



**Government
of South Australia**

Stormwater Management Authority **2016-17 Annual Report**

Stormwater Management Authority

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Date presented to Minister: 29 September 2017

To:
The Hon Ian Hunter MLC
Minister for Water and the River Murray

This annual report is presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, the *Public Sector Regulations 2010*, the *Public Finance and Audit Act 1987*, schedule 1A, section 30 of the *Local Government Act 1999* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Stormwater Management Authority by:

David S Trebilcock
General Manager



20 September 2017

Signature

Date

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Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987*

Agency purpose or role

The Stormwater Management Authority (the Authority) implements the Agreement on Stormwater Management between the State of South Australia and the Local Government Association of South Australia. The Authority leads the development and supports the implementation of multi-objective stormwater management plans that address flood risk, environmental amenity, water security and that maximise the public benefit of stormwater.

The Authority operates as a stormwater planning, prioritising and funding body and administers the Stormwater Management Fund which provides funding for stormwater planning and infrastructure projects that meet specific guidelines.

Objectives

In collaboration with local government, the Authority drives a strategic and long-term approach to stormwater management across South Australia. In 2016-17 the Authority has pursued the following objectives:

- Stormwater planning and infrastructure investments target the highest priority areas of the State and appropriate levels of investment are leveraged across all stakeholders.
- Policy and legislative instruments support effective stormwater management, so as to maximise public value through social, environmental and economic outcomes, and require stormwater to be a key component of integrated urban water management across the State.
- All stakeholders are engaged effectively in stormwater management decision making and are informed about the role stormwater plays in integrated urban water management.

Key strategies and their relationship to SA Government objectives

| Key strategy | SA Government objective |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Drive the finalisation and implementation of the Brown Hill and Keswick Creek Stormwater Management Plan. | The Thirty Year Plan for Greater Adelaide. Target 5: A Green Liveable City. Policy 117: Stormwater infrastructure. |
| Drive the development and implementation of stormwater management plans for high priority projects. | The Thirty Year Plan for Greater Adelaide. Target 5: A Green Liveable City. Policy 117: Stormwater infrastructure. |

| Key strategy | SA Government objective |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Review stormwater management planning policies and approaches in other jurisdictions to determine possible improvements applicable in South Australia. | The Thirty Year Plan for Greater Adelaide. Target 5: A Green Liveable City. Policy 117: Stormwater infrastructure. |
| Review the current stormwater management planning guidelines to ensure their ongoing rigour and to encourage greater consideration of multi-criteria stormwater management objectives in new stormwater management plans. | South Australia's Strategic Plan (SASP) Target 73: Recycled Stormwater: South Australia has the system capacity to harvest up to 35 GL of stormwater per annum by 2018. |
| Engage State government agencies to promote a whole-of-government approach to stormwater. | SASP Target 75: Sustainable Water Use: South Australia's water resources are managed within sustainable limits by 2018. |

Agency programs and initiatives and their effectiveness and efficiency

| Program name | Indicators of performance/effectiveness/efficiency | Comments |
|----------------------------|-----------------------------------------------------------|------------------------------------------------------------------------|
| Stormwater Management Fund | Not assessed in the reporting period. | Reporting of the Stormwater Management Fund is contained in Section B. |

Legislation administered by the agency

The Authority does not administer any legislation.

The Authority is responsible for complying with schedule 1A of the *Local Government Act 1999*, which is administered by the Department of Planning, Transport and Infrastructure.

Organisation of the agency

In accordance with schedule 1A, section 7 of the *Local Government Act 1999*, the Authority consists of a Board comprising one Presiding Member and not less than six other members.

The Board of the Authority membership and remuneration is reported in the South Australian Government Board and Committee Information Annual Report.

Other agencies related to this agency (within the Minister’s area/s of responsibility)

Department of Environment, Water and Natural Resources

Employment opportunity programs

The Board of the Authority has no staff of its own and utilises the services of DEWNR. Reporting on this matter is contained in the DEWNR Annual Report 2016-17.

Executive, administrative and project support were provided to the Authority from existing DEWNR resources.

Agency performance management and development systems

| Performance management and development system | Assessment of effectiveness and efficiency |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| Government employees supporting the Board’s operations undertake a performance review and development program with their managers. | Two sessions are held on an annual basis. This is considered to be effective. |

Occupational health, safety and rehabilitation programs of the agency and their effectiveness

| Occupational health, safety and rehabilitation programs | Effectiveness |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| The Authority abides by the relevant health and safety policies and procedures that have been adopted by DEWNR to meet whole of Government and legislative requirements. | Reporting on this matter is contained within the DEWNR Annual Report 2016-17. |

Fraud detected in the agency

| Category/nature of fraud | Number of instances |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| It is declared that there were no instances of fraud detected in the activities undertaken by the Authority in this reporting period. | 0 |

Strategies implemented to control and prevent fraud

Strategies to detect instances of fraud are reported in the DEWNR Annual Report 2016-17.

Data is available at: <https://data.sa.gov.au/data/dataset/stormwater-management-authority-annual-report-data>

Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993* 0

Data is available at: <https://data.sa.gov.au/data/dataset/stormwater-management-authority-annual-report-data>

Executive employment in the agency

| Executive classification | Number of executives |
|--------------------------|----------------------|
| SAES Level 1 | 0 |

Data is available at: <https://data.sa.gov.au/data/dataset/stormwater-management-authority-annual-report-data>

For further information, the [Office for the Public Sector](#) has a [data dashboard](#) for further information on the breakdown of executive gender, salary and tenure by agency.

Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

| Consultants | Purpose | Value |
|---------------------------------------|---------|------------|
| All consultancies below \$10 000 each | - | \$0 |
| Consultancies above \$10 000 each | - | \$0 |
| Total all consultancies | | \$0 |

Data is available at: <https://data.sa.gov.au/data/dataset/stormwater-management-authority-annual-report-data>

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.

Since September 2016, the Authority has approved contributions of \$46.4 million towards 116 projects with a total value of \$113 million. In 2016-17, the Authority approved \$10.2 million towards five projects with a total value of \$28.6 million.

Payments from the Stormwater Management Fund (the Fund) in 2016-17 comprised:

| | |
|----------------------|-------------|
| Goods and Services | \$336 000 |
| Grants and Subsidies | \$3 303 000 |

The Fund generated \$332 000 in interest revenues in 2016-17.

Other financial information

Nil to report.

Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions

Nil to report.

Section B: Reporting required under any other act or regulation

Schedule 1A, section 30(2)(a) of the *Local Government Act 1999*

Details of the extent to which the Authority's business plan has been implemented during the financial year and of the changes to the business plan proposed as part of the annual review required under clause 14(2)(b).

During the 2016-17 financial year the Authority approved the Brown Hill and Keswick Creek Stormwater Management Plan (SMP), which was gazetted on 7 March 2017. The Authority continues to work with the Brown Hill Keswick Stormwater Project on formation of a regional subsidiary and implementation of the SMP.

The following additional SMP's were also approved by the Authority in 2016-17:

- North Arm East SMP (City of Port Adelaide Enfield)
- Mount Barker, Totness and Littlehampton SMP (District Council of Mount Barker).

The Authority continues to work with Councils in which its high priority catchments reside to facilitate development of the remaining high priority SMPs. The following SMPs are being prepared:

- Auburn SMP (Clare and Gilbert Valleys Council)
- Burra SMP (Regional Council of Goyder)
- Cobbler Creek & Salisbury Escarpment SMP (City of Salisbury)
- Eastern Suburbs SMP (City of Campbelltown)
- Freeling, Greenock & Kapunda SMP (Light Regional Council)
- Gawler SMP (Town of Gawler)
- Kadina SMP (District Council of Copper Coast)
- Lefevre Peninsula SMP (City of Port Adelaide Enfield)
- Lower Sturt Catchment SMP (City of Mitcham)
- Manoora/Mintaro/Rhynie/Riverton/Saddleworth/Stockport/Tarlee SMPs (Clare and Gilbert Valleys Council)
- Munno Para SMP (City of Playford)
- Pedler Creek and Beach Road SMP (City of Onkaparinga)
- Port Elliot SMP (Alexandrina Council)
- Port Pirie SMP (Port Pirie Regional Council)
- Port River East Catchments SMP (City of Port Adelaide Enfield)
- Silver Sands Creek SMP (City of Onkaparinga)
- Smith Creek SMP (City of Playford)
- Whyalla SMP (City of Whyalla)
- Yankalilla, Normanville & Carrickalinga SMP (District Council of Yankalilla).

During 2016-17, the Authority commenced a review and consultation process to revise the stormwater management guidelines applicable under the Stormwater Management Fund.

The Authority has also commenced a review of stormwater governance issues and a review of stormwater management planning and policy approaches in other jurisdictions.

In the 2017-18 financial year, the Authority proposes to review and revise its business plan for the period 2018–2020.

Schedule 1A, section 30(2)(b) of the *Local Government Act 1999*

Details of any decisions made by the Authority that differ from the recommendations made by the Committee (if established under Clause 15).

Nil to report. The Stormwater Advisory Committee is not established.

Schedule 1A, section 30(2)(c) of the *Local Government Act 1999*

Details of any payment from the Fund during the financial year.

In 2016-17, the Authority approved \$10.2 million towards five projects with a total value of \$28.6 million.

The Stormwater Management Fund made the following payments during 2016-17:

| Application Number | Applicant | Project | Payment Made |
|--------------------|----------------------------------------------|----------------------------------------------------------------------|--------------|
| 64/08 | City of Charles Sturt | Torrens Road Catchment Stormwater Management Plan | \$70 986 |
| 140/14 | District Council of Copper Coast | Rossiters Road, Moonta, Stormwater Drain Upgrade | \$278 243 |
| 131/13 | Gawler River Floodplain Management Authority | Gawler River Flood Mitigation Scheme Further Investigations | \$50 000 |
| 134/14 | City of Port Adelaide Enfield | Hargrave Street Catchment Stage 7 (additional costs) | \$630 040 |
| 153/15 | City of Port Adelaide Enfield | Hargrave Street Catchment Stage 8 | \$250 831 |
| 60C/08 | City of Salisbury | Burton West Industrial Drain Stage 2 | \$26 383 |
| 112/12 | Regional Council of Goyder | Channel A Upgrading, Eudunda | \$65 101 |
| 84/10 | Northern Areas Council | Spalding Flood Mitigation Project Stage 1 | \$3 000 |
| 153/15 | City of Port Adelaide Enfield | Hargrave Street Catchment Stage 8 | \$706 446 |
| 117/12 | City of Charles Sturt | Port Road Drain Stage 2 Design | \$178 291 |
| 123/13 | Brown Hill Keswick Creek Stormwater Project | Ridge Park Detention Basin Construction | \$14 648 |
| 58/08 | City of Port Adelaide Enfield | North Arm East Stormwater Management Plan | \$45 000 |
| 143/14 | District Council of Naracoorte Lucindale | Naracoorte Central Business District (CBD) Drainage Upgrade | \$582 145 |
| 155/15 | City of Port Lincoln | Port Lincoln Flood Management and Stormwater Reuse Study | \$17 007 |
| 83/09 | Brown Hill Keswick Creek Stormwater Project | Brown Hill Creek Channel Options Study | \$145 000 |
| 122/13 | City of Playford | Smith Creek Catchment Floodplain Mapping | \$80 000 |
| 163/17 | Gawler River Floodplain Management Authority | Gawler River Flood Mitigation Scheme Further Investigations (Part 2) | \$39 063 |

| | | | |
|--------------|-----------------------|--------------------------------------------------------------------|--------------------|
| 150/14 | City of Holdfast Bay | Design of Major Flow Path Outfall at Tarlton Street, Somerton Park | \$27 550 |
| 124/13 | Bureau of Meteorology | Assisting Local Councils in Flash Flood Management | \$93 164 |
| TOTAL | | | \$3 302 898 |

Schedule 1A, section 30(2)(d) of the *Local Government Act 1999*

An assessment by the Authority of the adequacy of the Fund to meet claims on the Fund under this Schedule and the Stormwater Management Agreement.

To date, the Fund has been adequate to meet claims for stormwater initiatives and project commitments. The cash balance of \$14.3 million at 30 June 2017, together with the State Government contribution of \$5.248 million in 2017-18, is adequate to fund anticipated progress payments next financial year.

In developing its priorities for future stormwater management planning, the Authority has identified a likely deficiency in the Fund's resources over the coming decades if all current stormwater issues are to be effectively addressed. In particular, cash-flows over the next five years will need to be managed carefully in order to meet existing commitments, commitments to the Brown Hill Keswick Creek Stormwater Project and emerging priorities.

Section C: Reporting of public complaints as requested by the Ombudsman

Summary of complaints by subject

| Public complaints received by the Stormwater Management Authority | |
|-------------------------------------------------------------------|-------------------------------------------------------------|
| Category of complaints by subject | Number of instances |
| All complaints | No specific complaints have been received by the Authority. |

Data is available at: <https://data.sa.gov.au/data/dataset/stormwater-management-authority-annual-report-data>

Complaint outcomes

| Nature of complaint or suggestion | Services improved or changes as a result of complaints or consumer suggestions |
|-----------------------------------|--------------------------------------------------------------------------------|
| All complaints | No complaints have been received or acted upon. |

Appendix: Audited financial statements 2016-17

For official use only



Government of South Australia
Auditor-General's Department

Our ref: A17/452

29 September 2017

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Mr D Trebilcock
General Manager
Stormwater Management Authority
GPO Box 1047
ADELAIDE SA 5001

Dear Mr Trebilcock

**Audit of the Stormwater Management Authority for the year to
30 June 2017**

We have completed the audit of your accounts for the year ended 30 June 2017. Three key outcomes from the audit are the:

- 1** Independent Auditor's Report on your agency's financial report
- 2** opinion on your financial controls
- 3** audit management letter recommending you address identified weaknesses.

Independent Auditor's Report

We are returning the financial statements for the Stormwater Management Authority, with the Independent Auditor's Report. This report is unmodified.

We note there are currently no appointed board members. The *Public Finance and Audit Act 1987* requires the certificate be signed by the presiding member. In the absence of board members, we have accepted the certification by General Manager.

Opinion on financial controls and audit management letter

The opinion on financial controls will be sent separately to you with an audit management letter. This letter will detail weaknesses we noted and improvements we consider you need to make.

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What the audit covered

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions.

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richardson', with a long horizontal stroke extending to the right.

Andrew Richardson

Auditor-General

enc



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To the General Manager Stormwater Management Authority

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 23(2) of Schedule 1A to the *Local Government Act 1999*, I have audited the financial report of the Stormwater Management Authority for the financial year ended 30 June 2017.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Stormwater Management Authority as at 30 June 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the General Manager and the Chief Financial Officer, Department of Environment, Water and Natural Resources.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Stormwater Management Authority. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the General Manager for the financial report

The General Manager is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial report

My 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 my 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 in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager
- 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the General Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.

A handwritten signature in black ink, appearing to read 'Andrew Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

29 September 2017

Stormwater Management Authority

Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Stormwater Management Authority:

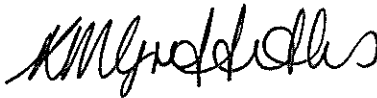
- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- are in accordance with the accounts and records of the Stormwater Management Authority; and
- present a true and fair view of the financial position of the Stormwater Management Authority as at 30 June 2017 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Stormwater Management Authority for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Mr David Trebilcock
General Manager

28 September 2017



Ms Michelle Griffiths
Chief Financial Officer, Department of
Environment, Water and Natural Resources

28 September 2017

Stormwater Management Authority

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

| | Note | 2017 | 2016 |
|---------------------------------------|------|----------------|--------------|
| | No. | \$'000 | \$'000 |
| Expenses | | | |
| Supplies and services | 5 | 336 | 289 |
| Grants and subsidies | 6 | 3 313 | 979 |
| Total expenses | | 3 649 | 1 268 |
| Income | | | |
| Interest revenues | 7 | 332 | 323 |
| Total income | | 332 | 323 |
| Net cost of providing services | | (3 317) | (945) |
| Revenues from SA Government | | | |
| Revenues from SA Government | 8 | 5 120 | 4 995 |
| Net result | | 1 803 | 4 050 |
| Total comprehensive result | | 1 803 | 4 050 |

The net result and comprehensive result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

Stormwater Management Authority

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

| | Note No. | 2017 \$'000 | 2016 \$'000 |
|----------------------------------|-------------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 9 | 14 311 | 12 061 |
| Receivables | 10 | 65 | 73 |
| Total current assets | | 14 376 | 12 134 |
| Total assets | | 14 376 | 12 134 |
| Current liabilities | | | |
| Payables | 11 | 454 | 15 |
| Total current liabilities | | 454 | 15 |
| Total liabilities | | 454 | 15 |
| Net assets | | 13 922 | 12 119 |
| Equity | | | |
| Retained earnings | 12 | 13 922 | 12 119 |
| Total equity | | 13 922 | 12 119 |

The total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments 13

Contingent assets and liabilities 14

The above statement should be read in conjunction with the accompanying notes.

Stormwater Management Authority

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

| | Note | Retained earnings | Total equity |
|----------------------------------------|------|-------------------|--------------|
| | No. | \$'000 | \$'000 |
| Balance at 30 June 2015 | | 8 069 | 8 069 |
| Net result for 2015-16 | | 4 050 | 4 050 |
| Total comprehensive result for 2015-16 | | 4 050 | 4 050 |
| Balance at 30 June 2016 | 12 | 12 119 | 12 119 |
| Net result for 2016-17 | | 1 803 | 1 803 |
| Total comprehensive result for 2016-17 | | 1 803 | 1 803 |
| Balance at 30 June 2017 | 12 | 13 922 | 13 922 |

All changes in equity are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

Stormwater Management Authority

STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

| | Note No. | 2017 \$'000 | 2016 \$'000 |
|---------------------------------------------------------------|-------------|----------------|----------------|
| Cash flows from operating activities | | | |
| Cash outflows | | | |
| Payments for supplies and services | | - | (241) |
| Payments of grants and subsidies | | (3 210) | (979) |
| Cash used in operations | | (3 210) | (1 220) |
| Cash inflows | | | |
| Interest received | | 340 | 325 |
| Cash generated from operations | | 340 | 325 |
| Cash flows from SA Government | | | |
| Receipts from SA Government | 8 | 5 120 | 4 995 |
| Cash generated from SA Government | | 5 120 | 4 995 |
| Net cash provided by / (used in) operating activities | | 2 250 | 4 100 |
| Net increase / (decrease) in cash and cash equivalents | | 2 250 | 4 100 |
| Cash and cash equivalents at the beginning of the period | | 12 061 | 7 961 |
| Cash and cash equivalents at the end of the period | 9 | 14 311 | 12 061 |

The above statement should be read in conjunction with the accompanying notes.

Stormwater Management Authority

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Stormwater Management Authority

Note 1 Objectives of the Stormwater Management Authority

The Stormwater Management Authority (the Authority) is responsible for implementation of the Stormwater Management Agreement between the State of South Australia and the Local Government Association.

The Authority provides funding towards the preparation of stormwater management plans; carrying out of works or the acquisition of land in accordance with an approved stormwater management plan or otherwise for the purpose of stormwater management; community education and awareness programs; projects or measures relating to water quality or pollution abatement; investigation, research, pilot programs or other projects relating to stormwater management and payment of the operational costs of the Authority.

Note 2 Structure of the Authority

The Authority is governed by a seven member board.

The position of General Manager is provided through the Department of Environment, Water and Natural Resources (DEWNR) and reports to the board of the Authority.

Note 3 Significant accounting policies

a) Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*. The Authority has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Authority is a not-for-profit entity.

b) Basis of preparation

The preparation of the financial statement requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported.
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in this financial report:

Stormwater Management Authority

- (a) board member and remuneration information, where a board member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

c) Reporting entity

The Authority was established as a body corporate under the *Local Government Act 1999* on 1 July 2007.

The financial statements and accompanying notes include all the controlled activities of the Authority.

d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/ or accounting policy statements have required a change.

The restated comparative amounts do not replace the original financial statements for the preceding period.

e) Rounding

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

f) Taxation

The Authority is not subject to income tax. The Authority is liable for payroll tax, fringe benefits tax and goods and services tax (GST). Grant payments are not subject to GST.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable.

The net GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as the Authority is a member of an approved GST group of which DEWNR is responsible for the remittance and collection of GST. As such, there are no cash flows relating to GST transactions with the ATO in the Statement of Cash Flows.

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g) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

h) Current and non-current classification

All assets and liabilities of the Authority have been classified as current because they are expected to be consumed or realised as part of the normal operating cycle within twelve months.

i) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include those operating commitments arising from contractual or statutory sources and are disclosed at their nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office.

Note 4 New and revised accounting standards and policies

The Authority did not voluntarily change any of its accounting policies during 2016-17.

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Note 5 Supplies and services

| | 2017 | 2016 |
|------------------------------------------------------------------------------|------------|------------|
| | \$'000 | \$'000 |
| Reimbursement of employee benefits of Authority's General Manager to DEWNR* | 122 | 133 |
| Corporate overhead charge to DEWNR* | 31 | 31 |
| Professional services - Department of Planning, Transport and Infrastructure | 120 | 100 |
| Other expenses** | 21 | 17 |
| Board fees and associated on-costs | 42 | 8 |
| Total supplies and services expenses | 336 | 289 |

*DEWNR, through a service level agreement, provides agreed services to the Authority.

The agreement includes:

- Secondment of an employee of DEWNR to be the General Manager of the Authority who reports to the Authority board.
- Payment of board fees and on-costs through the DEWNR payroll system.
- Payment through DEWNR's accounts system of payments to non local council payees in a timely manner on receipt of vendor tax invoices approved by the Authority.

** includes auditor's remuneration paid/payable to the Auditor-General's Department

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Note 6 Grants and subsidies

| | 2017 | 2016 |
|------------------------------------------------|--------------|------------|
| | \$'000 | \$'000 |
| City of Port Adelaide Enfield | 1 633 | - |
| Naracoorte Lucindale Council | 582 | - |
| Copper Coast Council | 278 | - |
| City of Charles Sturt | 249 | - |
| Brown Hill / Keswick Creeks Stormwater Project | 145 | 55 |
| Bureau of Meteorology | 93 | 94 |
| Gawler River Flood Mitigation Authority | 89 | - |
| City of Playford | 80 | - |
| Regional Council of Goyder | 65 | - |
| City of Holfast Bay | 28 | - |
| City of Salisbury | 26 | 375 |
| City of Port Lincoln | 17 | - |
| City of Unley | 15 | 420 |
| Adelaide and Mt Lofty Ranges NRM Board | 10 | - |
| Northern Areas Council | 3 | - |
| The Barossa Council | - | 33 |
| City of Marion | - | 2 |
| Total grants and subsidies | 3 313 | 979 |

Grants provided by the Authority to other entities for a particular purpose are recognised as expenses in the period in which they are paid or when approved for payment.

Note 7 Interest revenues

| | 2017 | 2016 |
|--------------------------------|------------|------------|
| | \$'000 | \$'000 |
| Interest | 332 | 323 |
| Total interest revenues | 332 | 323 |

Note 8 Revenues from SA Government

| | 2017 | 2016 |
|------------------------------------------|--------------|--------------|
| | \$'000 | \$'000 |
| Revenues from SA Government | 5 120 | 4 995 |
| Total revenues from SA Government | 5 120 | 4 995 |

SA Government revenue received by the Authority are generally monies given to fund capital or recurrent activities.

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Note 9 Cash and cash equivalents

| | 2017 | 2016 |
|--------------------------------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Deposits at call with the Local Government Finance Authority | 14 311 | 12 061 |
| Total cash and cash equivalents | 14 311 | 12 061 |

The Authority's bank account is an interest bearing account held with the Local Government Finance Authority. Cash is measured at nominal amounts.

Note 10 Receivables

| | 2017 | 2016 |
|--------------------------|-----------|-----------|
| | \$'000 | \$'000 |
| Accrued interest | 65 | 73 |
| Total receivables | 65 | 73 |

Note 11 Payables

| | 2017 | 2016 |
|--------------------------------------------------|------------|-----------|
| | \$'000 | \$'000 |
| Accrued expenses | 111 | 7 |
| Administration costs payable to DEWNR in arrears | 343 | 8 |
| Total payables | 454 | 15 |

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid.

Note 12 Equity

| | 2017 | 2016 |
|---------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Retained earnings | 13 922 | 12 119 |
| Total equity | 13 922 | 12 119 |

Note 13 Unrecognised contractual commitments

| | 2017 | 2016 |
|----------------------------------------------------|---------------|--------------|
| | \$'000 | \$'000 |
| Expenditure commitments | | |
| Within one year | 5 544 | 6 103 |
| Later than one year but not longer than five years | 7 809 | - |
| Total other commitments | 13 353 | 6 103 |

The Authority's expenditure commitments comprise approved grants towards stormwater management projects based on the approval by the board of detailed plans and applications (which include costings) submitted by councils in accordance with the Stormwater Management Agreement and Commonwealth Government Regional Flood Mitigation Program.

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Note 14 Contingent assets and liabilities

The Authority is not aware of any contingent assets or liabilities.

Note 15 Remuneration of board members

Members during the 2016-17 financial year were:

Mr Stephen Hains (term expired 30 June 2017)
Mayor Lorraine Rosenberg (term expired 30 June 2017)
Mr Andrew Grear* (resigned 20 July 2016)
Ms Julia Grant* (resigned 3 May 2017)
Ms Katharine Ward* (term expired 30 June 2017)
Dr Helen Macdonald* (term expired 30 June 2017)
Mr Wally Iasiello* (term expired 30 June 2017)
Ms Fiona Gill* (appointed 3 May 2017)

| The number of members whose remuneration received or receivable falls within the following bands: | 2017 | 2016 |
|---------------------------------------------------------------------------------------------------|----------|----------|
| \$0 - \$9 999 | 6 | 7 |
| \$10 000 - \$19 999 | 1 | - |
| \$20 000 - \$29 999 | 1 | - |
| Total number of members | 8 | 7 |

Remuneration of members reflects all costs of performing board member duties including sitting fees, superannuation contributions and retention allowance. The total remuneration received or receivable by members was \$40 000 (\$8 000). This includes \$3 000 (\$1 000) in superannuation contributions to board members.

* In accordance with Schedule 1A of the *Local Government Act 1999*, any employee of a public authority (meaning a Minister, an agency or instrumentality of the Crown or a council or council subsidiary) did not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

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Note 16 Financial risk management / financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 3 Significant accounting policies.

| | Note | Carrying amount / Fair value 2017 \$'000 | Carrying amount / Fair value 2016 \$'000 |
|------------------------------------|------|---------------------------------------------------|---------------------------------------------------|
| Financial assets | | | |
| Cash and equivalents | | | |
| - Cash and cash equivalents | 9 | 14 311 | 12 061 |
| Receivables (1) | | | |
| - Accrued interest | 10 | 65 | 73 |
| Total financial assets | | 14 376 | 12 134 |
| Financial Liabilities | | | |
| Financial liabilities at cost | | | |
| - Payables (1) | 11 | 446 | 8 |
| Total financial liabilities | | 446 | 8 |

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (eg Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

Interest rate risk

Deposits at call with the Local Government Finance Authority earn a floating interest rate, based on daily bank deposit rates. The weighted average interest rate was 2.16% (2.64%). The carrying amount of cash and cash equivalents represents fair value.

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Note 17 Related party transactions

The Authority, a statutory authority, was established as a body corporate under the *Local Government Act 1999* on 1 July 2007. The Authority is governed by a 7 member board, including a Presiding Member, appointed by the Minister.

Related parties of the Authority include all key management personnel and their close family members; all Cabinet Ministers and their close family members; all public authorities that are controlled and consolidated into the whole of government financial statements, any other interests of the Government, and the Local Government Association of South Australia.

Significant transactions with government related entities

The Authority had no significant transactions with government related entities unless disclosed elsewhere in the financial report.

Key management personnel

The Authority had 10 key management personnel during 2016-17 including:

- the Minister for Water and the River Murray
- board members of the Stormwater Management Authority
- the General Manager of the Stormwater Management Authority.

These key management personnel have had responsibility for the strategic direction and management of the Authority during the year.

Total compensation for the Authority's key management personnel was \$156 000. This compensation excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

The Authority had no material transactions or balances and/or transactions outside normal day-to-day operations to disclose.

Note 18 Events after the reporting period

There are no events after the reporting period.

