaining our open space assets. The project this year involved the replacement of bench seats and picnic settings, fencing, BBQs, drinking fountains, paving, irrigation and small play equipment items. Upgrades of such items are critical to maintain the aesthetics of our parks and reserves as well as ensuring the public safety of all our visitors.

## St Helens Playspace Upgrade

Stage 2 of the St Helens Park playspace upgrade was completed and included nature play elements such as a dry creek bed, boulders, log steps, and plantings. Artworks by local groups were incorporated in the form of mosaic stepping stones, BBQ mural and a totem pole. A feature cubbyhouse was installed to enhance the inclusive play and complete the project.

## Memorial Gardens Playspace Stage 3

Memorial Gardens Playspace Stage 3 includes a community garden facility complementing the Prospect Community Garden and incorporates playful features such as an interactive colourful sculpture, tying in with the playspace and raised gardens beds with herbs and other sensory plants.

## Ern Sconce Rotary Park Upgrade

Stage 2 of the upgrade for Ern Sconce Rotary Park was completed and included artistic sculptures, an upgrade of timber-framed playground equipment and nature play elements to complement the natural aspect of the park as well as enhancing the area with a playful style.

## Street Trees

The annual Street Tree Planting Program continues with its significance highlighted within the new Strategic Plan. New street trees are being planted throughout the city to replace those that have either died due to age, are diseased or damaged, that have presented an unmanageable risk to public safety, or in locations that have been identified as missing trees.

The Street Tree Planting Program is only one of the programs targeting street trees. This program was accelerated this year to be in line with our strategic plan of attractive streets with leafy tree canopies. Approximately 160 street trees were planted, with many more to be planted in 2017/18.

The White Cedar Replacement Program is another Street Tree Program looking at replacing our mature/veteran white cedars in a staged approach. Council



# Our Places

has also accelerated the White Cedar Replacement Program this year to mitigate public safety risks associated with our mature White Cedar trees.

## City Maintenance

Through Asset Management Planning, the City Maintenance Annual Plan has been developed which guides the City Maintenance services to be provided to the community throughout the course of the year.

Services are planned for annually and scheduled by fortnight to ensure efficient and effective delivery of maintenance across our city's streets and open spaces, allowing for seasonal variations and other reactive needs.

Services include provision of 24/7 rapid response, cyclic works such as road sweeping, weed spraying, tree watering and mowing, routine scheduled maintenance across our parks and gardens and programmed maintenance throughout our city's streets via the Precinct Services Program.

## Rapid Response and Customer Service

During 2016/17, Rapid Response actioned approximately 2,983 customer requests for services (CRM's) including tree trimming, road sweeping, footpath and road repairs. Each request is assessed to enable high risk hazardous issues to be prioritised ahead of issues of lesser risk.

The team also provides a 24/7 on call service to attend to hazardous issues such as road or footpath hazards, damaged street trees and storm related issues.

This year we have made some improvements to our customer request management system by implementing automated email responses to customers to provide them with updates regarding the status of

their requests.

## Seasonal and Cyclic Maintenance Works

Our City Maintenance team operates various cyclic works programs which are seasonally adjusted annually to cater for variations in weather conditions.

Road sweeping is undertaken daily; in autumn and winter, footpath blowing is also included at various intervals to deal with tree litter. Weed management programs operate year round in some capacity and include weed spraying of Council verges and other open spaces. From spring through to the end of summer our watering program commences to focus on watering newly planted street trees and garden bed plantings.

## Park Maintenance

Routine maintenance of our parks and gardens is undertaken to keep them looking their best for the community to enjoy. Lawn mowing is seasonally adjusted and is generally undertaken in each park every 2-3 weeks, with other works including tree maintenance, garden bed maintenance and plant care routinely rostered.

## Precinct Services

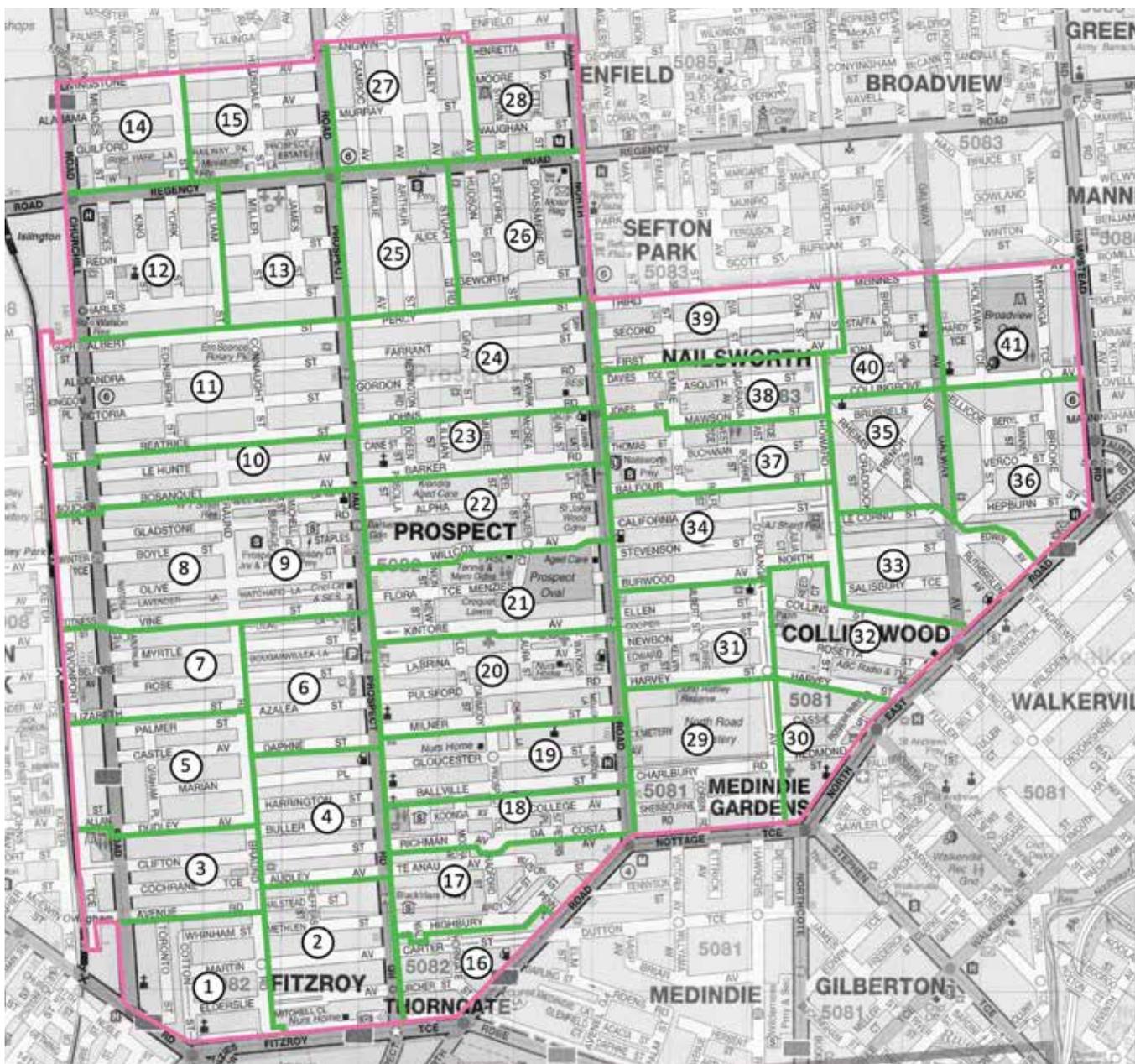
Preventative programmed maintenance is delivered across our city by the Precinct Services Team.

The Precinct Services program ensures that maintenance is undertaken in each street of the city every two years. With 41 precincts in total, this approach ensures an even distribution of services across the City.

Works are scoped and prioritised according to the level of risk and include footpath maintenance, kerb and gutter repairs, road maintenance and tree maintenance.



# Our Places



Precinct Map

Between 1 July 2016 and 30 June 2017, the following precincts were serviced: 21, 1, 27, 17, 5, 34, 14, 15, 19, 20, 30, 29, 41, 22, 3, 7, 11, 28, 26, 33, 18, 35, 13. Refer to the Precinct Map for locations of these precincts.

## Street Tree Maintenance

Council undertakes a range of tree maintenance programs designed to appropriately care for and maintain our extensive and diverse tree population, ensuring they remain beautiful, safe and healthy throughout their lifetime.

These programs include formative pruning of younger trees, basal shoot removal, mistletoe removal and block pruning to maintain public safety and ensure the long term health of our trees.

During 2016/17, block pruning was undertaken in the

following locations:

- Alpha Road
- Asquith Street
- Arthur Street
- Burwood Avenue
- Chevalier Street
- Flora Terrace
- Johns Road
- Kintore Avenue
- Labrina Avenue
- Linley Avenue
- McCrea Street
- Sherbourne Road
- Stuart Road
- Warren Avenue
- Wilcox Avenue
- Athol Avenue

# Our Places



- Boyle Street
- Churcher Street
- Dudley Avenue
- French Street
- Lillian Street
- Miller Street
- Murray Street
- Redmond Street
- Rosetta Street

In 2016/17 Council also received 1,139 customer requests relating to street trees generally requesting tree trimming, tree removal/replacement or to report damaged trees.

## Prospect Road and Churchill Road Precincts

Dedicated Precinct Services are provided to these high profile / high traffic locations. Services include weekly removal of rubbish, garden bed maintenance and plant care including infill planting during winter/spring, footpath blowing and sanitation particularly during summer and event season, bin and bus stop sanitation, footpath maintenance, graffiti removal and tree maintenance.

## Environmental Sustainability

### Waste Processing and Waste Education

Waste education has once again been a key focus of Council throughout 2016/2017. Council's waste tonnage and associated costs for processing the 3 waste streams is as follows:

- Domestic waste was 4,000 tonnes, at a cost of \$493,983
- Recyclable waste was 1,739 tonnes, at a cost of \$54,978
- Organic waste was 3,149 tonnes, at a cost of \$125,820

Kerbside waste collection and processing were delivered within the allocated timeframe and within budget.

Council has continued to develop new and innovative ways of promoting the message of reducing landfill. A range of actions have been undertaken to date including:

- Articles in the Prospect Magazine for 2016/2017
- Waste education featured on Council's website including brochures, recycling and composting information, E-waste and hard waste information
- Moving towards zero waste at all of Council's community events
- Development and delivery to every household of a Collection Calendar, and kitchen organics bags
- Recycling Workshops conducted at Primary Schools and Kindergartens within the City of Prospect
- Door knocking education campaigns to promote correct usage of the kerbside waste system, and hard waste system, targeting multi-unit dwellings.

### Waste Calendar

The annual Waste Calendar was delivered to Prospect residents for 2016/2017. The Waste Calendar contains information regarding correct and effective usage of the kerbside waste management system, as well as information regarding food scraps and hard waste. The waste calendar was delivered within the allocated timeframe and within budget.

### Electronic Waste Program

City of Prospect continues to offer its residents the opportunity to recycle their unwanted, obsolete or damaged electronic waste items through E-Cycle Recovery. Residents can drop off all electronic waste items for zero cost to E-Cycle Recovery's premise.

# Our Places

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## Compost Bins and Worm Farms

City of Prospect continued to offer residents a rebate for the purchase of compost bins and worm farms through its 'Compost Bin and Worm Farm Incentive Scheme'. Residents were able to receive a rebate of \$20 towards the purchase cost of these products in acknowledgement of their commitment to reduce landfill. Residents were also able to purchase discounted worm farms and compost bins directly through Council. In 2016/2017 Council provided 5 compost bins and 2 worm farms to residents. The compost bin and worm farm program was delivered within the allocated timeframe and within budget.

## scRamble - Sustainable Active Travel Program

The scRamble project is an initiative to encourage safe, fun, sustainable and active travel to school that has been undertaken annually since 2013.

Working with local schools, the project brings the community together by encouraging children and families to travel to school in ways other than by car.

During 2016/17, Council conducted a series of bicycle workshops for approximately 100 students across Prospect, Prospect North, Nailsworth and Blackfriars Schools around safe riding and bike education for primary school students. The workshops were well received by the students.

## Solar Incentive Scheme

During 2016/17 City of Prospect offered a \$500 rebate to encourage property owners and occupiers to install solar photovoltaic systems and energy storage systems. The incentive offered covered photovoltaic systems from 1.5kw up to and above 20kw capacity, and energy storage systems coupled with an onsite solar photovoltaic system. The incentive proved very popular with a total of 21 applications being approved for this program.

## Cloth Nappy Program

Council teamed with a Nappy Library Service (Eco Bums) to promote the use of cloth nappies. The program aims to reduce the waste to landfill associated with disposal nappies. By offering residents a free loan kit, residents had the opportunity to try out different types, sizes and brands of modern cloth nappies for two weeks to help find the perfect system for them and their baby. Council provided loan kits to 6 families during 2016/17.



# OUR PROSPERITY

Economic Development  
Network Prospect



## Economic Development

### Smart Cities and Creative Community

City of Prospect has been recognised as one of the 21 Smartest Communities in the world by the USA based Intelligent Communities Forum for five out of last six years. This is a significant achievement and builds on the work undertaken by Council with the early rollout of NBN.

Council is seeking funding under the Commonwealth Smart Cities and Suburbs Program. A funding application was lodged for the Connected Places Project. Connected Places is a collaboration between five Councils. The project will create a free, open, accessible low powered network covering an additional 160km<sup>2</sup>, servicing nearly one in four metropolitan residents via 10 loraWan gateways. It will also provide real time information to residents via an app. Additionally, the project seeks to use sensors in our parks to improve asset management and development of apps for the community.

### NBN

Since 2012, NBNco and City of Prospect have partnered to deliver Fibre to the Premises (FTTP) high speed internet to residents and businesses. FTTP is the fastest high speed internet technology offered by NBNco. This partnership has led to City of Prospect becoming the only Council in South Australia where every household and business has access to FTTP. High speed internet access is earmarked to become increasingly important to businesses. A recent study by the University of South Australia has indicated that currently one in three Prospect's businesses have experienced an increase in their trade as a result of the NBN.

### WiFi

On 17 January City of Prospect successfully tested its Prospect Fast Wi-Fi at the Tourrific Prospect street party. The system was rolled out by Vintek who are one of Council's key suppliers of technology. Council has been working with Vintek since the initial installation to improve the speed and robustness of the service. This has enabled speeds to increase to between of 20- 50 Mbps. Third party Wi-Fi supplier Ruckus, has verified that Prospect's Wi-Fi system is one of the fastest public Wi-Fi systems in the country. The Wi-Fi system includes 12 Access Points (AP) running approximately 500 m from Barker Gardens/ Coles to Rose Street/Labrina on Prospect Road.

Research has shown that free Wi-Fi helps to boost local economies by:

- Increased visitation by residents, professionals, local business, tourists and young people.
- Enabling professional and home-based businesses meeting in connected cafés.
- Attracting new bricks and mortar businesses to the area and creating jobs.
- Attracting digital savvy professionals and businesses.

### Prospect Podcasts

City of Prospect engaged former newscaster Tricia Karp of "Wise Talk" to produce a series of podcasts where locals tell stories unique to Prospect's character and history. Tricia conducted a workshop at the Digital Hub, where she taught interview and recording techniques, and empowered those in attendance to speak clearly and confidently on their recordings. Over the following months, Tricia recorded and edited 32 interviews with locals. This podcast series will be launched to the public in late 2017.

### University of Adelaide

A Memorandum of Understanding with the University of Adelaide was signed in 2017. The agreement seeks to advance collaboration on smart city initiatives and a business incubation initiative. City of Prospect participated in the launch of the University of Adelaide's Smart City Consortium and was recognised for its collaboration with the University on a range of new projects.

### Business Incubation

Prospect Council has worked with and supported the establishment of two co-working spaces in the Main Street. Both co-working spaces have gone from strength to strength, expanding within one year to include other premises in a nearby suburb. Both have established a strong co-working ecosystem, providing training events and a Council-sponsored accelerator program for new businesses.

As both co-working spaces have reached capacity, City of Prospect is seeking to develop an Export Hub Incubator with a focus on the Eastern Region of Adelaide. The Incubator will seek to foster start-ups and develop their capabilities to enable them to realise their economic potential in international markets. In particular, the Incubator will promote the export of services.

### ERA

City of Prospect is part of the six local governments in Adelaide's metropolitan east that make up the Eastern Regional Alliance (ERA) which includes the Cities of Prospect, Unley, Campbelltown, Norwood Payneham & St Peters, Burnside, and the Town of Walkerville. Key areas of cooperation are both Smart Cities and Tourism.

### Small Business

Prospect Mainstreets' Association Prospect Traders and Property Owners' met in March 2017 to discuss how to continue the business growth of the area. A group called the Prospect Mainstreet's Association was formed to support the growth of business on Prospect Road, Churchill Road and Main North Road. It was clearly acknowledged that through supporting events such as Tourrific on Prospect Road there would be major benefits to all business on the other mainstreets in Prospect.

# Our Prosperity



## Business Use of a Road

A new outdoor dining policy Business Use of a Road was endorsed by Council. The policy seeks to increase outdoor dining by making the application process simpler and waiving permit fees for the first two years. This approach has been warmly welcomed by local retail and dining businesses.

## Prospect Digital Hub

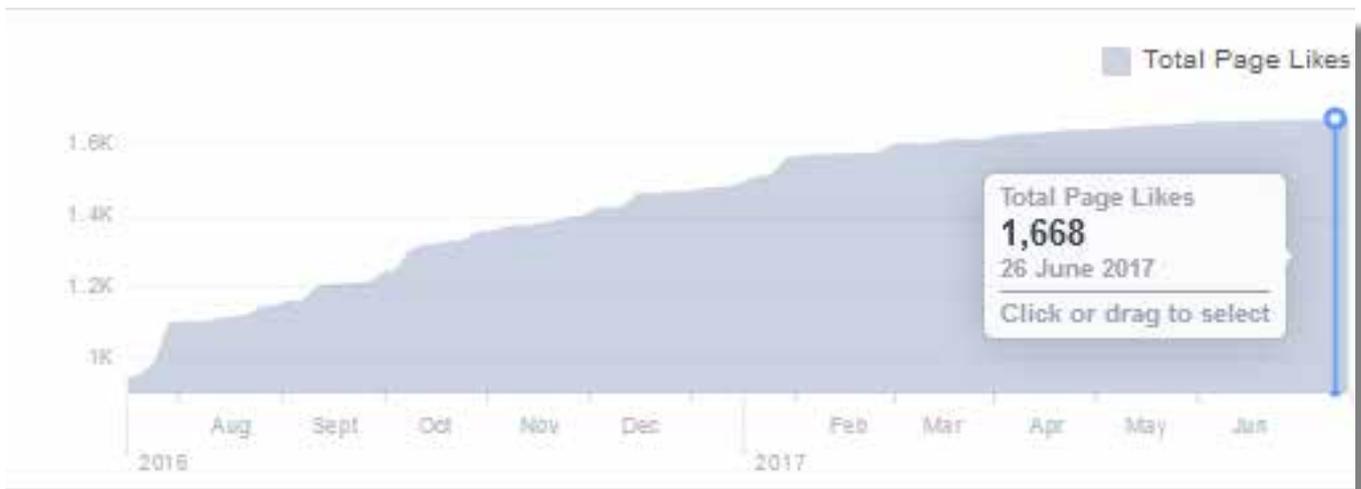
The Digital Hub program continued to provide community digital literacy outcomes through awareness sessions, workshops, training and meeting facilities and one to one sessions throughout 2016/17. A total of 2344 people attended group and one-on-one sessions, meaning that the Digital Hub has now had over 9800 people attend one-on-one or group trainings sessions since it commenced in 2013.

A number of new adult digital literacy workshops were offered in 2016/17, focusing on Online Safety, and accessing eMagazines and eBooks. The Hub

also focused on increasing programming to children, offering afterschool coding sessions for primary school aged children, as well as school holiday activities on topics such as using smart phone microscopes and experimenting with Augmented Reality.

## Network Prospect

The Network Prospect brand continues to develop and grow through the website, Facebook page, new Instagram profile, YouTube channel, Business Newsletter, and engagement at business events. City of Prospect continues to encourage businesses to register on the online business directory with more than 250 businesses and professionals promoted on the website. We have achieved 617 registrations and 387 attendees at Network Prospect Business Events. The Network Prospect Facebook Page following has grown from 946 in July 2016 to 1668 page likes in June 2017.



# Our Prosperity

## Economic Benefits of Tourrific Prospect

The 2017 Tourrific Prospect was held on 17 January 2017 on Prospect Road, Prospect. Attendance numbers in the vicinity of 15,000 indicate that the event is still highly regarded by locals and visitors.

It puts the second smallest Council in Adelaide onto a world stage under the 'Our Colourful Community' banner, with a range of multiculturally diverse music, food and activities, all supporting a festival atmosphere and family focus.

Based on Greenhill Research data from 2016 Tourrific Prospect, the average spend per attendee was \$26.10. Given 15,000 people were estimated to have attended the event in 2017, this brings \$391,500 of expenditure into the heart of Prospect Road with approximately 51% or \$199,665 spent by people visiting from outside the Prospect area.

Using the 2016 data sets, it is also estimated that the 2017 event attracted 12,300 adults (82%), 600 adolescents (4%) and 2,100 children (14%). It is

estimated that half (51%) of the event patrons normally reside outside of the Prospect local government area, with 7,350 from other parts of Adelaide, 690 from regional South Australia and 800 from interstate or overseas, while 7,650 event patrons from the Prospect local government area.

While some Prospect Road businesses may not receive a direct business stimulus during the event, traders and sponsors are supportive of the event as a contribution to the broader community and branding for the precinct.

For City of Prospect, Tourrific Prospect continues to be its largest annual event. The investment by Council is significant, the excitement that is generated is fantastic for the local community and the local economy and the support from local sponsors and businesses is highly valued.



# OUR SERVICES

Financial Management  
Rates and Property Administration  
Information Technology



# Our Services

## Financial Management

The focus of the 2016/2017 budget was on the continuation of the replacing and renewing of existing infrastructure assets, while researching the location of a new home for Council's much loved library, gallery and digital hub.

Although Council continues to be largely dependent on residential rates income to fund its operations, Council is beginning to see growth in the rate revenue from the corridor roads and non-residential sector. This growth has been generated by the investment of recent years in the Prospect Road and Churchill Road Masterplans. Development Growth is being experienced in residential rate income as new developments are constructed following the changes in 2013 to the Inner Metro Development Plan. The changes allowed increased density of properties along the corridor roads of Main North, Prospect and Churchill. The graph below demonstrates the contribution movements in rates made by rating class in the budget over the past seven years.

Council has a Long Term Financial Plan to ensure its financial viability into the future. This plan documents key assumptions and the financial impact of the policy decisions over future years. In developing this Plan and the Annual Budget for 2016/2017, Council has continued to keep its overall rate increase at a 'modest' level, with the average residential rate increase for 2016/2017 being 2.6% plus Growth.

Council presented an operating deficit for the 2016/2017 year of approximately \$96k. This surplus represents 0.4% of the total adopted Operating Income for 2016/2017.

In 2016/2017 approximately \$4.3m was spent on capital expenditure. \$3.0m of this was spent on the rejuvenation or replacement of assets already owned by Council to continue to enhance the longevity of service provision for the community.

Council achieved 1 out of 3 key financial indicators targets, as set out in its Annual Business Plan. Indicators continue to track towards the target ranges identified in the Long Term Financial Plan and are a positive reflection on the work of staff and elected members during 2016/2017.

In the month of June in recent years, the Federal Government has paid amounts of untied financial assistance grants, which are recognised on receipt, in advance of the year of allocation. Council received an advance payment of \$322,078 for the 2017/2018 year in June 2017.

## 2017/2018 Draft Annual Business Plan and Budget Consultation

Various forms of community consultation were provided regarding the Annual Business Plan 2017/2018, they were:

- Focus Group Forum held on 25 May 2017
- Public Meeting held on 5 June 2017
- Interactive session with students from Blackfriars Priory School
- Website and Other Written Submission

The results of the consultation were reported to Council on 27 June 2017.

## Blackfriars Primary School – Budget Workshop

As part of the development of Council's 2017/2018 budget, an innovative community consultation was held with children attending schools in Prospect. This year consultation was held with Blackfriars Priory School. The children were engaged in discussion about the role of Council and the consideration taken by Council when deciding how collected rates are spent. Focus was on Year 6/7 students to ensure Council captures the vote of this age group.

For further information on the financial status of Council, please refer to the Financial Statements in the Appendices.



# Our Services

## Rates and Property

Property values are used as a basis for determining what share of the total rate revenue individual ratepayers are to pay.

Rates in our City are determined based on the capital value of the property – which includes both the value of the land and the value of any buildings or other structures. The overall capital value for all properties in our city is made up of 92% residential, 7% non-residential and the remaining 1% as vacant land.

The property values used by the Council are independently set by the Valuer-General. Ratepayers can object to the valuation if they believe it is inaccurate. A total of 19 valuation objections were received by Council via the Valuer-General in respect of 2016/2017 rates levied.

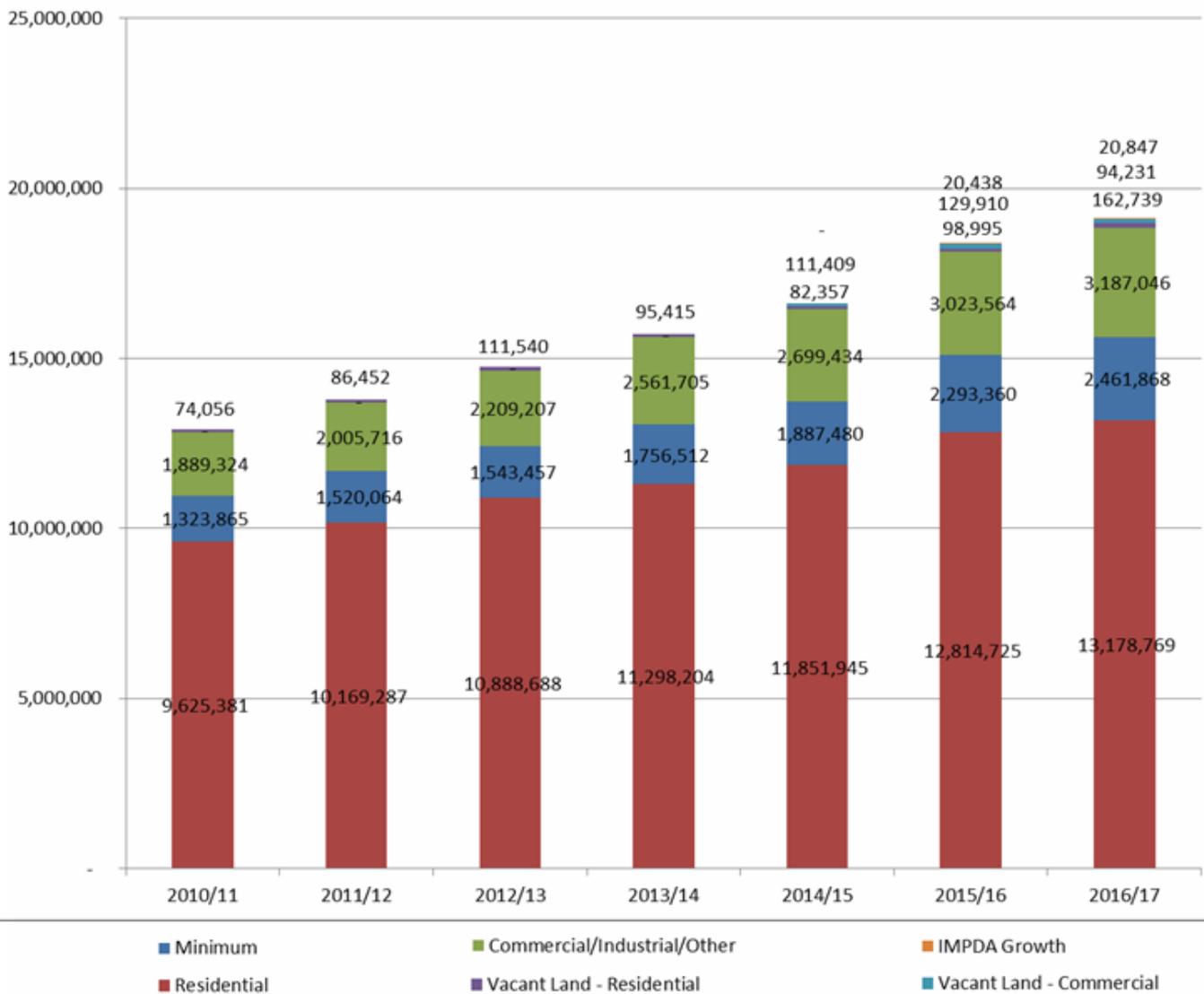
As a result of property valuation increases and natural growth on the City’s valuation, created by subdivisions

and building approvals, taking into account of Council’s rating strategy, Council’s rate revenue increased from \$18.3m to \$19.0m in 2016/2017.

Council again acted as a collection agency for the Natural Resources Management Levy which is used by the State Government to improve water quality in the catchment areas.

A number of opportunities for community consultation were provided during the year for the community to provide input. The rating framework for 2017/2018 was presented and discussed as part of activities for the 2017/2018 Draft Annual Business Plan and Budget Consultation as detailed above.

### Rates Income Breakdown



# Our Services

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## Information Technology

Council continues its commitment to maintain Information Technology (IT) and systems that enables its employees to perform their responsibilities efficiently as well as enabling customers to interact with Council electronically.

Various “behind the scenes” activities have been completed during the year, including software and hardware upgrades to ensure equipment, tools and systems are reliable and available for employees to perform their work and interact with the community. Several projects were initiated and completed, including the development of a free public Wi-Fi network. The network is available in Prospect Road’s Village Heart precinct.

Council’s application portfolio was reviewed and an applications roadmap has been developed to ensure alignment with business strategy and outcomes as outlined in the Strategic Plan to 2020, the Digital Economic Strategy 2014-2018 and internal business support requirements. Internal processes to assist with the management of customer service requests were also reviewed and enhanced and work continues to facilitate residents interacting online with Council.

City of Prospect, as lead council, has collaborated with several Councils and the private sector to specify the requirements for an across-Council facility booking system.

# APPENDICES

City of Prospect Financial Statement  
Eastern Health Authority Annual Report



# Financial Statement

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## City of Prospect

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2017

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*A Vibrant Smart and Innovative City  
An Engaged and Enthusiastic Community  
A Heritage Rich Clean Green Environment*



# Financial Statement

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City of Prospect

General Purpose Financial Statements  
for the year ended 30 June 2017

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# Financial Statement

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City of Prospect

General Purpose Financial Statements  
for the year ended 30 June 2017

## Certification of Financial Statements

**We have been authorised by the Council to certify the financial statements in their final form.**

**In our opinion:**

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Cate Hart  
**CHIEF EXECUTIVE OFFICER**



David O'Loughlin  
**MAYOR**

Date: 2nd November, 2017

# Financial Statement

## City of Prospect

### Statement of Comprehensive Income for the year ended 30 June 2017

\$ '000	Notes	2017	2016
<b>Income</b>			
Rates Revenues	2a	19,237	18,500
Statutory Charges	2b	504	501
User Charges	2c	249	264
Grants, Subsidies and Contributions	2g	1,856	1,609
Investment Income	2d	203	221
Reimbursements	2e	94	340
Other Income	2f	357	290
Net Gain - Equity Accounted Council Businesses	19	-	3
<b>Total Income</b>		<b>22,500</b>	<b>21,728</b>
<b>Expenses</b>			
Employee Costs	3a	7,561	7,450
Materials, Contracts & Other Expenses	3b	10,969	10,139
Depreciation, Amortisation & Impairment	3c	3,582	3,573
Finance Costs	3d	482	465
Net loss - Equity Accounted Council Businesses	19	2	2
<b>Total Expenses</b>		<b>22,596</b>	<b>21,629</b>
<b>Operating Surplus / (Deficit)</b>		<b>(96)</b>	<b>99</b>
Asset Disposal & Fair Value Adjustments	4	(19)	(903)
Amounts Received Specifically for New or Upgraded Assets	2g	134	21
<b>Net Surplus / (Deficit) <sup>1</sup></b>		<b>19</b>	<b>(783)</b>
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in Revaluation Surplus - I,PP&E	9a	-	25,600
Share of Other Comprehensive Income - Equity Accounted Council Businesses	19	-	(3)
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>25,597</b>
<b>Total Comprehensive Income</b>		<b>19</b>	<b>24,814</b>

<sup>1</sup> Transferred to Equity Statement

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

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# Financial Statement

## City of Prospect

### Statement of Financial Position as at 30 June 2017

\$ '000	Notes	2017	2016
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	1,445	3,151
Trade & Other Receivables	5b	2,203	2,212
Inventories	5d	2	2
<b>Total Current Assets</b>		<b>3,650</b>	<b>5,365</b>
<b>Non-Current Assets</b>			
Financial Assets	6a	1,664	1,759
Equity Accounted Investments in Council Businesses	6b	44	46
Infrastructure, Property, Plant & Equipment	7a	162,841	164,478
Other Non-Current Assets	6c	2,286	198
<b>Total Non-Current Assets</b>		<b>166,835</b>	<b>166,481</b>
<b>TOTAL ASSETS</b>		<b>170,485</b>	<b>171,846</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	8a	1,864	2,748
Borrowings	8b	800	716
Provisions	8c	1,712	1,546
<b>Total Current Liabilities</b>		<b>4,376</b>	<b>5,010</b>
<b>Non-Current Liabilities</b>			
Borrowings	8b	6,393	7,156
Provisions	8c	109	79
<b>Total Non-Current Liabilities</b>		<b>6,502</b>	<b>7,235</b>
<b>TOTAL LIABILITIES</b>		<b>10,878</b>	<b>12,245</b>
<b>Net Assets</b>		<b>159,607</b>	<b>159,601</b>
<b>EQUITY</b>			
Accumulated Surplus		74,091	75,837
Asset Revaluation Reserves	9a	83,122	83,133
Other Reserves	9b	2,394	631
<b>Total Council Equity</b>		<b>159,607</b>	<b>159,601</b>

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

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# Financial Statement

## City of Prospect

### Statement of Changes in Equity

for the year ended 30 June 2017

\$ '000	Notes	Accumulated Surplus	Asset Revaluation Reserve	Other Reserves	Total Equity
<b>2017</b>					
<b>Balance at the end of previous reporting period</b>		75,837	83,133	631	<b>159,601</b>
<b>a. Adjustments (Correction of Prior Period Errors)</b>	24a	(2)	(11)	-	<b>(13)</b>
<b>Restated Opening Balance</b>		<b>75,835</b>	<b>83,122</b>	<b>631</b>	<b>159,588</b>
<b>b. Net Surplus / (Deficit) for Year</b>		19	-	-	<b>19</b>
<b>c. Other Comprehensive Income</b>					
- Transfers to/from Reserves		(1,763)	-	1,763	-
<b>Other Comprehensive Income</b>		<b>(1,763)</b>	<b>-</b>	<b>1,763</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>(1,744)</b>	<b>-</b>	<b>1,763</b>	<b>19</b>
<b>Balance at the end of period</b>		<b>74,091</b>	<b>83,122</b>	<b>2,394</b>	<b>159,607</b>
<b>2016</b>					
<b>Balance at the end of previous reporting period</b>		76,968	57,533	286	<b>134,787</b>
<b>a. Net Surplus / (Deficit) for Year</b>		(783)	-	-	<b>(783)</b>
<b>b. Other Comprehensive Income</b>					
- Gain (Loss) on Revaluation of I,PP&E	7a	-	25,600	-	<b>25,600</b>
- Share of OCI - Equity Accounted Council Businesses	19	(3)	-	-	<b>(3)</b>
<b>Other Comprehensive Income</b>		<b>(3)</b>	<b>25,600</b>	<b>-</b>	<b>25,597</b>
<b>Total Comprehensive Income</b>		<b>(786)</b>	<b>25,600</b>	<b>-</b>	<b>24,814</b>
<b>c. Transfers between Reserves</b>		(345)	-	345	-
<b>Balance at the end of period</b>		<b>75,837</b>	<b>83,133</b>	<b>631</b>	<b>159,601</b>

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

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# Financial Statement

## City of Prospect

### Statement of Cash Flows for the year ended 30 June 2017

\$ '000	Notes	2017	2016
<b>Cash Flows from Operating Activities</b>			
<u>Receipts</u>			
Rates Receipts		19,259	18,288
Statutory Charges		504	501
User Charges		249	264
Grants, Subsidies and Contributions (operating purpose)		1,856	1,609
Investment Receipts		203	221
Reimbursements		94	340
Other Receipts		415	53
<u>Payments</u>			
Payments to Employees		(7,081)	(7,446)
Payments for Materials, Contracts & Other Expenses		(12,201)	(11,101)
Finance Payments		(482)	(465)
<b>Net Cash provided by (or used in) Operating Activities</b>	11b	<b>2,816</b>	<b>2,264</b>
<b>Cash Flows from Investing Activities</b>			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		134	21
Sale of Replaced Assets		250	242
Repayments of Loans by Community Groups		88	1
Distributions Received from Equity Accounted Council Businesses		-	39
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(3,000)	(3,843)
Expenditure on New/Upgraded Assets		(1,317)	(212)
Capital Contributed to Equity Accounted Council Businesses		-	(7)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(3,845)</b>	<b>(3,759)</b>
<b>Cash Flows from Financing Activities</b>			
<u>Receipts</u>			
Proceeds from Borrowings		-	1,375
<u>Payments</u>			
Repayments of Borrowings		(714)	(499)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(714)</b>	<b>876</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(1,743)</b>	<b>(619)</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	11	<b>3,151</b>	<b>3,770</b>
<b>Cash &amp; Cash Equivalents at end of period</b>	11	<b>1,408</b>	<b>3,151</b>

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

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# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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# Financial Statement

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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

AASB 2016-4 Recoverable Amount of Non Cash-Generating Specialised Assets of Not-for-Profit Entities has been adopted early in the preparation of these financial reports.

This Standard removes the requirement for impairment testing of non-cash generating specialised assets that are carried at fair value. The early adoption of this Standard has not resulted in any changes to any amounts disclosed in these reports.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011* dated 2<sup>nd</sup> November, 2017.

##### 1.2 Historical Cost Convention

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

##### 1.3 Critical Accounting Estimates

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

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

##### 1.4 Rounding

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

#### 2 The Local Government Reporting Entity

The City of Prospect is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 128 Prospect Road, Prospect, South Australia 5082. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

The principal activities and entities conducted other than in the Council's own name that have been included in these consolidated financial statements are:

1. Waste Care SA (5% Ownership Interest; 17% Voting Power). This entity was wound up on 30 June 2016 and distributions made to constituent councils.
2. Eastern Health Authority Inc (13% Ownership Interest, 20% Voting Power)

Details of these entities are reported in Note 19.

On 9 May 2017, Council resolved to become a member of East Waste. Council's membership will commence from 1 October 2017 and subsequently had no interest or control of the organisation as at the reporting date.

#### 3 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount

# Financial Statement

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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

due constitutes an enforceable debt, whichever first occurs.

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

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2014/15	\$967,935	\$635,692	+ \$332,243
2015/16	\$297,013	\$629,256	- \$332,243
2016/17	\$947,285	\$625,209	+ \$322,076

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

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

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

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local

Government Act 1999. Other receivables are generally unsecured and do not bear interest.

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

#### 5 Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

##### 5.1 Real Estate Held for Resale

As at the reporting date, Council did not hold any real estate for sale.

Subsequent to the reporting date, Council has initiated processes of seeking expressions of interest for two sites, being at 132-134 Prospect Road Prospect & 218 Main North Road, Prospect.

There has not been any adjustment to the treatment of these assets in the financial report, pending a final decision by Council.

#### 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.

# Financial Statement

## City of Prospect

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

for the year ended 30 June 2017

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

The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

##### 6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds of \$1,000. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

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

##### 6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

##### 6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually and reflected in Note 7b.

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

##### 6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

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

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

##### 6.6 Borrowing Costs

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

## 7 Payables

### 7.1 Goods & Services

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

### 7.2 Payments Received in Advance & Deposits

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

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# Financial Statement

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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

##### 8 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

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

##### 9 Employee Benefits

###### 9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based 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.

###### 9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

##### 10 Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change. Council's policy to maximise recycling is extending the operational life of these facilities, and significant uncertainty exists in the estimation of the future closure date.

##### 11 Leases

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

In respect of finance leases, where Council substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

# Financial Statement

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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

##### 12 Construction Contracts

Construction works undertaken by Council for third parties are generally on an agency basis where the third party reimburses Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

For works undertaken on a fixed price contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claimed entitlement are classified as work in progress in inventory. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

##### 13 Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of services and facilities. Council's interests in cooperative arrangements, which are only recognised if material, are accounted for in accordance with AASB 128 and set out in detail in Note 19.

##### 14 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

##### 15 New accounting standards and UIG interpretations

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

City of Prospect has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

This year Council has applied AASB 124 Related Party Disclosures for the first time. As a result Council has disclosed more information about related parties and transactions with those related parties. This information is presented in Note 23.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

##### Effective for annual reporting periods beginning on or after 1 January 2017

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*
- AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

# Financial Statement

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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

- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*

- AASB 2016-7 *Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities*

##### **Effective for annual reporting periods beginning on or after 13 February 2017**

- AASB 2017-2 *Amendments to Australian Accounting Standards - Further Annual Improvements 2014- 16 Cycle*

##### **Effective for annual reporting periods beginning on or after 13 December 2017**

- AASB 2017-1 *Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments*

##### **Effective for annual reporting periods beginning on or after 1 January 2018**

- AASB 9 *Financial Instruments (December 2009)*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*AASB 1057 *Application of Australian Accounting Standards*
- AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*
- AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*

- AASB 2016-6 *Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*

##### **Effective for annual reporting periods beginning on or after 1 January 2019**

- AASB 16 *Leases*
- AASB 16 *Leases (Appendix D)*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

#### 16 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

#### 17 Disclaimer

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

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 2. Income

\$ '000	Notes	2017	2016
<b>(a). Rates Revenues</b>			
<b>General Rates</b>			
General Rates		19,046	18,329
Less: Mandatory Rebates		(385)	(378)
Less: Discretionary Rebates, Remissions & Write Offs		(1)	(8)
<b>Total General Rates</b>		<b>18,660</b>	<b>17,943</b>
<b>Other Rates (Including Service Charges)</b>			
Natural Resource Management Levy		489	460
<b>Total Other Rates</b>		<b>489</b>	<b>460</b>
<b>Other Charges</b>			
Penalties for Late Payment		91	99
Legal & Other Costs Recovered		3	4
<b>Total Other Charges</b>		<b>94</b>	<b>103</b>
Less: Discretionary Rebates, Remissions & Write Offs		(6)	(6)
<b>Total Rates Revenues</b>		<b>19,237</b>	<b>18,500</b>
<b>(b). Statutory Charges</b>			
Development Act Fees		82	84
Town Planning Fees		121	132
Animal Registration Fees & Fines		103	102
Parking Fines / Expiation Fees		155	141
Other Licences, Fees & Fines		4	5
Rate Searches		39	37
<b>Total Statutory Charges</b>		<b>504</b>	<b>501</b>
<b>(c). User Charges</b>			
Hall & Equipment Hire		42	42
Sundry		19	11
Function and Event Charges		24	31
Rents & Fees		62	84
Services to Aged & Disabled		46	36
Library Services		16	15
Prospect Magazine - Income		23	29
Milk Depot Rental Income		17	16
<b>Total User Charges</b>		<b>249</b>	<b>264</b>

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 2. Income (continued)

\$ '000	Notes	2017	2016
<b>(d). Investment Income</b>			
Interest on Investments			
- Local Government Finance Authority		71	89
- Loans to Community Groups		132	132
<b>Total Investment Income</b>		<b>203</b>	<b>221</b>
<b>(e). Reimbursements</b>			
Private Works		32	247
Joint Undertakings (General Inspection)		9	69
Development Assessment		17	-
Training Reimbursements		4	1
Fuel Tax Credit Reimbursement		8	9
NRM Levy Collection		-	4
Insurance Reimbursements		9	-
Other		15	10
<b>Total Reimbursements</b>		<b>94</b>	<b>340</b>
<b>(f). Other Income</b>			
Sponsorship		44	61
Donations or Resources Contributed Received		10	36
Insurance Claims Other Income		8	-
Insurance Special Distribution		100	60
Library Services Other Income		-	2
Workers Compensation Rebate		104	79
E-Services / CRM		-	40
Other		91	12
<b>Total Other Income</b>		<b>357</b>	<b>290</b>

# Financial Statement

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 2. Income (continued)

\$ '000	Notes	2017	2016
<b>(g). Grants, Subsidies, Contributions</b>			
Amounts Received Specifically for New or Upgraded Assets			
- Braund Road Bike Boulevard		37	21
- Memorial Gardens Grant		97	-
<b>Total Amounts Received Specifically for New or Upgraded Assets</b>		<b>134</b>	<b>21</b>
Other Grants, Subsidies and Contributions			
- General Purpose Grant		324	216
- Home and Community Care Grant		631	639
- Local Road Grant		301	82
- Public Library Services Grant		63	61
- Record Library Materials Grant		83	88
- Main North Central Concept Plan		97	-
- Digital Transformation		25	-
- Roads to Recovery		-	523
- Open Spaces		10	-
Individually Significant Item - Additional Grants Commission Payment (refer below)		322	-
<b>Total Grants, Subsidies, Contributions</b>		<b>1,990</b>	<b>1,630</b>

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

#### (i) Sources of grants

Commonwealth Government	623	739
State Government	1,356	891
Other	11	-
<b>Total</b>	<b>1,990</b>	<b>1,630</b>

#### (ii) Individually Significant Items

Grant Commission (FAG) Grant Recognised as Income	322	-
---------------------------------------------------	-----	---

In June 2016 there was no early payment received from the Federal Government for the untied financial assistance grant.

However in June 2017 the Federal Government paid \$322,078 in relation to the untied financial assistance grant for the 2017-2018 year, it was recognised as income received in advance.

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 3. Expenses

\$ '000	Notes	2017	2016
<b>(a). Employee Costs</b>			
Salaries and Wages		6,256	5,936
Employee Leave Expense		282	615
Superannuation - Defined Contribution Plan Contributions	18	158	181
Superannuation - Defined Benefit Plan Contributions	18	420	422
Workers' Compensation Insurance		369	296
Personal Accident & Sickness Insurance		76	-
<b>Total Operating Employee Costs</b>		<b>7,561</b>	<b>7,450</b>
Total Number of Employees (full time equivalent at end of reporting period)		74	74
<b>(b). Materials, Contracts and Other Expenses</b>			
<b>(i) Prescribed Expenses</b>			
Auditor's Remuneration			
- Auditing the Financial Reports		20	21
Bad and Doubtful Debts		191	1
Elected Members' Expenses		279	251
Operating Lease Rentals - Non-Cancellable Leases	17		
- Minimum Lease Payments		79	110
<b>Subtotal - Prescribed Expenses</b>		<b>569</b>	<b>383</b>
<b>(ii) Other Materials, Contracts and Expenses</b>			
Contractors		7,086	6,120
Legal Expenses		156	58
Levies Paid to Government - NRM levy		489	460
Levies - Other		17	15
Sundry		41	70
Electricity & Gas		365	373
Water		220	306
Fuel		54	57
Hired Temporary Staff		710	640
Consultants		1,121	831
Waste Services		1,824	1,855
Insurance		268	353
Rates & Taxes (including FBT)		35	93
Bank Charges		40	40
Information Technology - Computing		445	443
Telephone		68	67
Subscriptions		78	79
Courses & Conferences		121	101

(continued on next page)

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 3. Expenses (continued)

\$ '000	Notes	2017	2016
<b>(b). Materials, Contracts and Other Expenses (continued)</b>			
<b>(ii) Other Materials, Contracts and Expenses (cont'd)</b>			
Materials		1,234	1,266
Communications		77	83
Contributions & Donations		51	47
Travel & Accommodation		29	45
Postage		96	85
Meals & Entertainment		50	68
Motor Vehicle Registration		41	34
Refunds		1	3
Private Works Contractors - DPTI Contribution to Car Park Works		-	219
Less: Capitalised and Distributed Costs		<u>(4,317)</u>	<u>(4,055)</u>
<b>Subtotal - Other Material, Contracts &amp; Expenses</b>		<b><u>10,400</u></b>	<b><u>9,756</u></b>
<b>Total Materials, Contracts and Other Expenses</b>		<b><u>10,969</u></b>	<b><u>10,139</u></b>
<b>(c). Depreciation, Amortisation and Impairment</b>			
<b>(i) Depreciation and Amortisation</b>			
Buildings & Other Structures		734	804
Infrastructure			
- Stormwater Drainage		385	385
- Roads		1,078	1,064
- Footpaths		529	529
Plant & Equipment		305	293
Furniture & Fittings		175	157
Library Books		109	107
Other Assets		267	234
<b>Subtotal</b>		<b><u>3,582</u></b>	<b><u>3,573</u></b>
<b>(ii) Impairment</b>			
Nil			
<b>Total Depreciation, Amortisation and Impairment</b>		<b><u>3,582</u></b>	<b><u>3,573</u></b>
<b>(d). Finance Costs</b>			
Interest on Loans		482	465
<b>Total Finance Costs</b>		<b><u>482</u></b>	<b><u>465</u></b>

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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

\$ '000	Notes	2017	2016
<b>Infrastructure, Property, Plant &amp; Equipment</b>			
<b>(i) Assets Renewed or Directly Replaced</b>			
Proceeds from Disposal		250	242
Less: Carrying Amount of Assets Sold		(269)	(1,065)
<b>Gain (Loss) on Disposal</b>		<b>(19)</b>	<b>(823)</b>
<b>(ii) Assets Surplus to Requirements</b>			
Proceeds from Disposal		-	-
Less: Carrying Amount of Assets Sold		-	(80)
<b>Gain (Loss) on Disposal</b>		<b>-</b>	<b>(80)</b>
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>		<b>(19)</b>	<b>(903)</b>

### Note 5. Current Assets

#### (a). Cash & Cash Equivalents

Cash on Hand at Bank	21	216
Short Term Deposits & Bills, etc.	1,424	2,935
<b>Total Cash &amp; Cash Equivalents</b>	<b>1,445</b>	<b>3,151</b>

#### (b). Trade & Other Receivables

Rates - General & Other	626	654
Council Rates Postponement Scheme	23	17
Accrued Revenues	248	20
Debtors - General	746	869
GST Recoupment	261	289
Prepayments	154	225
Loans to Community Organisations	145	138
<b>Total Trade &amp; Other Receivables</b>	<b>2,203</b>	<b>2,212</b>

#### (c). Other Financial Assets (Investments)

Nil

#### (d). Inventories

Trading Stock	2	2
<b>Total Inventories</b>	<b>2</b>	<b>2</b>

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 6. Non-Current Assets

\$ '000	Notes	2017	2016
<b>(a). Financial Assets</b>			
<b>Receivables</b>			
Loans to Community Organisations		1,664	1,759
<b>Total Receivables</b>		<b>1,664</b>	<b>1,759</b>
<b>Total Financial Assets</b>		<b>1,664</b>	<b>1,759</b>
<b>(b). Equity Accounted Investments in Council Businesses</b>			
Eastern Health Authority (EHA)	19	44	46
<b>Total Equity Accounted Investments in Council Businesses</b>		<b>44</b>	<b>46</b>
<b>(c). Other Non-Current Assets</b>			
Capital Works-in-Progress		2,286	198
<b>Total Other Non-Current Assets</b>		<b>2,286</b>	<b>198</b>



# Financial Statement

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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

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\$ '000

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##### Valuation of Assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

##### Information on Valuations

Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

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# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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

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\$ '000

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#### Valuation of Assets (continued)

##### Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

##### Highest and best use

The following non financial assets of Council are being utilised at other than their highest and best use:

- 1) Parcel of Land and Buildings at 218 Main North Road, Prospect
- 2) Recreation Reserve frontage - Wilson Reserve
- 3) Plant Nursery Land - Menzies Crescent
- 4) Recreation Reserve - Main North Road & Regency Road Reserve
- 5) Recreation Reserve - WT Smith Reserve, Gladstone Road, Prospect
- 6) Land and Council Depot at Johns Road (including waste transfer station, old tram barn and Council workshop)
- 7) Land, Civic Centre Offices & Town Hall at 128 Prospect Road, Prospect

For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

# Financial Statement

City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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

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\$ '000

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### **Transition to AASB 13 - Fair Value Measurement**

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

*Fair value hierarchy level 2 valuations:* Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

*Fair value hierarchy level 3 valuations of land:* Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and/or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

*Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets:* There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

# Financial Statement

City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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

\$ '000

### Valuation of Assets (continued)

#### Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is made 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 a greater or lesser amount.

Asset Classification	Useful Life
<b>Plant Furniture &amp; Equipment</b>	
Office Equipment	5 years
Office Furniture	5 - 10 years
<b>Building &amp; Other Structures</b>	
Buildings	20 - 80 years
Shed and Shelter	25 - 35 years
Toilet Blocks/Storerooms/Clubrooms	40 - 50 years
Civic Centre and Grandstand	80 years
<b>Infrastructure</b>	
Roads - Surface	13 - 90 years
Roads - Base	65 - 273 years
Kerb & Gutter	70 years
Footpaths - Surface	15 - 80 years
Footpaths - Base	40 - 160 years
Stormwater Drainage	100 years
Pipes	100 years
Side Entry Pit Box Drains & Junction Boxes	80 years
Open Channel	70 years
<b>Other Assets</b>	
Library Books	5 years
Art Works	100 years
Other Non Current Assets	10 - 20 years
Outdoor Setting/Furniture	10 - 15 years
Irrigation	20 years

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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

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\$ '000

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#### Valuation of Assets (continued)

##### Land & Land Improvements

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

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land assets were revalued as at 1 July 2013 by David Maidment, B Bus Property (Valuation) AAPI, Maloney Field Services. Additions are recognised at cost.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116. 16(c), are reviewed annually (see Note 1).

##### Buildings & Other Structures

Buildings and other structures were revalued as at 1 July 2013 by David Maidment, B Bus Property (Valuation) AAPI, Maloney Field Services. Fair Value hierarchy is based on assessments of the Valuer.

Adoption of the valuations as at 1 July 2013 has seen a minor variance to annual depreciation expense Council experiences. Reductions experienced with the restatement of level 2 building assets at market value have largely been offset by the componentisation of newly constructed assets depreciated over a shorter life.

##### Infrastructure

###### Roads & Footpaths

Assets were valued by B C Tonkin & Associates as at 1 July 2015. All acquisitions made after the respective dates of valuation are recorded at cost.

The primary change through revaluation is the extension to useful lives based on historical data of consumption. The extension has led to a reduction in annual depreciation expected in the future. Revaluation of footpaths has included the adjustment of unit rates to include associated disposal costs of the expired asset. This has increased annual depreciation due to a higher base value. Footpath assets have also been componentised between surface and base.

###### Stormwater Drainage

Assets were valued by B C Tonkin & Associates as at 1 July 2015. All acquisitions made after the respective dates of valuation are recorded at cost.

##### Plant, Furniture & Equipment

These assets are recognised on the cost basis.

##### All other Assets

These assets are recognised on the cost basis. Library books and other lending materials are capitalised in bulk and written out when fully depreciated.

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 8. Liabilities

\$ '000	Notes	2017		2016	
		Current	Non Current	Current	Non Current
<b>(a). Trade and Other Payables</b>					
Goods & Services		23	-	2,033	-
Payments Received in Advance		345	-	210	-
Accrued Expenses - Employee Entitlements		313	-	29	-
Accrued Expenses - Other		1,144	-	475	-
Other		39	-	1	-
<b>Total Trade and Other Payables</b>		<b>1,864</b>	<b>-</b>	<b>2,748</b>	<b>-</b>

### (b). Borrowings

Bank Overdraft		37	-	-	-
Loans		763	6,393	716	7,156
<b>Total Borrowings</b>		<b>800</b>	<b>6,393</b>	<b>716</b>	<b>7,156</b>

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

### (c). Provisions

Employee Entitlements (including oncosts) - Long Service Leave		1,009	109	931	79
Employee Entitlements (including oncosts) - Annual Leave		703	-	615	-
<b>Total Provisions</b>		<b>1,712</b>	<b>109</b>	<b>1,546</b>	<b>79</b>

### Movements in Provisions

#### 2017 (current & non-current)

	Employee Entitlements (including oncosts)	
	Long Service Leave	Annual Leave
<b>Opening Balance</b>	1,010	615
Add Unwinding of Present Value Discounts	-	-
Add Additional Amounts Recognised	251	175
(Less) Payments	(143)	(87)
Unused Amounts Reversed	-	-
Add (Less) Remeasurement Adjustments	-	-
<b>Closing Balance</b>	<b>1,118</b>	<b>703</b>

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 9. Reserves

\$ '000	1/7/2016	Increments (Decrements)	Transfers	Impairments	30/6/2017
<b>(a). Asset Revaluation Reserve</b>					
Infrastructure					
- Stormwater Drainage	2,949	-	-	-	2,949
- Roads	21,340	-	-	-	21,340
- Footpaths	11,448	-	-	-	11,448
Land and Buildings	47,191	-	-	-	47,191
Other Assets	194	-	-	-	194
<b>Total Asset Revaluation Reserve</b>	<b>83,122</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,122</b>
<b>Comparatives</b>	<b>57,533</b>	<b>25,600</b>	<b>-</b>	<b>-</b>	<b>83,133</b>
<b>(b). Other Reserves</b>					
Car Park Development Reserve	236	21	-	-	257
Carry Forward Reserve	395	1,684	-	-	2,079
Development Reserve	-	58	-	-	58
<b>Total Other Reserves</b>	<b>631</b>	<b>1,763</b>	<b>-</b>	<b>-</b>	<b>2,394</b>
<b>Comparatives</b>	<b>286</b>	<b>345</b>	<b>-</b>	<b>-</b>	<b>631</b>

#### PURPOSES OF RESERVES

##### Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

##### Other Reserves - Car Park Development Reserve

The car park development reserve is used for future car parking facilities.

##### Other Reserves - Development Reserve

The development reserve is used for future council facilities.

##### Other Reserves - Revaluation Reserve - EHA

The revaluation reserve - EHA is used for future revaluation expense for the Eastern Health Authority.

### Note 10. Assets Subject to Restrictions

Council does not hold any assets subject to restrictions

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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

\$ '000	Notes	2017	2016
<b>(a). Reconciliation of Cash</b>			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:			
Total Cash & Equivalent Assets	5	1,445	3,151
Less: Short-Term Borrowings	8	(37)	-
<b>Balances per Statement of Cash Flows</b>		<b>1,408</b>	<b>3,151</b>

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

<b>Net Surplus/(Deficit)</b>		<b>19</b>	<b>(783)</b>
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		3,582	3,573
Equity Movements in Equity Accounted Investments (Increase)/Decrease		2	(1)
Grants for Capital Acquisitions (Treated as Investing Activity Receipts)		(134)	(21)
Net (Gain) Loss on Disposals		19	903
		<b>3,488</b>	<b>3,671</b>
<b>Add (Less): Changes in Net Current Assets</b>			
Net (Increase)/Decrease in Receivables		16	(628)
Net (Increase)/Decrease in Inventories		-	(1)
Net Increase/(Decrease) in Trade & Other Payables		(884)	(797)
Net Increase/(Decrease) in Other Provisions		196	19
<b>Net Cash provided by (or used in) operations</b>		<b>2,816</b>	<b>2,264</b>

### (c). Non-Cash Financing and Investing Activities

Nil

### (d). Financing Arrangements

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

Corporate Credit Cards	27	47
LGFA Cash Advance Debenture Facility	1,000	1,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Council also has immediate access to a short-term draw-down facility and variable interest rate borrowings under a cash advance facility, both from the Local Government Finance Authority of SA.

# Financial Statement

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 12a. Functions

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).										
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)		
	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016	
<b>\$ '000</b>											
Planning and Community	1,350	1,328	6,100	5,964	(4,750)	(4,636)	777	789	40,916	34,139	
Infrastructure, Assets and Environment	1,350	1,301	15,138	14,589	(13,788)	(13,288)	408	605	98,881	110,377	
Corporate Services	19,773	19,089	452	215	19,321	18,874	646	215	25,573	22,414	
Business & Economic Development	27	7	904	859	(877)	(852)	25	-	5,115	4,916	
<b>Total Functions/Activities</b>	<b>22,500</b>	<b>21,725</b>	<b>22,594</b>	<b>21,627</b>	<b>(94)</b>	<b>98</b>	<b>1,856</b>	<b>1,609</b>	<b>170,485</b>	<b>171,846</b>	

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

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 12b. Components of Functions

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\$ '000

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**The activities relating to Council functions are as follows:**

#### **PLANNING AND COMMUNITY**

- City Planning
- Development Assessment
- Heritage
- Community Development (includes Community and Youth Services, Home Assist)
- Recreation and Sports
- Library
- Community Transport
- Community Arts

#### **INFRASTRUCTURE, ASSETS AND ENVIRONMENT**

- Environmental Sustainability
- Environmental Health
- Waste Management (Domestic, Green and Recycling)
- Community Safety (includes Parking and Dog Control & General Inspections)
- Traffic Management
- Streets and Footpaths
- Stormwater Drainage
- Open Spaces
- Street Trees and Nature Strips
- Street Cleaning and Public Toilets
- Fleet Management
- Depot Operations
- Street Lighting

#### **CORPORATE SERVICES**

- Governance
- Rates Administration
- Employee Relations and Training
- Customer Service & Administration Services
- Financial Management
- Information Management
- Elected Members
- Human Resources

#### **BUSINESS AND ECONOMIC DEVELOPMENT**

- Business & Economic Initiatives
- Marketing

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 13. Financial Instruments

\$ '000

#### Recognised Financial Instruments

##### Bank, Deposits at Call, Short Term Deposits

##### Accounting Policy:

Carried at lower of cost and net realisable value; Interest is recognised when earned.

##### Terms & Conditions:

Deposits are returning fixed interest rates between 1.5% and 2.0% (2016: 1.75%). Short term deposits have an average maturity of 6 days and an average interest rate of 1.5% (2016: 6 days and 1.75%).

##### Carrying Amount:

Approximates fair value due to the short term to maturity.

##### Receivables

##### Rates & Associated Charges

(including legals & penalties for late payment)

Note: These receivables do not meet the definition of "financial instruments" and have been excluded from the following disclosures.

##### Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

##### Terms & Conditions:

Secured over the subject land, arrears attract interest of 7% (2016: 7%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

##### Carrying Amount:

Approximates fair value (after deduction of any allowance).

##### Receivables

##### Fees & Other Charges

##### Accounting Policy:

Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

##### Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

##### Carrying Amount:

Approximates fair value (after deduction of any allowance).

# Financial Statement

City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

## Note 13. Financial Instruments (continued)

\$ '000

### Recognised Financial Instruments

#### Receivables

##### Other Levels of Government

#### Accounting Policy:

Carried at nominal value.

#### Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

#### Carrying Amount:

Approximates fair value.

#### Liabilities

##### Creditors and Accruals

#### Accounting Policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

#### Terms & Conditions:

Liabilities are normally settled on 30 day terms.

#### Liabilities

##### Interest Bearing Borrowings

#### Accounting Policy:

Carried at the principal amounts. Interest is charged as an expense as it accrues.

#### Terms & Conditions:

Secured over future revenues, borrowings are repayable (describe basis); interest is charged at fixed (or variable - describe) rates between 4.15% and 7.0% (2016: 4.15% and 7.00%).

#### Carrying Amount:

Approximates fair value.

#### Liabilities

##### Finance Leases

#### Accounting Policy:

Accounted for in accordance with AASB 117.

# Financial Statement

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2017</b>					
<b>Financial Assets</b>					
Cash & Equivalents	1,445	-	-	1,445	1,445
Receivables	1,007	-	-	1,007	1,007
Other Financial Assets	142	458	1,190	1,790	1,664
<b>Total Financial Assets</b>	<b>2,594</b>	<b>458</b>	<b>1,190</b>	<b>4,242</b>	<b>4,116</b>
<b>Financial Liabilities</b>					
Payables	407	-	-	407	407
Current Borrowings	816	-	-	816	800
Non-Current Borrowings	-	3,537	2,984	6,521	6,393
<b>Total Financial Liabilities</b>	<b>1,223</b>	<b>3,537</b>	<b>2,984</b>	<b>7,744</b>	<b>7,600</b>

\$ '000	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2016</b>					
<b>Financial Assets</b>					
Cash & Equivalents	3,151	-	-	3,151	3,151
Receivables	1,158	-	-	1,158	1,158
Other Financial Assets	267	1,068	1,328	2,663	1,897
<b>Total Financial Assets</b>	<b>4,576</b>	<b>1,068</b>	<b>1,328</b>	<b>6,972</b>	<b>6,206</b>
<b>Financial Liabilities</b>					
Payables	2,244	-	-	2,244	2,244
Current Borrowings	1,206	-	-	1,206	716
Non-Current Borrowings	-	4,272	5,247	9,519	7,156
<b>Total Financial Liabilities</b>	<b>3,450</b>	<b>4,272</b>	<b>5,247</b>	<b>12,969</b>	<b>10,116</b>

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

	30 June 2017		30 June 2016	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Overdraft	3.75%	37	-	-
Fixed Interest Rates	6.38%	7,193	6.38%	7,872
		<b>7,230</b>		<b>7,872</b>

#### Net Fair Value

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

# Financial Statement

City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

## Note 13. Financial Instruments (continued)

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\$ '000

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### Risk Exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 14. Commitments for Expenditure

\$ '000	Notes	2017	2016
<b>(a). Capital Commitments</b>			
<b>Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:</b>			
Land & Buildings		682	-
Infrastructure		1,476	156
Other		295	-
		<u>2,453</u>	<u>156</u>
<b>These expenditures are payable:</b>			
Not later than one year		2,453	156
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		<u>2,453</u>	<u>156</u>
<b>(b). Other Expenditure Commitments</b>			
<b>Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:</b>			
Audit Services		125	-
Waste Management Services		717	370
Employee Remuneration Contracts		5,590	5,988
		<u>6,432</u>	<u>6,358</u>
<b>These expenditures are payable:</b>			
Not later than one year		2,722	1,903
Later than one year and not later than 5 years		3,710	4,455
Later than 5 years		-	-
		<u>6,432</u>	<u>6,358</u>
<b>(c). Finance Lease Commitments</b>			
Council has no Finance Leases.			

# Financial Statement

## City of Prospect

### Notes to and forming part of the Financial Statements for the year ended 30 June 2017

#### Note 15. Financial Indicators

\$ '000	Amounts	Indicator	Prior Periods	
	2017	2017	2016	2015

These Financial Indicators have been calculated in accordance with *Information paper 9 - Local Government Financial Indicators* prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

#### 1. Operating Surplus Ratio

Operating Surplus	(96)	(0%)	0%	1%
Total Operating Revenue	22,500			

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

#### 1a. Adjusted Operating Surplus Ratio

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. The Adjusted Operating Surplus Ratio adjusts for the resulting distortion in the disclosed operating result for each year.

	(418)	(2%)	2%	(0%)
	22,178			

#### 2. Net Financial Liabilities Ratio

Net Financial Liabilities	5,566	25%	24%	24%
Total Operating Revenue	22,500			

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

#### 3. Asset Sustainability Ratio

Net Asset Renewals	3,000	86%	116%	135%
Infrastructure & Asset Management Plan required expenditure	3,493			

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

# Financial Statement

City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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

<p><b>1. Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>1.5%</td> </tr> <tr> <td>2016</td> <td>0.5%</td> </tr> <tr> <td>2017</td> <td>-0.4%</td> </tr> </tbody> </table>	Year	Ratio %	2015	1.5%	2016	0.5%	2017	-0.4%	<p><b>Purpose of Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue varies from operating expenditure.</p>	<p><b>Commentary on 2016/17 Result</b></p> <p><b>2016/17 Ratio -0.4%</b></p> <p>An early payment of the Financial Assistance Grants was received in June 2017. Council did not receive the allocated Roads to Recovery Grant in 2016-2017 as the grant was attached to a project that was delayed into 2017-2018. The grant will be received at the time of completion. Council's target range for the operating surplus ratio is 1%-3%.</p>
Year	Ratio %									
2015	1.5%									
2016	0.5%									
2017	-0.4%									
<p><b>1a. Adjusted Operating Surplus Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>-0.1%</td> </tr> <tr> <td>2016</td> <td>2.0%</td> </tr> <tr> <td>2017</td> <td>-1.9%</td> </tr> </tbody> </table>	Year	Ratio %	2015	-0.1%	2016	2.0%	2017	-1.9%	<p><b>Purpose of Adjusted Operating Surplus Ratio</b></p> <p>This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure.</p>	<p><b>Commentary on 2016/17 Result</b></p> <p><b>2016/17 Ratio -1.9%</b></p> <p>Council was not able to complete a project by 30 June 2017 that was funded by the Roads to Recovery Grant program. This grant will be received in 2017-2018, once the project has been completed.</p>
Year	Ratio %									
2015	-0.1%									
2016	2.0%									
2017	-1.9%									
<p><b>2. Net Financial Liabilities Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>24%</td> </tr> <tr> <td>2016</td> <td>24%</td> </tr> <tr> <td>2017</td> <td>25%</td> </tr> </tbody> </table>	Year	Ratio %	2015	24%	2016	24%	2017	25%	<p><b>Purpose of Net Financial Liabilities Ratio</b></p> <p>This indicator shows the significance of the net amount owed to others, compared to operating revenue.</p>	<p><b>Commentary on 2016/17 Result</b></p> <p><b>2016/17 Ratio 25%</b></p> <p>Council did not draw down the budget new loan borrowings within 2016-2017. Instead, in line with its treasury management policy, it has consumed cash reserves first. Council's target range for the operating surplus ratio is 10%-50%.</p>
Year	Ratio %									
2015	24%									
2016	24%									
2017	25%									
<p><b>3. Asset Sustainability Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>135%</td> </tr> <tr> <td>2016</td> <td>116%</td> </tr> <tr> <td>2017</td> <td>86%</td> </tr> </tbody> </table>	Year	Ratio %	2015	135%	2016	116%	2017	86%	<p><b>Purpose of Asset Sustainability Ratio</b></p> <p>This indicator aims to determine if assets are being renewed and replaced in an optimal way.</p>	<p><b>Commentary on 2016/17 Result</b></p> <p><b>2016/17 Ratio 86%</b></p> <p>Three major reconstruction projects were not able to be completed by 30 June 2017. They will be completed in early 2017-2018 and will contribute to the Asset Sustainability Ratio of that year. Council's target range for the asset sustainability ratio is 100%-120%.</p>
Year	Ratio %									
2015	135%									
2016	116%									
2017	86%									

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 16. Uniform Presentation of Finances

\$ '000	2017	2016
<p>The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.</p> <p>All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.</p> <p>The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.</p>		
Income	22,500	21,728
less Expenses	(22,596)	(21,629)
<b>Operating Surplus / (Deficit)</b>	<b>(96)</b>	<b>99</b>
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on Renewal and Replacement of Existing Assets	3,000	3,843
less Depreciation, Amortisation and Impairment	(3,582)	(3,573)
less Proceeds from Sale of Replaced Assets	(250)	(242)
<b>Subtotal</b>	<b>(832)</b>	<b>28</b>
<b>less Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	1,317	212
less Amounts Received Specifically for New and Upgraded Assets	(134)	(21)
less Proceeds from Sale of Surplus Assets (including Investment Property & and Real Estate Developments)	-	-
<b>Subtotal</b>	<b>1,183</b>	<b>191</b>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(447)</b>	<b>(120)</b>

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 17. Operating Leases

\$ '000	2017	2016
<b>Leases Providing Revenue to the Council</b>		
<b>Lease Payment Commitments of Council</b>		
Council has entered into non-cancellable operating leases for various items of computer equipment.		
Contingent rental payments exist in relation to the lease of IT equipment. No contingent rentals were paid during the current or previous reporting periods.		
No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.		
Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease return or acquire the equipment leased		
No lease contains any escalation clause		
<b>Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:</b>		
Not later than one year	38	35
Later than one year and not later than 5 years	61	51
Later than 5 years	-	-
	<u>99</u>	<u>86</u>

# Financial Statement

City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

## Note 18. Superannuation

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\$ '000

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

### Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2016/17; 9.50% in 2015/16). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

### Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2015/16) of "superannuation" salary.

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

### Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 19. Interests in Other Entities

\$ '000

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2017	2016	2017	2016
Joint Ventures	(2)	(2)	44	46
<b>Total</b>	<b>(2)</b>	<b>(2)</b>	<b>44</b>	<b>46</b>

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

##### (a) Carrying Amounts

Name of Entity	Principal Activity	2017	2016
Waste Care SA		-	-
Eastern Health Authority (EHA)	Health Services	44	46
<b>Total Carrying Amounts - Joint Ventures &amp; Associates</b>		<b>44</b>	<b>46</b>

##### Waste Care SA

During 2003/04, Waste Care SA, a regional subsidiary (the subsidiary) was established pursuant to Section 43 of the Local Government Act 1999, by a number of constituent councils comprising Adelaide, Campbelltown, Charles Sturt, Norwood Payneham & St Peters, Prospect City Council and the Town of Walkerville. The subsidiary was formed at the end of February 2004 and has signed a project agreement with Waste Management Pacific (SA) Pty Ltd to operate a Resource Recovery Waste Transfer Station (RRWTS) on leased land at Wingfield. As a constituent council, City of Prospect has a five (5) percent equity share in the subsidiary. In the event of a winding up of the subsidiary, City of Prospect would either receive its equity share or any net assets after payment of all expenses of the subsidiary, or be liable to pay an equity share towards all expenses associated with winding up the subsidiary's operations. A contingent liability has been identified in the accounts to reflect this potential liability in a future year. To offset this potential liability, an agreement between the subsidiary and Waste Management Pacific (SA) Pty Ltd for the 'compulsory purchase' by the latter in 2014 has been established. This agreement enables the subsidiary to notify Waste Management Pacific (SA) Pty Ltd that it is required to accept assignment of the lease for the land and the purchase of the RRWTS. In future years, as a constituent council, City of Prospect will be entitled to a share of any profit made and distributed by the subsidiary in accordance with the subsidiary's Charter. Profit distribution is not solely dependent on equity shares of the constituent councils. As at the 30 June 2016, the net assets of the subsidiary were wound up and distribution made to constituent councils.

##### Eastern Health Authority (EHA)

City of Prospect is one of five member Councils of the Eastern Health Authority Inc (EHA). The other member Councils are City of Burnside, Campbelltown City Council, City of Norwood, Payneham & St Peters & the Corporation of the Town of Walkerville. During the report period, City of Prospect owned 13% of the equity in EHA but did not control either the financial or operating policies of the entity. EHA is managed by a board of directors comprised of two representatives from each of the five member Councils. Each director has one full and equal voting right on the Board. The principal activity of the authority is to provide health services to Councils. As at the 30 June 2017, the net assets of the subsidiary were as disclosed below.

# Financial Statement

City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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

\$ '000

(b) Relevant Interests	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2017	2016	2017	2016	2017	2016
Name of Entity						
Eastern Health Authority (EHA)	14%	14%	14%	14%	20%	20%

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

	Waste Care SA		Eastern Health Authority (EHA)	
	2017	2016	2017	2016
Opening Balance	-	12	46	73
Share in Operating Result	-	(3)	(2)	3
Share in Other Comprehensive Income	-	-	-	(3)
Distributions Received	-	(9)	-	(27)
<b>Council's Equity Share in the Joint Venture or Associate</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>46</b>

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

Statement of Financial Position	Waste Care SA		Eastern Health Authority (EHA)	
	2017	2016	2017	2016
Cash and Cash Equivalents	-	-	664	581
Trade and Other Receivables	-	-	129	158
Non-Current Assets	-	-	388	422
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>1,181</b>	<b>1,161</b>
Current Trade and Other Payables	-	-	138	96
Borrowings	-	-	61	59
Current Provisions	-	-	306	259
Non-Current Borrowings	-	-	315	376
Non-Current Provisions	-	-	35	33
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>855</b>	<b>823</b>
<b>Net Assets</b>	<b>-</b>	<b>-</b>	<b>326</b>	<b>338</b>

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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

\$ '000

Statement of Comprehensive Income	Waste Care SA		Eastern Health Authority (EHA)	
	2017	2016	2017	2016
Council Contributions	-	-	1,641	1,609
Statutory Charges	-	-	155	115
User Charges	-	-	294	342
Grants, Subsidies & Contributions	-	-	271	122
Investment Income	-	6	12	15
Other Income	-	-	12	12
<b>Total Income</b>	-	6	2,385	2,215
Employee Costs	-	-	1,623	1,483
Materials, Contracts & Other Expenses	-	58	700	643
Depreciation, Amortisation and Impairment	-	-	55	45
Finance Costs	-	1	19	22
<b>Total Expenses</b>	-	59	2,397	2,193
Other Revenue / Expense Items	-	-	-	-
<b>Operating Result</b>	-	(53)	(12)	22

#### (e). Share of Joint Operations Expenditure Commitments

Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

	2017	2016
<b>(i) Operating Expenditures Payable</b>		
Not later than one year	45	-
Later than one year and not later than 5 years	47	-
Later than 5 years	-	-
	<b>92</b>	-

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

Council does not have any Non-Current Assets Held for Sale or any Discontinued Operations.

Council is however seeking expressions of interest for the sale of portions of land at:

132-134 Prospect Road, Prospect SA 5082; and

218 Main North Road, Prospect SA 5082.

Council will consider the option to sell these parcels of land at the conclusion of the expression period.

# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

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

---

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

#### 1. LAND UNDER ROADS

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

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

#### 2. POTENTIAL INSURANCE LOSSES

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

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

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

#### 3. LEGAL MATTERS

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

### Note 22. Events after the Balance Sheet Date

---

Events that occur after the reporting date of 30 June 2017, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 02/11/17.

**Council is unaware of any material or significant "non adjusting events" that should be disclosed.**

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# Financial Statement

## City of Prospect

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2017

### Note 23. Related Party Transactions

\$ '000	2017
---------	------

#### Key Management Personnel

##### Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the *Local Government Act 1999*. In all, 14 persons were paid the following total compensation:

##### The compensation paid to Key Management Personnel comprises:

Allowances	199
Employee Costs	750
<b>Total</b>	<b>949</b>

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

##### Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

Contributions for Fringe Benefits Tax purposes	20
<b>Total</b>	<b>20</b>

### Note 24. Equity - Retained Earnings and Revaluation Reserves Adjustments

\$ '000	2017	2016
---------	------	------

#### Correction of Error/s relating to a Previous Reporting Period

In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.

##### These amounted to the following Equity Adjustments:

- Adjustments to Opening Equity - 1/7/16	-	-
Accumulated Surplus	(2)	-
Asset Revaluation Reserve	(11)	-
(relating to adjustments for the 30/6/16 reporting year end and prior periods)		
- Adjustments to Closing Equity - 30/6/16	-	-
(relating to adjustments for the 30/6/16 year end)		
<b>Total Prior Period Adjustments - Prior Period Errors</b>	<b>(13)</b>	<b>-</b>

page 46

## Galpins

Accountants, Auditors  
& Business Consultants

David Chant *ICPA*  
Simon Smith *ICPA*  
David Sullivan *CPA*  
Jason Seidel *CA*  
Renaë Nicholson *CA*  
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under Professional Standards Legislation

### INDEPENDENT AUDITOR'S REPORT

#### To the members of the City of Prospect

#### Opinion

We have audited the accompanying financial report of the City of Prospect (the Council), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of the City of Prospect.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, Local Government Act 1999 and Local Government (Financial Management) Regulations 2011.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Matter

The financial report of the Council for the year ended 30 June 2016 was audited by another auditor who expressed an unmodified opinion on that financial report on 16 November 2016.

#### Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

# Financial Statement

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

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

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

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

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

## GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



**Tim Muhlhausler** CA Registered Company Auditor  
Partner

9 / 11 / 2017

# Financial Statement

**Galpins**

Accountants, Auditors  
& Business Consultants

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Simon Smith *FCPA*  
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## INDEPENDENT AUDITOR'S REPORT

To the Members of the City of Prospect

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

### Opinion

We have audited the compliance of the City of Prospect (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2016 to 30 June 2017 have been conducted properly and in accordance with law.

In our opinion, the City of Prospect has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2016 to 30 June 2017.

### Basis for Opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls specified above for the period 1 July 2016 to 30 June 2017. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

### The Council's Responsibility for Internal controls

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

### Our Independence and Quality Control

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

# Financial Statement

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## **Auditor's responsibility**

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the Local Government Act 1999 in relation only to the Internal Controls specified above for the period 1 July 2016 to 30 June 2017. 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 and implementation of controls on a sample basis based on the assessed risks.

## **Limitations of Controls**

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

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

## **Limitation of Use**

This report has been prepared for the members of the Council in Accordance with Section 129 of the Local Government Act 1999 in relation to the Internal Controls Specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than which it was prepared

## **GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS**



**Tim Muhlhausler CA, Registered Company Auditor**  
Partner

9 / 11 / 2017

# Financial Statement

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City of Prospect

General Purpose Financial Statements  
for the year ended 30 June 2017

## Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Prospect for the year ended 30 June 2017, the Council's Auditor, Galpins has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



---

Cate Hart  
**CHIEF EXECUTIVE OFFICER**



---

Laurie Koziovic  
**PRESIDING MEMBER, AUDIT COMMITTEE**

Date: 16 October 2017

# Financial Statement

---

## City of Prospect

### General Purpose Financial Statements for the year ended 30 June 2017

#### Statement by Auditor

I confirm that, for the audit of the financial statements of City of Prospect for the year ended 30 June 2017, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Timothy Muhlhausler  
Galpins Accountants, Auditors and Business Consultants

Dated this 9th day of November 2017.

---



## Message from the Chairperson



Sue Whittington  
Chairperson

Many in the community are surprised when they learn that public health protection is a core responsibility of Local Government.

Eastern Health Authority (EHA), on behalf of its five Constituent Councils, Burnside, Campbelltown, Prospect, Norwood Payneham St. Peters and Walkerville, delivers this very important public health service to these communities.

Maintaining public safety is an important function of EHA and staff are diligent in the monitoring of health standards in high risk manufactured water systems, swimming pools and personal grooming and body art premises.

Eating out has become a favourite pastime and has resulted in an increase in new food businesses. Staff are assiduous in the monitoring of standards in all food premises where *Salmonella* and *Campylobacter* continue to be the most frequently reported food borne diseases.

A number of cases of severe domestic squalor and hoarding were reported. EHA worked with both Government and non-Government agencies to address the issues and to ensure that residents were provided with the right care from key agencies.

Supported Residential Facilities are home to many of the most vulnerable people in our community. EHA is responsible for the licensing and regulation of standards in these facilities and undertakes unannounced audits to ensure high standards are met by proprietors.

As a prominent Local Government immunisation provider in South Australia, EHA has continued to promote the benefits of vaccination to all groups in the community. The Australian Governments' 'No Jab, No Pay' policy continues to be a successful incentive for parents whose children are not fully immunised. This measure is essential to prevent the re-emergence of childhood diseases. This year EHA has worked with SA Health and the University of Adelaide to conduct a research study to look at the impact of Meningococcal B (MenB) vaccination in older adolescents. The study was offered to 19 High Schools in our Constituent Council areas and participating students were offered free vaccines.

I would like to thank the CEO and staff for their dedication and hard work in what has been a very busy year. It has been a pleasure to work with the Board of Management and I thank them for their support and commitment.

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## About Eastern Health Authority



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

Continuing in the tradition of the East Torrens Council board, which operated from 1899 to the present day, this regional subsidiary protects the health and wellbeing of about 160,000 residents plus visitors. EHA is an example of council shared service delivery at its very best.

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

### Constituent Council areas

- City of Burnside
- Campbelltown City Council
- City of Norwood Payneham St Peters (NPSP)
- City of Prospect
- Town of Walkerville

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

During 2016-17, EHA discharged the environmental health responsibilities of its five Constituent Councils under the *South Australian (SA) Public Health Act 2011*, *Food Act 2001*, *Supported Residential Facilities Act 1992* and *Environmental Protection Act 1993* (Table 1). Services include the provision of immunisation services, hygiene and sanitation control, licensing and monitoring of supported residential facilities and monitoring of food safety standards, including inspection of food premises. Immunisation services are provided to the City of Unley on a user pays basis. EHA also licenses and monitors supported residential facilities on behalf of the City of Unley.

**Table 1 – Numerical details relevant to Constituent Councils during 2016-17**

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Rateable Properties	20,732	23,060	19,641	9,746	3,947	77,116
Population of Council	45,337	51,983	37,350	20,527	7,550	162,747
Number of Food Premises	280	297	474	182	44	1,277
Swimming & Spa Pools Sites	11	4	8	2	3	28
Cooling Towers & Warm Water Systems Sites	6	6	5	2	1	20
Supported Residential Facilities	3	2	1	2	0	8
Hairdressers/Beauty Treatment	68	64	112	47	10	301
Public & Environmental Health Complaints	53	66	67	29	15	220
2016 SIF Year 8 Enrolment Numbers	708	539	670	145	60	2,123
Immunisation Clinics – Client Numbers	887	986	1,137	265	173	3,468
Immunisation Clinics – Vaccines Given	1,704	1,972	2,105	491	312	6,585

## Chief Executive Officer's Report



Michael Livori  
Chief Executive Officer

Over the last year Eastern Health Authority (EHA) continued to deliver high-quality public health protection services to more than 160,000 members of the community who live within the footprint of our Constituent Councils. I am proud to continue to have the opportunity to lead talented and dedicated staff who are committed to contributing to this high-quality service and delivering positive public health outcomes.

Immunisation is the safest and most effective way of protecting children and adults from harmful infectious diseases. It is estimated that vaccinations currently save up to three million lives worldwide each year. While deaths from vaccine preventable diseases are uncommon today in Australia, there are constant media reminders of outbreaks, illness and death that still occur in our communities. Our accessible public immunisation clinics remain extremely popular with more than four thousand clients being provided nearly eight thousand vaccines. Our public clinics are an important contributor to community herd immunity and disease reduction. It is an important local government service that keeps our community healthy and saves lives.

Cases of Meningococcal disease are regularly reported in the media due to its devastating effects. South Australia has the highest rate of the potentially life-threatening disease in the country. As 80 per cent of infections in

South Australia are caused by the B strain, a concerted push is being made to have the vaccine placed on the National Immunisation Schedule so that is available at no cost.

As part of this push, EHA were engaged by the University of Adelaide to deliver Meningococcal B vaccines to year 10, 11 and 12 students at our 18 high schools as part of a herd immunity study. Around 5,000 students in our area will be part of the study and have throat swabs taken before and some months after being vaccinated. The study hopes to demonstrate that mass Meningococcal B vaccinations can create a herd immunity and that this evidence will encourage the authorities to make the vaccine available for free. While the short planning phase, program size and administrative burden has been challenging, it has been exciting to be part of this important public health initiative.

One of the most important aspects to a healthy community is access to safe and suitable food. Monitoring food safety standards to ensure this occurs, continues to be one of our most important areas of our core business. Our Environmental Health Officers (EHOs) are responsible for inspecting around 1,300 food business and investigating complaints to ensure appropriate food safety standards are being maintained. Over 1,600 inspections were conducted during the year.

**“Our accessible public immunisation clinics remain extremely popular with more than 4,000 clients being provided nearly 8,000 vaccines”**

An increase in raw numbers of Improvement Notices and Expiration Notices was noted this year, however the ratio issued per inspection remained similar to the previous year. There was however, a significant increase in Prohibition Orders issued to Food Businesses. On ten occasions, it was necessary to issue a Prohibition Order requiring a business to close for a period to rectify issues of concern. EHA does not take this course of action lightly, however when a significant risk to health exists the public must be protected from the small number of proprietors who are willing to put their health at risk.

A contemporary issue that has taken a considerable amount of our time this year is restaurants and caterers who have moved into ready-to-heat meals with extended shelf life. The processing of this type of food is complex and high risk and a number of businesses were found to have unsuitable premises, equipment and knowledge to be producing these foods. This was evidenced in poor microbiological results when a state-wide survey of these producers was conducted. This is just one example of a new and emerging issue we must deal with. In the age of reality cooking shows we are sure more will follow with businesses trying to copy trend techniques without understanding the risks.

EHA prides itself on going beyond the legislative requirements to ensure the recurrence of Public Health issues are minimised. It often coordinates and leads a multi-agency approach to complex, challenging and sensitive issues that requires further investigation into the 'causes'. EHA regularly is the lead organisation in a 'person-focussed' collaborative approach to resolving hoarding and squalor and other related public health complaints. This approach has been recognised and praised by many of the agencies involved when coordinated investigations and solutions are required.

In terms of local government public health protection, EHA is structured in a unique manner. This structure allows us to have a single focus and be experts and leaders in our field. EHA is committed to professional collaboration and development, with three of its Officers convening professional Special Interest Groups (SRF SIG, Public Health SIG and Environmental Health Managers Forum). EHA developed and continues to convene the Eastern Hoarding and Squalor group, which allows for collaboration with government and non-government agencies to resolve hoarding and squalor cases with a 'people-centred' approach to resolve challenging and sensitive issues.

During the year EHA saw the release of our new and modern website that is professional, informative and user friendly. One of the exciting new features on our website is the introduction of the 'on-line immunisation appointment booking system'. This system is one of its kind providing customers the ability to book a time, location and select the required vaccinations for either themselves or multiple family members. This has not only improved administration efficiencies here at EHA, but provided customers the opportunity to book at their own leisure.

It was extremely pleasing that EHA's leadership in multi-agency collaboration and professional development was recognised by our peers at the 2017 Environmental Health Awards where we were awarded the "Excellence in Leadership" Award.

This award and acknowledgment is a reflection on all our wonderful staff and I thank them for their effort during the past year.

I also sincerely thank the Board of Management for their continuing support to myself and our staff during the year.

## Governance



## Board of Management 2017

**EHA is a body corporate, governed by a Board of Management which currently comprises two elected members from each Constituent Council.**

The Board met six times (five meetings and one workshop) during the year to consider EHA's business. The table below details Board Member attendance at Board of Management meetings.

**Table 2 – Number of Board of Management meetings attended by individual Board Members**

July 2015 – June 2016	Board Member	Meetings Attended
City of Norwood Payneham St Peters	Cr S Whittington	6
	Cr G Knoblauch	5
City of Burnside	Cr A Monosaux	6
	Cr P Conash	4
Campbelltown City Council	Cr J Kennedy	4
	Cr M Ryan	2
City of Prospect	Cr K Barnett	5
	Cr T Evans	6
Corporation of the Town of Walkerville	Cr M Bishop	3
	Cr D Sherriffs	6

During 2016-17, the Board considered one confidential item where it was necessary to exclude the public from discussion. Table 3 identifies the grounds on which the Board made this determination.

**Table 3 – Number of times the Board of Management considered an item to be excluded from public discussion.**

Local Government Act 1999	Description	Number of Times Used
Section 9(5)(a)	Information relating to the personal affairs of a person	One

## Freedom of Information

No requests for information under the *Freedom of Information Act 1991* were received during 2016-17.

## Board of Management

### City of Norwood Payneham & St Peters



Cr Sue Whittington  
(Chairperson)



Cr Garry Knoblauch



Cr Marylou Bishop



Cr David Shetliffe

### Corporation of the Town of Walkerville

### City of Burnside



Cr Anne Monceaux  
(Deputy Chair)



Cr Peter Cornish



Cr Kristina Barnett



Cr Talis Evans

### Prospect City Council

### Campbelltown City Council



Cr Marijka Ryan



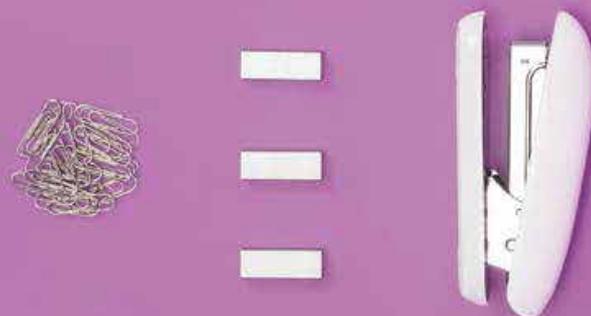
Cr John Kennedy

# EHA Annual Report



## Structure and Staffing

EHA comprises three functional areas – environmental health, immunisation and administration. The administration team, led by the Chief Executive Officer, supports the activities of the environmental health and immunisation teams. The Team Leader Environmental Health and Team Leader Administration and Immunisation have responsibilities for achieving the Annual Business Plan objectives relevant to their functional area.





### Annual Business Plan

EHA develops an Annual Business Plan to establish strategic directions and measures to assess its performance. The core activities are undertaken to deliver the objectives of the plan as detailed in this report.

### Finance Audit Committee

Members of EHA's Audit Committee are Lisa Scinto (Presiding Member), Claudia Goldsmith (Independent Member) and Cr Talis Evans (Board Appointed Member).

The Committee met on four occasions during the year. The Committee's work included considering the audited financial statements and External Audit recommendations and reviewing numerous financial and governance policies.

### Financial Statements

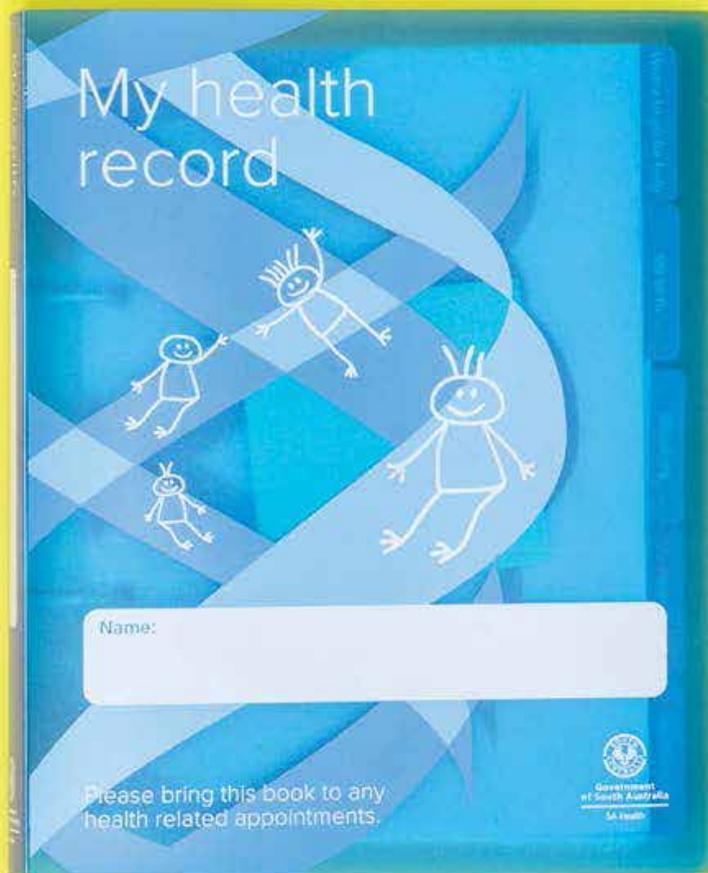
The Audited Financial Statements for the year ending 30 June 2017 are provided on page 39. They show an Operating Deficit of \$12,014.

Staffing as at 30 June 2017 comprised a total of 33 employees (18.3 FTE). Table 4 sets out the number of staff in each team.

**Table 4 – Number of total employees and FTE as at 30 June 2017**

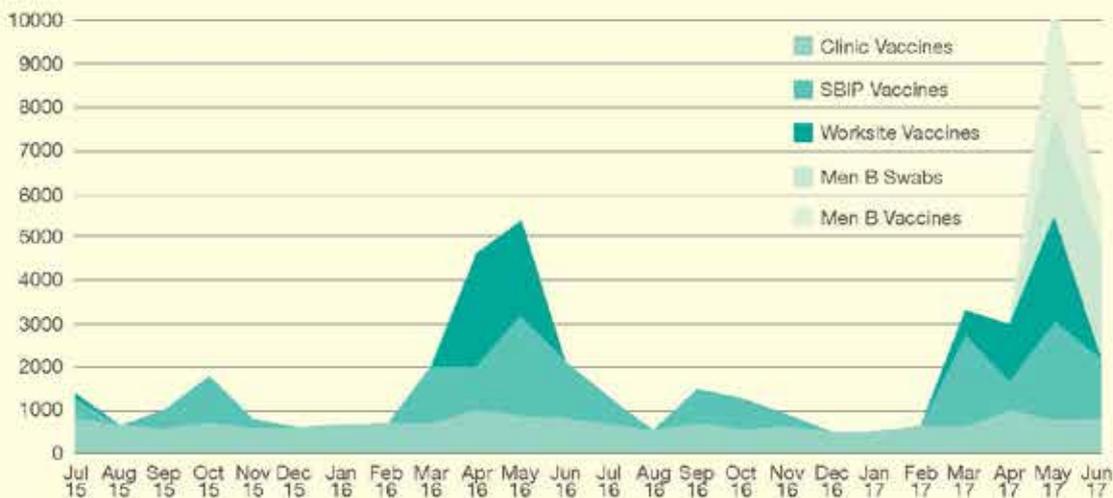
	Total No. of Employees	FTE
Administration	7	5.1
Immunisation	14	4.2
Environmental Health	9	9.0
<b>Total</b>	<b>30</b>	<b>18.3</b>

## Immunisation



Immunisation is an important method of preventing disease in both adults and children. The immunisation team provides professional and convenient services to the residents of its Constituent Councils to assist in reducing the spread of vaccine preventable diseases.

Graph 1 – The combined demand for all immunisation services over the last two years



Services by EHA are delivered through Public Clinics, School and Workplace Immunisation programs. As demonstrated in Graph 1 the combined demand for immunisation services significantly increased in May 2017 and June 2017 when compared to the previous year. This increase was due to the Meningococcal B Vaccine Herd Immunity Study.

### Public Immunisation Clinics

EHA provides public clinics to residents of its Constituent Councils at six locations and one client council. A range of clinic venues, days and times ensure convenient alternatives for our residents.

A total of 4,135 clients were provided with 7,675 vaccinations. This was a decrease of 11% in the number of clients and 9% in the number of vaccinations in comparison to 2015-16 (Graphs 2 and 3).

EHA continues to assist families within our Constituent Councils with assessment of immunisation records. EHA assisted 106

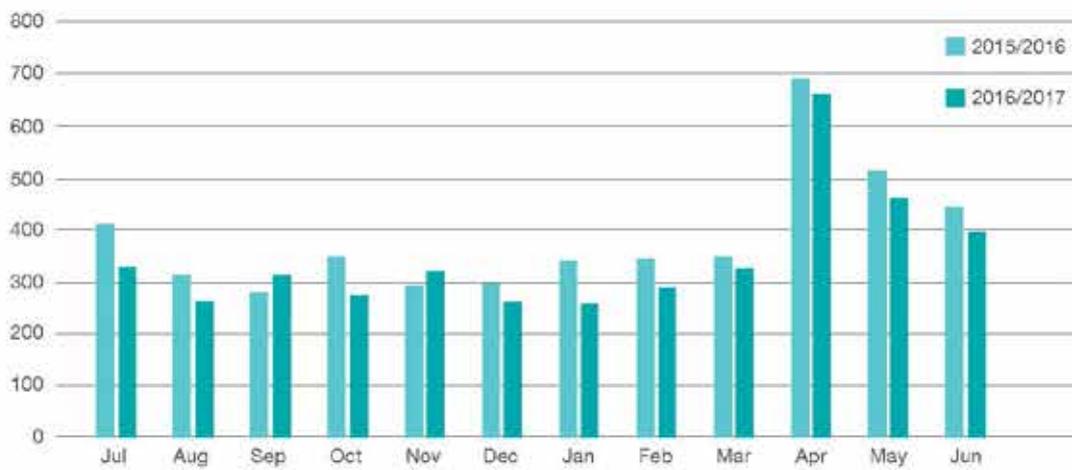
families and 149 children with assessing and updating their immunisation history on the Australian Immunisation Register. This is a decrease of 17 families and 63 children compared to the same period in 2016.

The decrease in the number of families requiring assessment of their children's immunisation history and catch up vaccines, contributed to the overall decrease in the number of clients and vaccines administered in public clinics. Other factors that contributed to the decrease were:

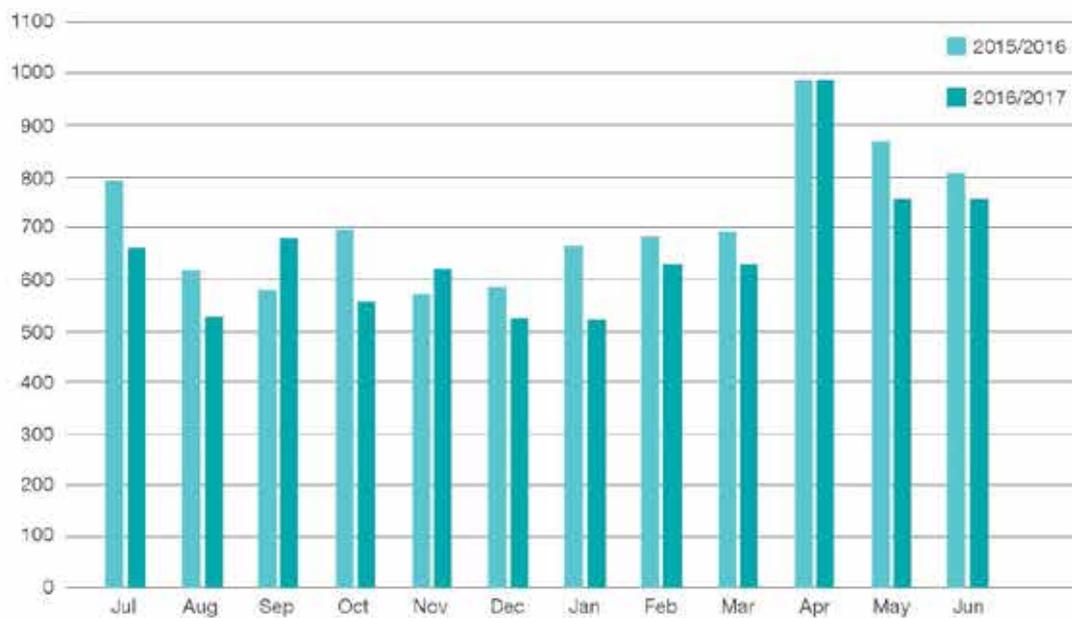
- reduced numbers of Diphtheria, Tetanus and Pertussis (dTpa) for whooping cough administered to pregnant women
- a one off response for Hepatitis A vaccine provided to a childcare centre in June 2015
- a second dose of MMR vaccine previously given at four years, is now provided at 18 months of age
- a reduction in the number of clients attending public clinics who reside outside of EHA's Constituent Council.

# EHA Annual Report

### Graph 2 – Client attendance at public clinics



### Graph 3 – Number of vaccines delivered at public clinics



# EHA Annual Report

The Quadrivalent Influenza Vaccine was received by EHA for use in its public clinics in late March, 2017. The Quadrivalent vaccine is designed to protect against four different influenza viruses - two influenza A and two influenza B viruses. A total of 777 influenza vaccines were administered to clients in public immunisation clinics; this is an increase of 21 vaccines administered, in comparison with 2015-16.

In September 2016, the City of Unley extended its contract with EHA to provide immunisation services for three years. As part of the contract, EHA provides three public immunisation clinics each month for residents of the City of Unley, as well as a School Immunisation Program to both Walford School and Concordia College.

As part of the upgrade to EHA's website an online appointment booking system was launched. Clients are able to book for public clinics for all appointments or drop-in clinics via the online system. From April 2017 to June 2017, 123 confirmed appointments were made using this new convenient facility.

EHA participated in a University of Adelaide clinical study to evaluate a Stimulated Telephone-Assisted Rapid Safety Surveillance system (STARSS) through contributing immunisation data to the STARSS study. The objective of the study was to monitor the safety of vaccines by evaluating SMS as a real-time vaccine safety surveillance method. The data collected was de-identified and sent to AusVax, the national surveillance network coordinated by the National Centre for Immunisation Research and Surveillance (NCIRS).

Table 5 shows where Constituent Councils' residents chose to be vaccinated. It demonstrates that many residents chose the site that best suited their needs and was not necessarily in their own council area.

**As an example, 35% of Burnside residents attended clinics held at the Burnside Civic Centre, while the remaining 65% attended alternative venues.**

**Table 5 – The number of clients per council area and choice of clinic venue**

Where Clients come from (Council Area)	Number of Clients from Council Area	Where Clients attend (Clinic Venue by %)							Total %
		Burnside	Campbelltown	NPSP	Prospect	Walkerville	Unley		
Burnside	887	35%	3%	49%	1%	2%	10%	100%	
Campbelltown	998	4%	30%	61%	1%	1%	3%	100%	
NPSP	1,137	3%	3%	87%	1%	3%	3%	100%	
Prospect	268	2%	3%	60%	28%	6%	1%	100%	
Walkerville	173	0%	1%	76%	4%	18%	1%	100%	
Unley	503	10%	1%	19%	1%	1%	68%	100%	
Other	172	3%	7%	29%	3%	4%	54%	100%	
<b>Total Number of Clients</b>	<b>4,135</b>								

**“During 2016, 57 visits were made to 19 high schools where a total of 8,583 vaccines were administered to Year 8 students.”**

## School Immunisation Program (SIP) for 2016 Calendar year

During 2016, 57 visits were made to 19 high schools where a total of 8,583 vaccines were administered to Year 8 students. This was a decrease of 1% when compared to 2015. There were no changes to the National Immunisation Program for Adolescents in 2016 when compared to 2015 (Table 6).

The 2016 SIP to Year 8 students involved the administering of:

- three doses of HPV vaccine
- one dose of Varicella (chicken pox) vaccine
- one dose of dTpa vaccine

Numbers of students immunised are submitted to SA Health each year. This data can then be accessed to compare vaccine coverage rates in our schools compared to the State average and measure the success of the program. It is extremely pleasing to observe that EHA continues to achieve higher school coverage rates than the state average (Table 7).

**Table 6 - Two year comparison of total vaccine types administered for the SIP for each Council area**

Council Area	Total 2015	Total 2016
Bairnsdale	2,603	2,542
Campbelltown	1,981	2,004
NPSP	2,521	2,356
Prospect	542	569
Walkerville	295	341
Unley	711	771
<b>Total</b>	<b>8,653</b>	<b>8,583</b>

**Table 7: EHA Constituent Council coverage data compared with total coverage in South Australia**

2016 School Immunisation Program		
EHA Schools - coverage rates	Total coverage SA	EHA Schools vs total coverage SA
Dose 1 Varicella	92.80%	+ 4.4%
Dose 1 dTpa	91.50%	+ 7.7%
Dose 1 HPV	89.10%	+ 2.6%
Dose 2 HPV	89.30%	+ 9.0%
Dose 3 HPV	84.90%	+ 9.6%

**“A total of 3,694 vaccines were administered and 4,789 throat swabs were taken from the participating students, representing a 56% student participation rate.”**

## Meningococcal B Vaccine Herd Immunity Study

In 2017 EHA worked with SA Health and the University of Adelaide to deliver a study into the impact of Meningococcal B (Men B) vaccination in older adolescents. GlaxoSmithKline have provided the vaccines and funding to conduct the study. All schools in EHA's Constituent Council areas and client council were offered the opportunity to participate in the study of students in

Years 10, 11 and 12. During the study all participants will be vaccinated with two doses of the licensed Men B vaccine free of charge. Schools were randomly selected for students to receive the vaccine either in 2017 and 2018. In addition, two throat swabs are collected from all students over the course of the study.

From May 2017 to June 2017 a total of 34 visits were made to 18 high schools. A total of 5,172 consent forms were completed by students and parents, representing 56% of students enrolled in the 18 schools who chose to participate in the study. A total of 3,694 vaccines were administered and 4,789 throat swabs were taken from the participating students.

**Table 8: Total swabs and vaccines administered for each year level from Years 10 to 12 for each Constituent Council area**

Council Area	Total Swabs taken per year level				Total Vaccines administered per year level				
	Year level	10	11	12	Total	10	11	12	Total
Burnside		500	472	425	1,403	694	612	590	1,896
Campbelltown		366	323	292	971	56	63	52	171
NPSP		530	453	403	1,386	359	296	244	822
Prospect		99	131	111	341	30	95	92	267
Walkerville		172	170	150	492	121	111	111	343
Unley		60	78	58	196	60	77	58	195
<b>Total</b>		<b>1,733</b>	<b>1,627</b>	<b>1,429</b>	<b>4,789</b>	<b>1,370</b>	<b>1,258</b>	<b>1,147</b>	<b>3,694</b>

“During March and May, a total of 106 worksite visits were conducted, with 4,330 vaccines delivered...”

## Worksite Immunisation Program

EHA provides an efficient and competitive service for workplaces to protect staff from the highly infectious influenza virus. A worksite program enables schools, childcare centres, government departments and private businesses to have their staff vaccinated on site by experienced nurses at a convenient time.

During March and May, a total of 106 worksite visits were conducted, with 4,330 vaccines delivered; a decrease (8%) when compared with the 2016 program (Table 9).

The decrease was partly due to a reduction in demand for vaccines other than influenza, especially the combined vaccines offered for Hepatitis A & B and dTpa for whooping cough. Although the number of worksite visits increased by five when compared to 2016, there was a reduction in the number of influenza vaccines administered. This resulted in a reduced number of people requiring a vaccination.

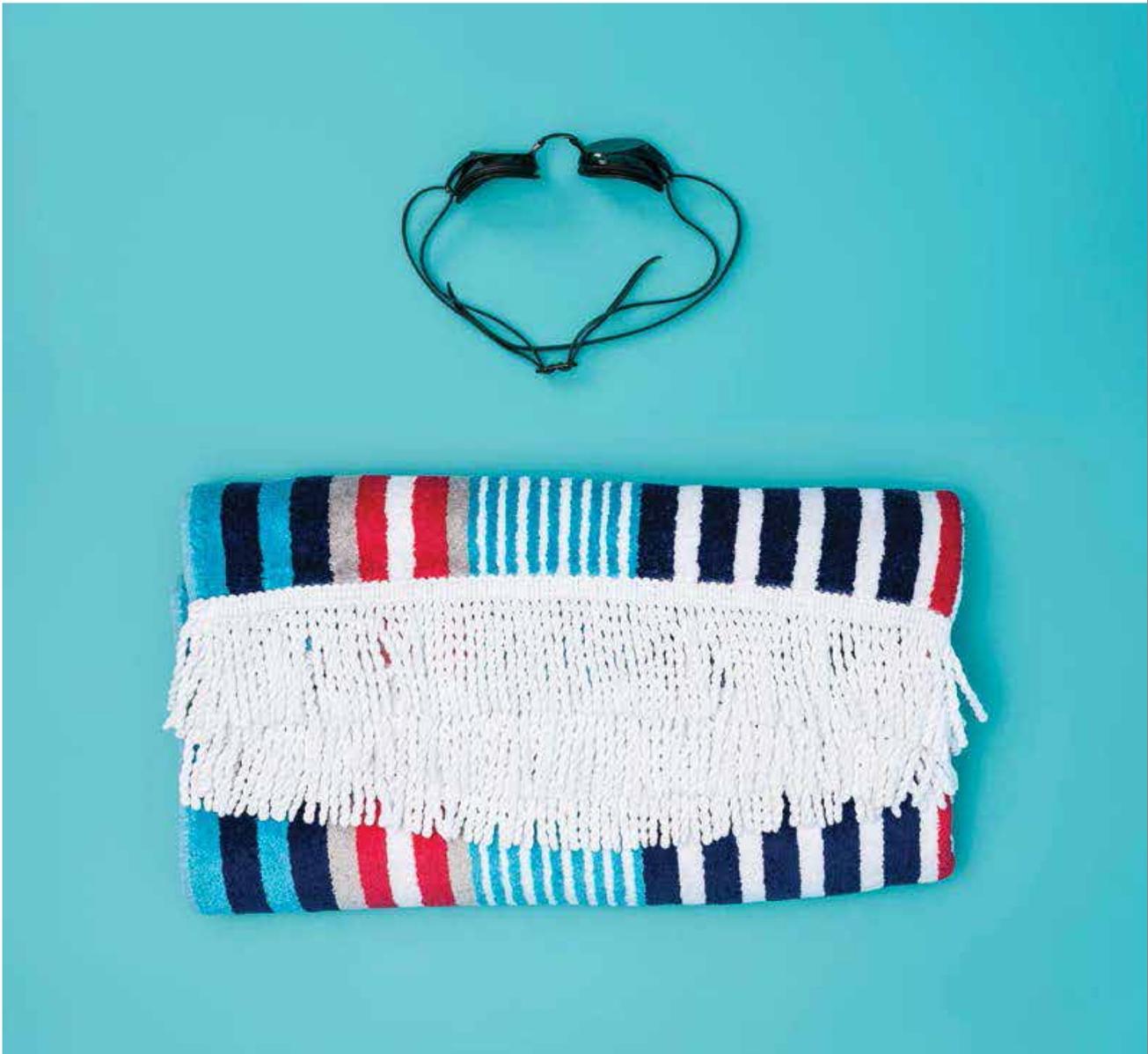
**Table 9 – Two year comparison of the total number of vaccines administered at worksites**

Vaccine type	2015-16	2016-17
Influenza	4,643	4,316
Hepatitis A	2	0
Hepatitis B	0	0
Hepatitis A & B	10	0
dTpa	34	12
MMR	0	2
<b>Total</b>	<b>4,689</b>	<b>4,330</b>

# EHA Annual Report



## Public and Environmental Health



## Complaints and Referrals

**EHA received 232 public health related complaints referrals from the public or State Government agencies.**

As outlined in Table 10, there was a small decrease (13%) compared to the number received in the previous two years.

The number of animal keeping, notifiable disease and hazardous substance complaints received was comparable to the previous year (Table 10).

Vector control continues to account for a large proportion of public health complaints (Table 10). A high proportion of vector control complaints (83%) related to overgrown vegetation, accumulated refuse or poor poultry keeping that did not constitute 'harm to health' under the South Australian (SA) Public Health Act, 2011. Often Environmental Health Officers (EHOs) are unable to obtain substantial evidence to identify the primary source of harbourage and information is issued to neighbouring homes. This approach is effective in notifying neighbouring residents of potential concerns.

There were four hazardous waste complaints (Table 10) involving the investigation of three asbestos issues and one Clandestine Drug Laboratory. A Category C Clandestine Drug Laboratory operating at a premises under construction to become a food business was investigated. A Compliance Notice under section 92(1) of the SA *Public Health Act, 2011* was issued specifying the requirements to undertake the necessary testing to ensure there was no risk to public health. This was the second Clandestine Drug Laboratory operating at this business in three years. During 2014 the premises had previously been identified to be operating a Category A Clandestine Drug Laboratory resulting in EHA issuing an Emergency Notice under the SA *Public Health Act, 2011*.

There were 56 sanitation complaints received and investigated, a decrease when compared to the previous two years (Table 10). Despite this, there has been an increase in the number of severe domestic squalor and hoarding matters requiring investigation (Table 11).

**Table 10 – A three year comparison of the type of public health complaints received**

	2014-15	2015-16	2016-17
Animal Keeping	12	10	10
Notifiable Disease	32	35	37
Sanitation	71	60	56
Vector Control	104	121	110
Waste Control	0	4	0
Air Quality	20	17	4
Water Quality	23	16	11
Hazardous Substances	6	3	4
Other	1	2	0
<b>Total</b>	<b>269</b>	<b>268</b>	<b>232</b>

**Table 11 – A three year comparison of the total number of sanitation complaints and severe domestic squalor and hoarding complaints matters investigation**

	2014-15	2015-16	2016-17
Total number of Sanitation Complaints	71	60	56
Severe Domestic Squalor	5	9	15
Hoarding	5	12	13

As outlined in the SA Health's Foot in a Door – Stepping towards solutions to resolve incidents of severe domestic squalor in South Australia guidelines, 2013 (the Guidelines), the rate of severe domestic squalor in the community is not known and is usually under reported. People living in severe domestic squalor are often isolated from the community and have an inability to recognise the severity and consequences of their living conditions. Hence many people who live in severe domestic squalor never come to the attention of authorities or support services, and subsequently go undetected.

To consistently and objectively investigate these matters the Guidelines 'Severe Domestic Squalor Assessment Scale' tool was used to assess the condition of the properties. Three severe domestic squalor and one hoarding matter were determined to be a breach of the General Duty under the SA Public Health Act, 2011. The Guidelines was a useful tool to allow for a multi-disciplinary approach to be taken by EHA, Government and non-Government agencies during the management of the cases.

One Emergency Notice was issued under Section 92 of the SA Public Health Act, 2011, involving a serious state of domestic squalor. The application of the Guidelines allowed for a multi-disciplinary approach to be taken by EHA and other Government and non-Government agencies. This approach not only ensured the requirements within the Notice complied, but the person also received the required support and care.

EHA continues to lead the Eastern Hoarding and Squalor Group (the Group). The Group continued into its fifth successful year and met four times. This collaborative forum for EHCs and representatives from Government and non-Government agencies allows for proactive discussion and information sharing on squalor and hoarding, services and resources available to resolve these issues.

The SA Public Health Act, 2011 prescribes a list of diseases that are notifiable (Table 12). Notification of these diseases allows for surveillance and investigation to be undertaken to protect the community from the risk of infectious disease.

**Table 12 – The number of reported notifiable diseases for 2016-17**

	2016-17
<i>Campylobacter</i>	311
<i>Salmonella</i>	154
<i>Legionellosis</i>	5
<i>Cryptosporidiosis</i>	23
Hepatitis A	0
Rotavirus	32

*Salmonella* and *Campylobacter* continue to be the most frequently reported food borne diseases (Table 12). During the year, 15 cases of *Salmonella* linked to four food businesses required investigation. It appeared that the majority of outbreaks were from the consumption of contaminated raw egg contained in ready to eat or lightly-cooked foods.

SA Health also required the investigation of an aged care facility in relation to an outbreak of Norovirus and one case of *Campylobacter*. Appropriate infection control measures were implemented and food processing practices were compliant with the Food Safety Standards. Food provided by a family member may have been the source of *Campylobacter* food poisoning. Whilst the facility has a policy for not permitting donated high-risk food, often family members or residents bring in food without staff knowledge.

EHA received 23 confirmed cases of *Cryptosporidiosis* (Table 12). One individual used a public pool within one of EHA's Constituent Council areas during the incubation period. SA Health advised a precautionary decontamination of the pool was not required as the pool utilised a Ultraviolet (UV) disinfection system. The operator was able to demonstrate that the UV system had been operating correctly throughout the period of interest. Additional information on minimising the risk of *Cryptosporidiosis* in public pools was provided.

## Monitoring and Surveillance

### Cooling Towers and Warm Water Systems

A total of 43 high-risk manufactured water systems (HRMWS) were registered at 20 sites within EHA. The number of systems continues to steadily decrease each year, with the closure of one warm water and two cooling tower systems (Table 13).

A total of 48 routine inspections were undertaken at 20 HRMWS sites (Table 13). All sites were inspected at least once a year with two warm water systems inspected twice during 2016-17.

Five follow-up inspections were required; four more than the previous year (Table 13). Two cooling towers required follow up inspections in response to detection for *Legionella*. Decommissioning notifications were also received at three cooling tower sites. Follow-up inspections of these sites were undertaken to confirm the cooling towers had been decommissioned in accordance with the requirements of the *South Australian Public Health (Legionella) Regulations 2013*.

Water samples were obtained at all routine inspections resulting in 21 high counts of *Legionella* (Table 13). The failure of an automatic chlorine dosing pump at one site contributed to the increase in high counts when compared to the previous year (Table 13). Sampling was also independently undertaken by six facilities which resulted in an additional 14 high counts. In response to high count notifications, immediate action was taken to shut down and decontaminate the systems and ensure any mechanical failures were repaired.

Despite the installation of a continual dosing low level chlorine system to the water supply, two warm water sites remain at a six month inspection frequency due to continual high counts of *Legionella*. To further manage the risk of *Legionella*, EHA requested that the operators of these two sites implement a *Legionella* Risk Management Plan (the Plan), based on the 'Guidelines for *Legionella* Control' (a nationally endorsed document

by enHealth Australia). The purpose of the Plan is to identify hazards, potential risks of *Legionella* in the water distribution system, and develop appropriate risk management strategies. The control of these systems are monitored during routine inspections to ensure compliance with the appropriate risk management strategies outlined in the Plan.

There were no Compliance Notices issued during the year. However, one Expiation Notice was issued to an operator of HRMWS for two offences under the *South Australian Public Health (Legionella) Regulations 2013*. The offences related the site failing to notify EHA within 24 hours of a number of significant high counts of *Legionella* and failing to maintain reports of decontamination in the maintenance log books.

EHA received five *Legionella* disease notifications that required investigation during the year, one more than the previous year (Table 13). The disease notifications involved the investigation of two separate dental practices that the persons visited during their incubation period. One of these notifications also required the investigation of the person's residential hot water system. In response, Officers conducted onsite investigations which included taking samples from the home water system and dental chairs.

**Table 13 – A three year comparison of the number of registered high risk manufactured water systems and the number of routine and follow-up inspections undertaken and *Legionella* high count test results**

	2014-15	2015-16	2016-17
Number of sites	25	22	20
Total number HRMWS registered	51	46	43
Number of system inspections	64	53	48
Number of follow-ups	8	1	5
High count test results - samples taken by EHA	13	16	21
Compliance notices	3	0	0
Expiation Notices	0	0	1
Investigation of <i>Legionella</i> disease notifications from GDCB	0	4	5

*Legionella* was detected in the water samples taken from both dental chair spittoon rinsers. The investigations highlighted inadequate skills and knowledge of required infection control and decontamination practices specific to *Legionella*. In response, there was an immediate shutdown and decontamination of both dental chairs.

The inadequate skills and knowledge presented by the dental practices during the investigations highlighted the need to educate

and increase awareness of the associated risks of *Legionella* and dental chair units. As a result, SA Health is working with the Dental Association to actively communicate this information to dental practices.

Investigations were also required at an accommodation facility and two separate residential warm water systems. Samples taken during the onsite investigations returned negative for *Legionella* for all three notifications.



## Personal Grooming, Body Art and Health Care

Assessments of Personal Care and Body Art (PCBA) premises involving high risk skin penetration practices such as tattooing, permanent make-up, microdermabrasion, derma-rolling and piercing with reusable needles were undertaken during the year. All ten tattoo studios, including two premises recently identified and 14 beauty premises performing these high risk practices were assessed against the standards prescribed in the SA Public Health (General) Regulations, 2013 (the General Regulations).

Three follow-up inspections were required during the year. Cleanliness and infection control at two beauty premises and inadequate sterilisation of equipment at a tattoo studio, were addressed to ensure compliance the General Regulations.

During the year all 18 acupuncturists were assessed. Their procedural knowledge and hygiene practices were satisfactory and no follow-up inspections were required. Utilising single use needles during acupuncture has decreased the risk of infection.

A total of five complaints involving cleanliness and inappropriate hygiene practices at one hairdresser and four separate beauty premises required investigation. Three of these premises required a further follow up inspection. Education and information on best practice and reference to the Guidelines of the Safe and Hygienic Practice of Skin Penetration were provided at all investigations.

## Waste Control Systems

EHA received one waste control system application. The system was assessed in accordance with the requirements of the SA Public Health (Wastewater) Regulations 2013 and granted approval.

Four inspections were undertaken at different sites to determine progress of approved wastewater works and conduct assessments in accordance with the requirements of conditions of approval.

No complaints were received during the year.

## Public Swimming Pools and Spas

During the year two swimming pool sites closed and two new sites opened. Three indoor pools opened at one facility and three display spa pools at a retail outlet (Table 14). Display spa pools in public venues, retail sales outlets and promotional events are considered to be public spa pools under the *SA Public Health (General) Regulations 2013* (the General Regulations).

In addition, all swimming, spa and hydrotherapy pools were assessed against the standards prescribed in the General Regulations. A total of seven swimming pool and spa sites required follow-up inspections, three less than the previous year (Table 14). High combined chlorine, inadequate disinfection, record keeping and skills and knowledge of the pool operators required an additional inspection to ensure compliance with the General Regulations.

The temporary closure of four swimming pool and spa sites was required. Two of these sites closed voluntarily. One site closed to rectify inadequate disinfection levels of a spa pool, which was available for use by vulnerable populations. The second pool site closed to repair the automatic dosing equipment to maintain adequate chlorine levels. Recurring non-compliance of significantly high combined chlorine levels, inadequate record keeping

and inadequate skills and knowledge of the pool operators were observed at the third site. The recurrence of these non-compliances and immediate risk to public health resulted in a Compliance Notice issued under Section 92 of the *SA Public Health Act 2011*. The pool operator was instructed to close the pool to the public and undertake the necessary corrective actions. Multiple follow-up inspections were undertaken to confirm compliance with the Notice prior to the pool reopening for public use.

A Compliance Notice issued under Section 92 of the *SA Public Health Act, 2011* required closure of the fourth pool site. The ongoing total residual free chlorine and pH outside the required levels and absence of the automatic equipment for three display spa pools, required all spa pools to be immediately emptied. Prior to re-filling the display spa pools the pool operator was required to connect them to automatic dosing equipment.

Two separate complaints relating to the same indoor swimming pool were received during the year. Both complaints related to the cleanliness of the pool and facility. Inspections of the complaints identified the change rooms and amenities were well maintained and the water quality was within the parameters of the General Regulations.

**Table 14 - A three year comparison of the number of routine and follow-up inspections conducted at spas, swimming, and hydrotherapy pools, and the number of *Cryptosporidiosis* notifications received**

	2014-15	2015-16	2016-17
Number of Sites	30	27	28
Number of Pools/Spas	43	39	45
Inspections of Pools/Spas	71	62	66
Follow-ups of Pools/Spas	20	18	25
Complaints	6	1	2
<i>Cryptosporidiosis</i> Complaints	3	0	1

## Food Safety



**“As at 30 June 2017, a total of 1,277 known food premises were operating within EHA’s jurisdiction”**

## Food Safety Inspections, Complaints, Audits and Enforcement

As at 30 June 2017, a total of 1,277 known food premises were operating within EHA’s jurisdiction, which is an increase of 24 businesses when compared to the previous year. Takeaways, cafes, and restaurants continue to be the predominant types of food business.

A total of 190 businesses closed and 214 food business notifications, advising of a new food business or change of ownership, were lodged with EHA. The increase in the number of food premises, new notifications and closures required the continual updating of the food business register.

Food businesses are classified on the basis of food safety risk, using the South Australian Food Business Risk Classification (FBRC) profiling framework (the Framework). The FBRC allows for the monitoring and enforcement to be aligned with the inherent food safety risk of the business, taking into account the performance.

A minimum and maximum inspection frequency range is applied to each risk classification. The frequency range allows for inspections to either be increased or decreased depending on whether or not compliance is satisfactory during the inspection.

As shown in Table 15, the majority of food businesses are risk classified as P1, with takeaways and restaurants being the main types of businesses within this classification.

P4 food businesses selling shelf stable and pre-packaged food are considered ‘low risk’, and are only inspected if there has been a change in activity or a complaint has been received.

Excluding P4 businesses, 1,078 food premises are required to be inspected. A total of 1,432 inspections were undertaken at these businesses (Table 16).

**Table 15 – Number of food businesses, food inspections and follow-up inspections as per risk classification**

	P1	P2	P3	P4	Total
Number of food businesses	629	337	112	199	1,277

**Table 16 – A three year comparison of the number of routine, follow-up and fit-out inspections undertaken and complaints received**

Type of Inspection	2014-15	2015-16	2016-17
Routine	640	690	862
Follow up	480	578	570
Complaint	98	111	78
Pre-opening/fit-out	17	21	20
Food Stalls at Special Events	114	97	90
<b>Total</b>	<b>1,549</b>	<b>1,497</b>	<b>1,620</b>

EHA's food safety enforcement practice is to conduct thorough routine inspections and follow-up inspections to ensure non-compliances are rectified and appropriate food safety standards are maintained. Routine and follow-up inspections are opportunities for an EHO to provide advice and information and for businesses to demonstrate improved systems or processes to ensure food safety practices are implemented daily and permanently.

A total number of 862 routine inspections were conducted during the year, a 25% increase compared from the previous year (Table 17). This increase was attributed the improved availability of staff. While there was an increase in the number of routine inspections conducted, the number of follow-up inspections was comparable with the previous year.

**“A total number of 862 routine inspections were conducted during the year, a 25% increase compared from the previous year.”**

**Table 17 – A three year comparison of the percentage number of follow-up inspections conducted based on the number of routine inspections**

	2014-15	2015-16	2016-17
Routine inspections	840	690	862
Total number of follow-up inspections	479	570	566
Number of businesses requiring a follow-up inspection	413	377	354
% of routine inspections requiring a follow-up inspection	49%	54%	41%

## Demand for packaged ready-to-heat meals has increased. Restaurants and caterers have responded to this increased demand and expanded their businesses to include locally sourced convenience meals.

Cook chill processing is complex and high risk and requires food handlers to have adequate skills and knowledge. The premises require suitable equipment and structural facilities, processes and procedures to produce these foods safely.

During 2015-16 EHA identified a food business that introduced extended shelf life cook-chill processing. Inspections identified serious concerns relating to the poor knowledge and management of the risks associated with cook chill processing. This investigation sparked SA Health to initiate a state-wide industry survey of all extended shelf life cook-chill manufacturers in South Australia.

During 2016-17 EHA identified a further 12 food businesses that have moved into extended shelf life cook-chill processing. Serious concerns relating to inadequate processing techniques, fixtures, fittings and equipment and skills and knowledge were consistently identified at a number of these food businesses. These concerns were supported by the unsatisfactory sampling results taken as part of the statewide survey (Table 18).

A high proportion of samples returned either 'unsatisfactory' or 'marginal' for a number of pathogens (Table 18). Standard Plate Count (SPC) is used to determine the level

of 'spoilage organisms' present in a food product. The results indicated that 60% of samples SPC was 'unsatisfactory' or 'marginal'. These results are indicative of poor hygiene or food handling practices (Table 18).

While there were significantly less 'unsatisfactory' and 'marginal' results for *E.coli*, *Clostridium Perfringens* and *Bacillus Cereus*, the presence of these pathogens raised very serious concerns as this indicates poor hygiene and/or food handling and processing practices (Table 18).

To address these serious results and poor practices, EHA in collaboration with SA Health have worked closely with these businesses to improve their knowledge and practices throughout the year. The survey results and serious non-conformances identified that immediate investigation of cook chill processing throughout the state was required.

Despite the significant amount of resources and Officers time required, EHA's proactive approach has raised the awareness of the risks associated with cook chill manufacturing to food businesses in our five Constituent Councils.

EHA's enforcement policy requires a graduated and proportionate response to be applied to either recurring or very serious food safety breaches.

**Table 18 – SA Health state-wide sampling result for food businesses producing extended shelf life cook-chill foods within EHA**

Pathogens tested	Number of samples	Result 'Unsatisfactory'	Result 'Marginal'	Result 'Satisfactory'
Standard Plate Count	43	15	11	17
E.Coli	43	not detected	3	40
<i>Clostridium Perfringens</i>	43	not detected	1	42
<i>Bacillus Cereus</i>	43	1	3	40
<i>Salmonella</i>	43	not detected	not detected	43
Coagulase- positive Staphylococci	43	not detected	not detected	43
<i>Listeria monocytogenes</i>	43	not detected	not detected	43

Graph 4 demonstrates the graduated responses to enforcement. Legal action may be taken to repeat offenders in the form of written warnings, Improvement Notices, Prohibition Orders, Expiation Notices or Prosecutions.

**Graph 4 – A graph illustrating the graduated response to enforcement under the Food Act 2001**



The majority of food businesses requiring legal action are P1 high risk businesses (Table 19). Enforcement action was not limited to high risk businesses, with warning letters, Improvement and Expiation Notices issued to moderate risk P2 food businesses. Very serious food safety breaches also resulted in Prohibition Orders being served to nine high risk P1 businesses, that included restaurants, cafes, a bakery and manufacturer and a moderate risk P2 bakery.

**Table 19 – A three year comparison of enforcement action taken as per risk classification**

Warning Letter	P1	P2	P3
2014-15	18	1	0
2015-16	13	4	0
2016-17	11	1	0

Improvement Notices	P1	P2	P3
2014-15	81	14	1
2015-16	76	17	0
2016-17	127	12	0

Offences Expiated	P1	P2	P3
2014-15	39	0	0
2015-16	23	0	0
2016-17	41	2	0

Prohibition Orders	P1	P2	P3
2014-15	2	1	0
2015-16	2	1	0
2016-17	9	1	0

# EHA Annual Report

There was an increase in the number of Improvement Notices, Expiation Notices and Prohibition Orders issued this year. Improvement Notices continue to account for the majority of enforcement action taken, with a total of 139 Improvement Notices issued to 92 food businesses (Table 20). A total of 33 businesses received more than one Improvement Notice during the year, with one business receiving five Improvement Notices.

The number of Improvement Notices issued increased by an average of 46% when compared to the previous two years (Table 20). Despite the increase, the percentage of inspections that resulted in an Improvement Notice was comparable to 2015-16 (Table 20).

In 2016-17, \$64,452 in fines were issued to 15 businesses for 43 offences committed under the Food Act, 2001 (Table 21). This represents a 53% increase in the number of Expiation Notices when compared to the previous year. It should be noted that only 1.5% of routine inspections resulted in Expiation Notices being issued, which was a decrease when compared to 2016-17 (Table 22).

Ten Prohibition Orders were issued to food businesses, seven more when compared to the previous two years (Table 23). Prohibition Orders were served to seven restaurant/cafes, and two bakeries. Serious offences related to significant vermin and cockroach activity, poor standard of cleanliness and significant amounts of Potentially Hazardous Food (PHF) stored out of temperature control. Following the eradication of the pests and vermin by a professional pest controller, thorough cleaning and repairs to cold storage equipment, these businesses were reopened.

A Prohibition Order was also served to a food manufacturer due to unfit for use general design and construction and mode of operation of all fixtures, fittings and equipment. A very poor standard of cleanliness and inadequate sanitising practices was also observed. This matter was also referred to SafeWork SA and SA Water Trade Waste. As a result the Proprietor notified EHA of the permanent closure of the food business.

EHA inspected 90 food stalls at ten major special events held within the Constituent Councils (Table 16). Food handlers were assessed on their application of food safety and hygiene principles. EHOs also considered the structure and fit-out of each stall to ensure food was stored, prepared and displayed appropriately to protect from contamination.

**Table 20 – A three year comparison of the percentage number of Improvement Notices issued based on the number of routine inspections**

	2014-15	2015-16	2016-17
Routine inspections	840	690	862
Total number of Improvement Notices issued	98	63	139
Number of businesses issued with Improvement Notices	69	76	92
% of routine inspections resulting in the issue of an Improvement Notice	3.2%	11%	11%

**Table 21 – A three year comparison of the number of Expiation Notices issued, total number of expiable offences and expiable income received**

	2014-15	2015-16	2016-17
Total number of Expiation Notices issued	18	14	20
Total number of Offences Expiable	39	23	43
<b>Total amount</b>	<b>\$80,000</b>	<b>\$38,050</b>	<b>\$64,452</b>

**Table 22 – A three year comparison of the percentage of Expiation Notices issued per routine inspection**

	2014-15	2015-16	2016-17
Routine inspections	840	690	862
Number of businesses issued with Expiation Notices	18	14	13
Expiation Notices as % of inspections	2.1%	2.0%	1.5%

**Table 23 – A three year comparison of the number of Prohibition Orders issued**

	2014-15	2015-16	2016-17
Routine inspections	840	690	862
Number of businesses issued with Prohibition Orders	3	3	10
Prohibition Orders as % of inspections	0.35%	0.43%	1.2%

## Audits

Food businesses serving food to vulnerable populations, including hospitals, aged care facilities, child care centres and delivered meal organisations are captured under Food Safety Standard 3.3.1. This Standard requires food businesses to comply with Food Safety Standard 3.2.1, and the implementation of a documented and audited Food Safety Program.

As shown in Table 24, a total of 55 scheduled food safety audits and three follow-up audits were conducted within EHA's jurisdiction during the year. By request, a total of 33 audits were conducted outside EHA's council areas. The increase in audits was due to new businesses requesting our services and EHA's availability of accredited food safety auditors (Table 24).

**Table 24 - A three year comparison of the number of audits and follow-up audits conducted in our five Constituent Councils and other council areas**

	2014-15		2015-16		2016-17	
	EHA	Other Council Areas	EHA	Other Council Areas	EHA	Other Council Areas
No. of Audits	53	30	31	37	55	33
No. of Follow-up Audits	10	7	10	2	3	1



## Complaints

EHA received a total of 80 complaints relating to food during 2016-17 (Table 25). As shown in Table 22, there has been a steady decrease in the number of complaints received over the last three years. The number of justified complaints also decreased from 41% to 32% when compared to the previous year.

Alleged food poisoning and alleged poor food handling practice complaints contributed to 44% of the complaints received during the year (Table 26). Alleged food poisoning complaints have consistently accounted for the majority

of complaints received over the past three years (Table 26). During 2016-17 only four of the 20 alleged food poisoning complaints were justified (Table 26). The small proportion of justified complaints is often a result of the persons failing to undertake the necessary tests to confirm they are affected by a foodborne disease. The absence of clinical evidence hinders the opportunity for epidemiological investigations to be undertaken by SA Health and for EHA to investigate and identify the specific food source.

**Table 25 - A three year comparison of the number of food complaints received**

	2014-15	2015-16	2016-17
Number of food complaints	108	98	80
Number of food complaints justified	29	40	26
% of justified complaints	27%	41%	32%

**Table 26 – A three year comparison of the number of food complaints received**

Type of Complaints Received	2014-15	2015-16	2016-17	2016-17
	Total number of complaints received			Number of complaints justified/confirmed
Food unsuitable/unsafe due to foreign matter	15	12	10	3
Food unsuitable/unsafe due to microbial contamination/growth	13	7	7	3
Food unsuitable/unsafe due to presence of unapproved or excessive chemical residues	6	2	1	0
Alleged food poisoning	27	24	20	4
Unclean premises	6	10	5	1
Poor personal hygiene or poor food handling practices	10	20	15	7
Worms/insects/pests observed in premises	5	5	6	2
Refrigerator storage	19	11	11	6
Labelling issues	1	5	1	1
Other	6	2	4	0
<b>Total</b>	<b>108</b>	<b>98</b>	<b>80</b>	<b>28</b>

## Health Care and Community Services



**“EHOs conducted 19 unannounced routine audits and 13 follow-up visits during 2016-17.”**

## Supported Residential Facilities

EHA is the licensing authority for all Supported Residential Facilities (SRFs) within the Constituent Councils. During the year the number of SRFs licensed by EHA decreased from 12 to eight facilities (Table 27). The decrease is attributed to the City of Unkley's decision to undertake the licensing internally, which came into effect in December 2018.

**Table 27 – A three year comparison of the number of SRFs licensed by EHA**

2014-15	2015-16	2016-17
12	12	8

## Licensing and Monitoring

EHOs conducted 19 unannounced routine audits and 13 follow-up visits during 2016-17.

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

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

The majority of non-conformances identified in the unannounced audits included hygiene and structural maintenance and documentation management, particularly with regard to inadequate and inconsistent resident contracts. There were a limited number of non-conformances related to standards of care, including nutrition, medication management and control of personal finances.

The financial position of each SRF was accessed during the re-licensing process through obtaining copies of accounting records, including profit and loss statements, balance sheets (assets and liability) and cash flow statements (incoming/outgoings). All facilities were considered solvent and viable.

Each facility within the Constituent Council area was inspected for compliance with the essential fire safety requirements by the respective Building Fire Safety Committee. Fire safety reports were provided to EHA as part of the licensing renewal process. Non-conformances highlighted in the fire safety report from one Constituent Council were communicated to EHA, but they will be monitored and enforced by its Council Officers.

Non-conformances identified at the unannounced audits throughout the year were collated and reviewed prior to the re-licensing of the facilities. Contrary to previous years and in order to facilitate a more expedient and efficient approach to managing minor non-conformances, Authorised Officers applied the use of legislative tools rather than imposing multiple licence conditions. Where long term action was required or there were significant or persistent issues, conditions were imposed on the facility's licence for 2017-18.

Two facilities were issued licences for one year with no conditions. Four facilities were issued licences for one year with conditions. Conditions related to staffing levels and designated outdoor smoking areas. All minor cleaning, maintenance and hygiene issues will continue to be monitored and managed during subsequent audits throughout the year.

### SRF Licence Transfer/New Licence

During 2016-17 two SRF licence transfers were received, processed and approved. One licence transfer application was the result of the sale of a business. After a long vetting process, the applicant was approved and improvements have been observed at the facility. The second transfer resulted from the dissolution of a business partnership. One of the existing directors remained the proprietor and there were no changes to the management, staff or business operations.

One application for a new SRF was received during the year. The application is currently being processed and is pending approval.

### Manager and Acting Manager approvals

One manager application and three acting manager applications were received during the year. All acting manager applications were approved by EHA's Chief Executive Officer under delegated authority. The manager application is pending the completion of the new facility's licence application.

### SRF – Complaints and Queries/Legal Action

The number of complaints received was comparable to the previous year (Table 28). Complaints related to cleanliness and hygiene in a resident's room, the nutritional value of food served, cooling and heating and the lack of privacy during medical consultations. Relevant action was taken by the facilities where required to resolve the matters.

**Table 28 – A three year comparison of the number of SRF complaints received**

2014-15	2015-16	2016-17
13	3	3

## Financial Summary



**Eastern Health Authority**  
**General Purpose Financial Reports**  
**for the year ended 30 June 2017**

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## Eastern Health Authority

### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

#### CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the EHA's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year.
- the financial statements accurately reflect the EHA's accounting and other records.

  
.....  
Michael Livori  
CHIEF EXECUTIVE OFFICER

  
.....  
Sue Whittington  
CHAIRPERSON

Date: 30/8/2017

# EHA Annual Report

<b>Eastern Health Authority</b>			
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>for the year ended 30 June 2017</b>			
	Notes	2017 \$	2016 \$
<b>INCOME</b>			
Council contributions	2	1,641,055	1,609,306
Statutory charges	2	155,492	114,802
User charges	2	294,343	342,110
Grants, subsidies & contributions	2	270,990	121,815
Investment income	2	11,598	15,304
Other income	2	11,767	11,439
<b>Total Income</b>		<u>2,385,245</u>	<u>2,214,776</u>
<b>EXPENSES</b>			
Employee costs	3	1,623,390	1,483,167
Materials, contracts & other expenses	3	699,827	643,081
Depreciation, amortisation & impairment	3	55,286	45,098
Finance costs	3	18,756	21,463
<b>Total Expenses</b>		<u>2,397,259</u>	<u>2,192,809</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<u>(12,014)</u>	21,967
<b>NET SURPLUS / (DEFICIT)</b>		<u>(12,014)</u>	<u>21,967</u>
transferred to Equity Statement			21,967
<b>Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>(12,014)</u>	<u>21,967</u>
This Statement is to be read in conjunction with the attached Notes.			

# EHA Annual Report

<b>Eastern Health Authority</b>			
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b>as at 30 June 2017</b>			
	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	664,107	581,155
Trade & other receivables	4	<u>129,625</u>	<u>158,026</u>
<b>Total Current Assets</b>		<u><b>793,732</b></u>	<u><b>739,181</b></u>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	5	<u>387,928</u>	<u>421,720</u>
<b>Total Non-current Assets</b>		<u><b>387,928</b></u>	<u><b>421,720</b></u>
<b>Total Assets</b>		<u><b>1,181,660</b></u>	<u><b>1,160,901</b></u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	6	138,358	95,855
Borrowings	6	61,440	58,623
Provisions	6	<u>305,844</u>	<u>259,008</u>
<b>Total Current Liabilities</b>		<u><b>505,642</b></u>	<u><b>413,486</b></u>
<b>Non-current Liabilities</b>			
Borrowings	6	315,135	376,575
Provisions	6	<u>35,264</u>	<u>33,207</u>
<b>Total Non-current Liabilities</b>		<u><b>350,399</b></u>	<u><b>409,782</b></u>
<b>Total Liabilities</b>		<u><b>856,041</b></u>	<u><b>823,268</b></u>
<b>NET ASSETS</b>		<u><b>325,619</b></u>	<u><b>337,633</b></u>
<b>EQUITY</b>			
Accumulated Surplus		<u>325,619</u>	<u>337,633</u>
<b>TOTAL EQUITY</b>		<u><b>325,619</b></u>	<u><b>337,633</b></u>

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

# EHA Annual Report

**Eastern Health Authority**  
**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 June 2017

2017	Notes	Accumulated Surplus \$	TOTAL EQUITY \$
Balance at end of previous reporting period		337,633	337,633
<b>Net Surplus / (Deficit) for Year</b>		<u>(12,014)</u>	<u>(12,014)</u>
<b>Balance at end of period</b>		<u>325,619</u>	<u>325,619</u>
<b>2016</b>			
Balance at end of previous reporting period		515,666	515,666
<b>Net Surplus / (Deficit) for Year</b>		21,967	21,967
<b>Other Comprehensive Income</b>			
Distribution to Constituent Councils		<u>(200,000)</u>	<u>(200,000)</u>
<b>Balance at end of period</b>		<u>337,633</u>	<u>337,633</u>

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

# EHA Annual Report

<b>Eastern Health Authority</b>			
<b>STATEMENT OF CASH FLOWS</b>			
<b>for the year ended 30 June 2017</b>			
	Notes	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Council contributions		1,805,161	1,770,237
Fees & other charges		155,492	240,932
User charges		404,589	377,146
Investment receipts		11,598	15,304
Grants utilised for operating purposes		298,296	121,815
Reimbursements		12,944	12,583
<u>Payments</u>			
Employee costs		(1,598,369)	(1,458,250)
Materials, contracts & other expenses		(906,594)	(984,254)
Finance payments		(19,984)	(22,672)
<b>Net Cash provided by (or used in) Operating Activities</b>	7	<b>163,069</b>	72,841
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(21,494)	(25,723)
Capital contributed to Constituent Councils		-	(200,000)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(21,494)</b>	(225,723)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Payments</u>			
Repayments of borrowings		(58,623)	(55,934)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(58,623)</b>	(55,934)
<b>Net Increase (Decrease) in cash held</b>		<b>82,952</b>	(208,816)
Cash & cash equivalents at beginning of period	7	581,155	789,971
<b>Cash &amp; cash equivalents at end of period</b>	7	<b>664,107</b>	581,155
This Statement is to be read in conjunction with the attached Notes			

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 1 - SIGNIFICANT ACCOUNTING POLICIES

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

##### 1 Basis of Preparation

###### 1.1 Compliance with Australian Accounting Standards

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

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

###### 1.2 Historical Cost Convention

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

###### 1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying EHA's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

###### 1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar (\$).

##### 2 The Local Government Reporting Entity

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

##### 3 Income recognition

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

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

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

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

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

##### 5 Infrastructure, Property, Plant & Equipment

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 1 - Significant Accounting Policies (cont.)

##### 5.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

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 EHA includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

##### 5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by EHA for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 5.

##### 5.3 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. Further detail of existing valuations, methods and valuers are provided at Note 5.

##### 5.4 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 EHA, best reflects the consumption of the service potential embodied in those assets.

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

Major depreciation periods for each class of asset are shown in Note 5. Depreciation periods for infrastructure assets have been estimated based on the best information available to EHA, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

##### 5.5 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 EHA were deprived thereof, are not assessed for impairment.

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

##### 5.6 Borrowing Costs

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

# EHA Annual Report

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 1 - Significant Accounting Policies (cont.)

#### 6 Payables

##### 6.1 Goods & Services

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

##### 6.2 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.

#### 7 Borrowings

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

#### 8 Employee Benefits

##### 8.1 Salaries, Wages & Compensated Absences

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

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

No accrual is made for sick leave as EHA experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. EHA does not make payment for untaken sick leave.

##### 8.2 Superannuation

EHA makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and EHA's involvement with the schemes are reported in Note 11.

#### 9 Leases

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

In respect of finance leases, where EHA substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class, and are amortised to expense over the period during which EHA is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

#### 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.

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 1 - Significant Accounting Policies (cont.)

- 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 2017 reporting period and have not been used in preparing these reports.

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

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

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

*EHA 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 EHA'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 revenues from grants & subsidies, but does not commence until the 2019/20 financial period, and it is not EHA's intention to adopt this Standard early.

# EHA Annual Report

## Eastern Health Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2017

### Note 2 - INCOME

	Notes	2017 \$	2016 \$
<b>COUNCIL CONTRIBUTIONS</b>			
City of Burnside		419,128	415,037
Campbelltown City Council		379,026	389,840
City of Norwood Payneham & St Peters		515,322	490,646
City of Prospect		220,952	219,621
Town of Walkerville		106,627	94,162
		<u>1,641,055</u>	<u>1,609,306</u>
<b>STATUTORY CHARGES</b>			
SRF licences		3,462	4,792
Food inspections		71,435	56,355
Legionella registrations & inspections		16,143	15,275
Fines, penalties & expiations		64,452	38,380
		<u>155,492</u>	<u>114,802</u>
<b>USER CHARGES</b>			
Immunisation fee for service		38,795	50,515
Immunisation worksites		96,186	110,107
Food safety training		-	455
Food auditing		60,534	60,465
City of Unley		98,828	120,568
		<u>294,343</u>	<u>342,110</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		11,598	15,304
		<u>11,598</u>	<u>15,304</u>

# EHA Annual Report

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### NOTE 2 - INCOME (continued)

	2017	2016
Notes	\$	\$
<b>OTHER INCOME</b>		
Motor vehicle reimbursements	4,873	3,975
Sundry	6,894	7,464
	<u>11,767</u>	<u>11,439</u>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>		
Other grants, subsidies and contributions		
Immunisation fees - schools	85,353	84,291
Meningococcal B	153,869	-
Immunisation fees - ACIR	31,768	37,524
	<u>270,990</u>	<u>121,815</u>
<b>Sources of grants</b>		
State government	270,990	121,815
	<u>270,990</u>	<u>121,815</u>

# EHA Annual Report

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 3 - EXPENSES

	Notes	2017 \$	2016 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,374,895	1,303,620
Employee leave expense		38,542	14,333
Superannuation - defined contribution plan contributions	11	109,975	99,335
Superannuation - defined benefit plan contributions	11	17,094	16,838
Workers' Compensation Insurance		15,430	15,000
Other - Agency Staff & Consultant Medical Officer		67,454	34,041
<b>Total Operating Employee Costs</b>		<b>1,623,390</b>	<b>1,483,167</b>
<b>Total Number of Employees</b>		<b>18</b>	<b>18</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		7,500	7,700
Bad and Doubtful Debts		2,281	3,293
Board of management expenses		10,008	10,772
- minimum lease payments		54,144	53,185
Subtotal - Prescribed Expenses		<b>73,933</b>	<b>74,950</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Accounting & internal audit		6,670	6,265
Contractors		24,173	22,562
Energy		8,260	8,222
Fringe benefit tax		19,694	20,471
Human resources		13,603	12,426
Income protection		18,997	10,953
Insurance		27,131	26,006
IT licencing & support		158,926	101,324
Legal expenses		12,115	20,373
Motor vehicle expenses		20,091	15,141
Office rent		101,153	100,002
Parts, accessories & consumables		131,688	102,308
Printing & stationery		21,268	25,788
Staff training		17,393	14,674
Sundry		23,658	29,856
Telephone		14,293	13,842
Work health & safety consultancy		6,781	37,918
Subtotal - Other Materials, Contracts & Expenses		<b>625,894</b>	<b>568,131</b>
		<b>699,827</b>	<b>643,081</b>

# EHA Annual Report

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 3 - EXPENSES (cont)

	Notes	2017 \$	2016 \$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Buildings & Other Structures		23,642	23,642
Office Equipment, Furniture & Fittings		31,644	21,456
		<u>55,286</u>	<u>45,098</u>
<b>FINANCE COSTS</b>			
Interest on Loans		18,756	21,463
		<u>18,756</u>	<u>21,463</u>

# EHA Annual Report

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 4 - CURRENT ASSETS

	2017	2016
<b>CASH &amp; EQUIVALENT ASSETS</b>		
	Notes	
	\$	\$
Cash on Hand and at Bank	148,773	112,228
Short Term Deposits & Bills, etc	515,334	468,927
	<u>664,107</u>	<u>581,155</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Debtors - general	129,625	239,871
Less: Allowance for Doubtful Debts	-	81,845
	<u>129,625</u>	<u>158,026</u>

# EHA Annual Report

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2016 \$			2017 \$		
	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT COST	ACCUM DEPN	CARRYING AMOUNT
Buildings & Other Structures	472,846	(117,402)	355,444	472,846	(141,044)	331,802
Office Equipment, Furniture & Fittings	315,499	(249,223)	66,276	336,992	(280,866)	56,126
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>788,345</b>	<b>(366,625)</b>	<b>421,720</b>	<b>809,838</b>	<b>(421,910)</b>	<b>387,928</b>
<i>Comparatives</i>	<b>762,622</b>	<b>(321,527)</b>	<b>441,095</b>	<b>788,345</b>	<b>(366,625)</b>	<b>421,720</b>

*This Note continues on the following pages.*

# EHA Annual Report

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2016 \$	CARRYING AMOUNT MOVEMENTS DURING YEAR \$		2017 \$
		Additions Renewals	Depreciation	
	CARRYING AMOUNT			CARRYING AMOUNT
Buildings & Other Structures	355,444	-	(23,642)	331,802
Office Equipment, Furniture & Fittings	66,276	21,494	(31,644)	56,126
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>421,720</b>	<b>21,494</b>	<b>(55,286)</b>	<b>387,928</b>
<i>Comparatives</i>	<i>441,095</i>	<i>25,723</i>	<i>(45,098)</i>	<i>421,720</i>

*This Note continues on the following pages.*

# EHA Annual Report

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 6 - LIABILITIES

	Notes	2017		2016	
		Current	Non-current	Current	Non-current
		\$		\$	
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		72,431	-	65,453	-
Accrued expenses - employee entitlements		30,419	-	20,972	-
Accrued expenses - other		8,202	-	9,430	-
Other		27,306	-	-	-
		<u>138,358</u>	<u>-</u>	<u>95,855</u>	<u>-</u>
<b>BORROWINGS</b>					
Loans		61,440	315,135	58,623	376,575
		<u>61,440</u>	<u>315,135</u>	<u>58,623</u>	<u>376,575</u>
<b>PROVISIONS</b>					
Employee entitlements - Annual leave (including oncosts)		146,832	-	131,258	-
Employee entitlements - Long service leave (including oncosts)		159,012	35,264	127,750	33,207
		<u>305,844</u>	<u>35,264</u>	<u>259,008</u>	<u>33,207</u>

# EHA Annual Report

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

##### (a) Reconciliation of Cash

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

	Notes	2017 \$	2016 \$
Total cash & equivalent assets	4	<b>664,107</b>	581,155
Balances per Cash Flow Statement		<u><b>664,107</b></u>	<u>581,155</u>

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

Net Surplus (Deficit)	<b>(12,014)</b>	21,967
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	55,286	45,098
Net increase (decrease) in unpaid employee benefits	25,021	24,917
Change in allowances for under-recovery	<u>(81,845)</u>	<u>(114,650)</u>
	<b>(13,552)</b>	<b>(22,668)</b>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	110,246	118,896
Net increase (decrease) in trade & other payables	<u>33,056</u>	<u>(23,387)</u>
<b>Net Cash provided by (or used in) operations</b>	<u><b>163,069</b></u>	<u><b>72,841</b></u>

##### (c) Financing Arrangements

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

Corporate Credit Cards	<b>5,000</b>	5,000
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## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 8 - FINANCIAL INSTRUMENTS

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

##### Accounting Policies - Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 1.5% and 2% (2016: 1.5% and 2%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although EHA is not materially exposed to any individual debtor, credit risk exposure is concentrated within EHA's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to EHA.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Interest Bearing Borrowings</b>	<p><b>Accounting Policy:</b> Carried at the principal amounts. Interest is charged as an expense as it accrues.</p> <p><b>Terms &amp; conditions:</b> secured over future revenues, borrowings are repayable biannually; interest is charged at fixed rate of 4.75% (2016: 4.75%)</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<b>Liabilities - Finance Leases</b>	<p><b>Accounting Policy:</b> accounted for in accordance with AASB 117.</p>

# EHA Annual Report

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

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

##### Liquidity Analysis

2017	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash & Equivalents	664,107	-	-	664,107	664,107
Receivables	129,625	-	-	129,625	129,625
<b>Total</b>	<b>793,732</b>	<b>-</b>	<b>-</b>	<b>793,732</b>	<b>793,732</b>
<b>Financial Liabilities</b>					
Payables	100,374	-	-	100,374	99,737
Current Borrowings	78,607	-	-	78,607	61,440
Non-Current Borrowings	-	314,425	39,303	353,728	315,135
<b>Total</b>	<b>178,981</b>	<b>314,425</b>	<b>39,303</b>	<b>532,709</b>	<b>476,312</b>
<b>2016</b>	<b>Due &lt; 1 year</b>	<b>Due &gt; 1 year; ≤ 5 years</b>	<b>Due &gt; 5 years</b>	<b>Total Contractual Cash Flows</b>	<b>Carrying Values</b>
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash & Equivalents	581,155	-	-	581,155	581,155
Receivables	158,026	-	-	158,026	239,871
<b>Total</b>	<b>739,181</b>	<b>-</b>	<b>-</b>	<b>739,181</b>	<b>821,026</b>
<b>Financial Liabilities</b>					
Payables	95,855	-	-	95,855	65,453
Current Borrowings	78,606	-	-	78,606	58,623
Non-Current Borrowings	-	471,638	39,303	510,941	376,575
<b>Total</b>	<b>174,461</b>	<b>471,638</b>	<b>39,303</b>	<b>685,402</b>	<b>500,651</b>

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

	30 June 2017		30 June 2016	
	Weighted Average Interest Rate %	Carrying Value \$	Weighted Average Interest Rate %	Carrying Value \$
Fixed Interest Rates	4.75	<u>376,575</u>	4.75	<u>435,198</u>
		<u>376,575</u>		<u>435,198</u>

#### Net Fair Value

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

#### Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of EHA is the carrying amount, net of any allowance for doubtful debts. All EHA 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 EHA's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of EHA's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that EHA will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. EHA also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. EHA has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 9 - UNIFORM PRESENTATION OF FINANCES

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

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

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

	2017	2016
	\$	\$
Income	2,385,245	2,214,776
less Expenses	<u>2,397,259</u>	<u>2,192,809</u>
<b>Operating Surplus / (Deficit)</b>	<b>(12,014)</b>	<b>21,967</b>
<b>less Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	21,494	25,723
Depreciation, Amortisation and Impairment	<b>(55,286)</b>	(45,098)
	<u>(33,792)</u>	<u>(19,375)</u>
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>21,778</u></b>	<b><u>41,342</u></b>

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 10 - OPERATING LEASES

***Leases providing revenue to the EHA***

EHA has entered into non-cancellable operating leases for motor vehicles and a photocopier.

No lease imposes any additional restrictions on EHA in relation to additional debt or further leasing. Leases in relation to computer and office equipment permit EHA, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

	2017	2016
	\$	\$
Not later than one year	45,093	46,399
Later than one year and not later than 5 years	46,784	46,102
	91,877	92,501

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 11 – SUPERANNUATION

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

##### *Accumulation only Members*

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2016/17; 9.50% in 2015/16). No further liability accrues to EHA as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

##### *Salarylink (Defined Benefit Fund) Members*

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. EHA makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2015/16) of "superannuation" salary.

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

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

The most recent actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to EHA's contribution rates at some future time.

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

EHA also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the EHA.

# EHA Annual Report

## Eastern Health Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 12 - RELATED PARTY DISCLOSURES

##### KEY MANAGEMENT PERSONNEL

The Key Management Personnel of EHA include the Chairperson, Board Members, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 15 persons were paid the following total compensation:

	2017
	\$
Salaries, allowances & other short term benefits	\$164,250
<b>TOTAL</b>	<b>\$164,250</b>

Related Party Entity	Amounts received from Related Party during the financial year	Amounts outstanding from Related Party at the end of the financial year
City of Burnside	419,128	-
Campbelltown City Council	379,026	-
City of Norwood, Payneham & St Peters	515,322	-
City of Prospect	220,952	-
Town of Walkerville	106,627	-

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

- take action to preserve, protect and promote public and environmental health within the area of the Constituent Councils;
- assist the Constituent Councils to meet their legislative responsibilities in accordance with the SA Public Health Act, the *Food Act 2001* (SA), the *Supported Residential Facilities Act 1992* (SA), the *Expiation of Offences Act 1996* (SA), the *Housing Improvement Act 1940* (SA) (or any successor legislation to these Acts) and any other legislation regulating similar matters that the Constituent Councils determine is appropriate within the purposes of EHA;
- establish objectives and policy priorities for the promotion and protection of public and environmental health within the areas of the Constituent Councils;
- provide immunisation programs for the protection of public health within the areas of the Constituent Councils or to ensure that such programs are provided;
- promote and monitor standards of hygiene and sanitation;
- promote and monitor food safety standards;
- identify risks to public and environmental health within the areas of the Constituent Councils;
- monitor and regulate communicable and infectious disease control;
- licence and monitor standards in Supported Residential Facilities;



EASTERN HEALTH AUTHORITY

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Eastern Health Authority for the year ended 30 June 2017, Dean Newbery and Partners, Chartered Accountants, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

  
.....  
Michael Livori  
CHIEF EXECUTIVE OFFICER

  
.....  
Lisa Scinto  
PRESIDING MEMBER  
AUDIT COMMITTEE

Date: 16/8/17

## Notes



## Notes

## Notes

# EHA Annual Report



local councils working together to protect the health of the community

**For further information contact:  
City of Prospect**

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Prospect, South Australia 5082**

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