

STORMWATER MANAGEMENT AUTHORITY

ANNUAL REPORT

1 July 2013 to 30 June 2014



**Government
of South Australia**

Stormwater Management Authority
Annual Report 2013-14

For further information please contact:

General Manager
Stormwater Management Authority
C/- Department of Environment, Water and Natural Resources
GPO Box 1047
ADELAIDE SA 5001
Telephone: (08) 84633934
E-mail: DEWNRstormwater@sa.gov.au
Website: www.lga.sa.gov.au/goto/sma

ISSN: 2202-574X

30 September 2014

TABLE OF CONTENTS

LETTER OF TRANSMITTAL	4
PLANS AND OBJECTIVES.....	5
HIGHLIGHTS, OPERATIONS AND INITIATIVES	6
STORMWATER MANAGEMENT FUND	6
PROJECT FUNDING.....	6
REGIONAL FLOOD MITIGATION STRATEGY	7
CATCHMENT MANAGEMENT SUBSIDY SCHEME.....	8
2012 BROWN HILL CREEK AND KESWICK CREEK STORMWATER MANAGEMENT PLAN.....	8
APPROVED STORMWATER MANAGEMENT PLANS.....	9
STORMWATER MANAGEMENT PLANS BEING PREPARED	10
ROLE, LEGISLATION AND STRUCTURE	10
THE AUTHORITY BOARD	11
MEETINGS: GENERAL AND SPECIAL	12
MINISTERIAL ADVICE.....	12
GOVERNANCE ARRANGEMENTS.....	13
MANAGEMENT OF HUMAN RESOURCES	13
THE AUTHORITY BOARD MEMBERS' INTERESTS.....	14
GENDER REPORTING.....	14
REFERENCE TO THE DEPARTMENT OF ENVIRONMENT WATER AND NATURAL RESOURCES' ANNUAL REPORT.....	14
WORK HEALTH, SAFETY AND INJURY MANAGEMENT.....	14
CONTRACTUAL ARRANGEMENTS	14
FRAUD.....	15
CONSULTANTS.....	15
OVERSEAS TRAVEL.....	15
ASBESTOS MANAGEMENT IN GOVERNMENT BUILDINGS	15
URBAN DESIGN CHARTER	15
FREEDOM OF INFORMATION – INFORMATION STATEMENTS.....	15
WHISTLEBLOWERS PROTECTION ACT 1993	15
REGIONAL IMPACT ASSESSMENT STATEMENTS.....	15
FINANCIAL STATEMENTS OF STORMWATER MANAGMENT AUTHORITY 1 JULY 2013 TO 30 JUNE 2014	16



LETTER OF TRANSMITTAL

Hon Ian Hunter MLC
Minister for Water and the River Murray
Parliament House
North Terrace
ADELAIDE SA 5000

Mayor David O'Loughlin
President
Local Government Association
148 Frome Street
Adelaide SA 5000

Dear Minister and President

On behalf of the Board of the Stormwater Management Authority I have pleasure in presenting its sixth Annual Report for the year ended 30 June 2014.

This report is submitted for information and presentation to each House of Parliament in accordance with the requirements of Schedule 1A of the *Local Government Act 1999* and the *Public Sector Act 2009*.

Yours sincerely

A handwritten signature in black ink, appearing to read "Stephen Hains".

Stephen Hains
PRESIDING MEMBER
STORMWATER MANAGEMENT AUTHORITY
30 September 2014

PLANS AND OBJECTIVES

The Stormwater Management Authority (the Authority) promotes a multi-objective stormwater management approach for addressing flood risk, and supporting environmental, amenity, and water security outcomes.

It also reflects State policy directions for stormwater established in *Water for Good* and the *Stormwater Strategy*.

The Authority incorporates and supports within its decision making processes the State's strategic directions for stormwater management including regard to how stormwater is managed as part of Adelaide's urban water system.

As a result, the Authority aligns its activities with relevant State priorities, including:

Safe Communities, Healthy Neighbourhoods – by supporting stormwater management planning to address flood risk; and

Creating a Vibrant City – recognition of stormwater management opportunities through water sensitive urban design approaches to support the creation of a more vibrant city.

Action 14 within *Water for Good* states: “work with local government to update the State-Local Government Stormwater Management Agreement. Clarify the roles of State agencies and local government; reinforce the importance of collaboration; and strengthen governance arrangements”. The Department of Environment, Water and Natural Resources (DEWNR) and the Local Government Association have finalised the new State and Local Government Agreement and it was signed on 30 August 2013. DEWNR is assembling and consulting on the required legislative changes that will be required to fully adopt the new agreement.

The Authority has prepared a draft long term strategic plan, which is consistent with the new agreement and it sees itself as the lead entity for supporting, facilitating, coordinating and advocating for a more strategic approach to stormwater across the State. In doing so it has established a vision, key goals and specific deliverables for the Authority over the short, medium and long term that will be the basis for its engagement with local government, industry, state agencies and the broader community on stormwater issue. The draft strategic plan is to be adopted in the new financial year.

HIGHLIGHTS, OPERATIONS AND INITIATIVES

STORMWATER MANAGEMENT FUND

The Authority is required to report on the operation and adequacy of the Stormwater Management Fund under Schedule 1A of the *Local Government Act 1999* and the Stormwater Management Agreement.

The Fund has been adequate to meet progress claims on commitments to date.

The cash balance of \$10.9 million at 30 June 2014 together with the State Government contribution of \$4.87 million in 2014-15 is adequate to fund anticipated progress payments next financial year.

PROJECT FUNDING

A total of \$32.8 million has been approved towards 96 projects worth \$75.4 million since September 2006.

<u>Floodplain Mapping /</u>	28	Metropolitan Projects	\$2,609,048
<u>Stormwater Management Planning</u>	20	Regional Projects	\$951,000

<u>Infrastructure Works</u>	35	Metropolitan Projects	\$25,960,761
	13	Regional Projects	\$3,303,490

In 2013-14, the Authority approved \$3.2 million towards 13 projects worth \$6.8 million. Table 1 contains the list of projects.

Table 1 Approved Projects for 2013-14				
Application No.	Applicant	Project	Total Cost	SMA Subsidy
117/12	City of Charles Sturt	Water proofing the west Stage 2	\$455,000	\$227,500
119/12	City of Salisbury	Salisbury Escarpment SMP*	\$105,000	\$35,000
129/13	Clare and Gilbert Valley	Seven Townships SMP*	\$166,000	\$73,000
130/13	Brown Hill & Keswick Creeks Project	Part B investigations to SMP	\$760,000	\$380,000
131/13	Gawler River Flood Mitigation Authority	Investigations into Floodplain scheme mark two	\$100,000	\$50,000
132/13	City of Marion	Darin 18 – measuring impacts	\$52,500	\$17,500
133/13	Town of Gawler	Gawler SMP*	\$300,000	\$100,000
134/13	Port Adelaide Enfield	Stage 2 Hargraves St Pump Station	\$4,000,000	\$2,000,000
135/13	City of Playford	Digital Terrain Model	\$270,000	\$90,000
136-14	Adelaide Mt Lofty NRM Board	Brown Hill Creek Stream Gauging	\$39,000	\$13,000
137/14	District Council of Mt Barker	Mt Barker SMP*	\$180,000	\$90,000
141/14	Brown Hill & Keswick Creeks Project	South Park Lands design	\$180,000	\$60,000
142/14	Light Regional Council	SMP*for Freeling, Greenock and Kapunda	\$180,000	\$60,000

(* SMP – Stormwater Management Plan)

REGIONAL FLOOD MITIGATION STRATEGY

An agreement between the Commonwealth Government and the State Government of South Australia exists on the funding of the former Regional Flood Mitigation Program (RFMP).

The program is now closed to new applicants; however the Authority will remain the lead agency for the agreement until all remaining approved projects are completed.

In October 2010, the Authority received \$1.9 million for the RFMP from the Commonwealth as the final payment for the program. The Authority will need to continue to report to the Commonwealth through the National Partnerships Agreement on Natural Disaster Resilience.

The remaining two projects are:-

- Northern Areas Council - Spalding Flood Mitigation.
- Barossa Council - Nuriootpa Township Flood Mitigation.

CATCHMENT MANAGEMENT SUBSIDY SCHEME

Upon cessation of the former Catchment Management Subsidy Scheme on 30 June 2006, there was a remaining commitment of \$5.5 million payable in respect of approved project contributions. This remaining commitment has reduced to \$442,359 as at 30 June 2014 and it is expected that this outstanding commitment will be finalised in the new financial year.

2012 BROWN HILL CREEK AND KESWICK CREEK STORMWATER MANAGEMENT PLAN

The Authority approved the 2012 Brown Hill Creek and Keswick Creek SMP in February 2013.

The catchment covers land within the councils of Adelaide, Burnside, Mitcham, Unley and West Torrens. These councils have primary responsibility for managing stormwater and drainage risk within their local council areas.

The 2012 Stormwater Management Plan is made up of two parts. Part A contains the agreed works that the councils will proceed to investigate in detail and then design in readiness for construction and Part B contains the ongoing investigation to determine the most effective solution for the upper reaches of Brown Hill Creek.

Part A works include:-

- Ridge Park detention basin.
- South Park Lands detention basin.
- Lower Brown Hill Creek upgrade, west of Anzac Highway.
- Diversion from Keswick Creek to lower Brown Hill Creek.
- Anzac Highway to Leah Street upgrade.
- Fisher Street Bypass culverts.

Part B works could include one or a combination of any of the following:-

- Brown Hill Creek dam.
- High flow bypass culvert system.
- Hampton Street to Cross Road upgrade.
- Creek upgrade works in sections of upper Brown Hill Creek.

In July 2013, the Bureau of Meteorology released updated rainfall predictions, presented as intensity, frequency and duration data. The councils have applied the new data and have made extensive changes to the hydrologic and hydraulic modelling of the catchment. This work yielded significant benefits to the project through reduced peak flows and has therefore allowed for further optimisation of flood mitigation options and proposed works.

While the councils have not yet completed the selection of the Part B flood mitigation options significant progress has been made on the Part B investigations. In respect to the stormwater management plan the current forecast is for a Part B decision in September 2014 and a submission of a revised stormwater management plan to the Authority in early 2015.

In support of the Stormwater Management Plan, the Authority approved funding towards the following projects:

- A contribution of up to \$1.4 million towards the Ridge Park Detention Basin construction.
- A contribution of up to \$2.5 million towards the Goodwood Junction Brown Hill Creek Diversion Project. This was required to facilitate the construction of the Goodwood Junction rail separation project by the Department of Planning, Transport and infrastructure, such that agreement could be reached with the catchment councils on the basis of the diversion of Brown Hill Creek.
- A contribution of up to \$380,000 towards the ongoing Part B investigations.

The Authority will continue to work with the councils to ensure that Part B of the Plan is resolved.

APPROVED STORMWATER MANAGEMENT PLANS

- Port Road (Rejuvenation) SMP
City of Charles Sturt and City of Port Adelaide Enfield
Approved September 2007
- Brown Hill and Keswick Creeks SMP
Adelaide City Council, Cities of Burnside, Mitcham, Unley and West Torrens
Approved February 2008 – Plan part superseded by the 2012 Plan
- Truro SMP
Mid Murray Council City
Approved August 2010
- Streaky Bay SMP
District Council of Streaky Bay
Approved April 2011
- Wasleys SMP
Light Regional Council
Approved April 2011
- Laura SMP
Northern Area Council
Approved April 2011
- 2012 Brown Hill Creek and Keswick Creek SMP
Adelaide City Council, Cities of Burnside, Mitcham, Unley and West Torrens
Approved February 2013

- Port Lincoln SMP
City of Port Lincoln
Approved March 2014
- Moonta, Moonta Bay, Port Hughes SMP
District Council of the Copper Coast
Approved June 2014

STORMWATER MANAGEMENT PLANS BEING PREPARED

Port Pirie Regional Council - Port Pirie SMP
 City of Port Adelaide Enfield - North Arm East Catchment
 City of Charles Sturt - Torrens Road Catchment
 City of Marion and Holdfast Bay SMP
 City of Onkaparinga - Pedlar Creek and Beach Road SMP
 Alexandrina Council - Port Elliot SMP
 City of Marion - Hallett Cove SMP
 District Council of Yankalilla - Yankalilla, Normanville and Carrickalinga SMP
 Campbelltown City Council - Eastern Suburbs Urban SMP
 City of Salisbury - Cobbler Creek & Salisbury Escarpment SMPs
 City of Onkaparinga - Silver Sand Creek SMP
 City of Playford - Smith Creek SMP
 Clare & Gilbert Valleys Council - Seven Townships SMP
 Town of Gawler - Gawler SMP
 District Council of Mt Barker - Mt Barker SMP
 Light Regional Council - Freeling, Greenock and Kapunda SMP

ROLE, LEGISLATION AND STRUCTURE

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

The legislation approves the Stormwater Management Agreement (the Agreement) between the State Government of South Australia and the Local Government Association dated 14 March 2006.

The Authority is responsible for the proper operation of the Agreement which sets out the roles and responsibilities of the State Government and Local Government Association and provides governance arrangements for stormwater management on a catchment basis throughout South Australia.

The Agreement also incorporates a commitment by the State Government to contribute \$4 million per annum, adjusted in accordance with the Consumer Price Index, for a period of 30 years (first payment in September 2006). The funds are used for the preparation of stormwater management plans; carrying out of works and 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 or expenses of the Authority.

The Agreement, enabling legislation and inherent administrative arrangements for management of the Authority, are based on a spirit of cooperation between the State and Local Government Association to minimise administrative costs so that maximum available funding can be directed towards stormwater management initiatives.

THE AUTHORITY BOARD

The Board of the Authority consists of seven members appointed by the Governor.

- A presiding member appointed from a panel of three persons nominated by the Local Government Association.
- One representative of a northern metropolitan council, one representative of a southern metropolitan council and one representative of a non-metropolitan council appointed on the nomination of the Local Government Association.
- Three members appointed on the nomination of the Minister.

MEMBERSHIP

On 19 December 2013 the following board members were re-appointed until 31 December 2014 by the Governor:-

Mr Stephen Hains	Presiding Member
Mayor Lorraine Rosenberg	City of Onkaparinga, representative of a southern metropolitan council
Mr Wally Iasiello	City of Port Adelaide Enfield, representative of a northern metropolitan council
Dr Helen Macdonald	Naracoorte Lucindale Council, representative of a non-metropolitan council
Mr Kym Good	Adelaide and Mount Lofty Ranges NRM Board

Ms Julia Grant
Dr Donna Ferretti

Department of Environment, Water and Natural Resources
Department of Planning Transport and Infrastructure

A quorum of the board consists of five members and a decision of the board must be carried by at least four members.

MEETINGS: GENERAL AND SPECIAL

The board of the Authority usually meets bi-monthly (or as required) and met on five occasions during the reporting year.

Table 2 Attendance at Meetings		
Member	Meetings attended	Reason for non attendance
Stephen Hains	5	
Kym Good	4	Other commitments
Julia Grant	4	Other commitments
Donna Ferretti	5	
Lorrain Rosenberg	4	Other commitments
Helen Macdonald	4	Other commitments
Wally Iasiello	5	

MINISTERIAL ADVICE

During the reporting year, the Presiding Member of the Authority met once to brief the Minister for Water and the River Murray. Through the Minister for Water and the River Murray the Presiding Member was also asked to brief the Hon Michelle Lensink MLC.

On 5 July 2014, the Presiding Member and General Manager provided a briefing to the Natural Resources Committee of Parliament on the Authority and a progress update on the Brown Hill Creek and Keswick Creek Stormwater Management Plan.

The Presiding Member of the Authority also provided an update on the Brown Hill Creek and Keswick Creek Stormwater Management Plan to the State Emergency Management Committee.

On 27 September 2013, the Presiding Member of the Authority wrote to the Minister for Water and the River Murray as a result the following meeting resolution:-

Resolution 36.7.1: *The Authority resolved to advise the Minister for Water and the River Murray that an intergovernmental discussion occur between the Local Government Association and the State Government to determine the funding model required to fund the works projects from the Brown Hill Creek & Keswick Creek Stormwater Management Plan.*

This resulted in the Minister for Water and the River Murray forming a working group to investigate the issue in which the Presiding Member was invited to be part of.

GOVERNANCE ARRANGEMENTS

The Authority has a General Manager, Mr Carmine Porcaro, who is in attendance at Board meetings but has no voting rights.

The Department of Environment, Water and Natural Resources (DEWNR), through a service level agreement, provides agreed services to the Authority including:-

- Secondment of an employee to be the General Manager of the Authority who reports to the Authority.
- Payment of Board member 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.

Over the past seven years, the Stormwater Group of the Department for Planning, Transport and Infrastructure (DPTI) provided ongoing technical and stormwater engineering advice to the Authority at no cost. The services provided by DPTI's Stormwater Group are quite broad and aimed at ensuring that the Authority maximises the value of its assistance to councils. Services include providing direct advice to the Authority on applications, advice to councils and consultants on engineering matters both in relation to works projects and Stormwater Management Plans and certifying expenditure claims from Councils.

A reduction in government capital funding has had an impact on resourcing the Projects Directorate of DPTI of which the Stormwater Group is a part of. Consequently DPTI has requested funding support from the Authority to enable this service to continue. An initial lump sum payment of \$50,000 was offered to and accepted by DPTI for the services provided to the Authority, while investigations were undertaken and further negotiations took place. The investigations have concluded and at the 30 June 2014 final negotiations were taking place between DPTI and the Authority.

MANAGEMENT OF HUMAN RESOURCES

A member of the board (other than an officer or employee of a Minister, or an agency or instrumentality of the Crown, or a council or council subsidiary) is entitled to remuneration, allowances and expenses determined by the Minister.

Mr Stephen Hains, current Presiding Member is the only member entitled to remuneration and received a total of \$22,000 in 2013-14.

THE AUTHORITY BOARD MEMBERS' INTERESTS

The Authority board members operate through a Code of Conduct. Members declare any conflicts of interest prior to any meetings once the “notice of the meeting” is released. The minutes record the information and in these circumstances members absent themselves from discussion of the relevant matter.

GENDER REPORTING

Section 6 (3) of Schedule 1A of the *Local Government Act 1999* requires that at least one member of the board must be a woman and at least one member must be a man. There are currently four women and three men on the board of the Authority.

REFERENCE TO THE DEPARTMENT OF ENVIRONMENT WATER AND NATURAL RESOURCES' ANNUAL REPORT

The following matters are also contained in the DEWNR annual report 2013-14:

- Superannuation contribution by the Stormwater Management Authority
- Executives
- Leave Management
- Workforce Diversity
- Voluntary Flexible Working Arrangements
- Performance Development
- Leadership and Management Development
- Accredited Training Packages
- Employment Opportunity Programs
- Financial Performance
- Account Payment Performance
- *Carers Recognition Act 1993*
- Disability Action Plan
- Energy Efficiency Action Plan Report
- Greening of Government Operations Framework

WORK HEALTH, SAFETY AND INJURY MANAGEMENT

Since the Authority is hosted within the offices of DEWNR the Authority is aware of and abides by the DEWNR Occupational, Health, Safety and Welfare policies.

CONTRACTUAL ARRANGEMENTS

The Stormwater Management Authority did not enter into any contractual arrangements exceeding \$4 million in value during this reporting period.

FRAUD

It is declared that there were no instances of fraud detected in the activities undertaken by the Stormwater Management Authority in this reporting period.

CONSULTANTS

The Stormwater Management Authority did not engage any consultants in this reporting period.

OVERSEAS TRAVEL

It is declared that no member of the Stormwater Management Authority has travelled overseas on Stormwater Management Authority business during this reporting period.

ASBESTOS MANAGEMENT IN GOVERNMENT BUILDINGS

The Stormwater Management Authority does not own any non- residential property and is not, therefore, required to develop an asbestos risk reduction program.

URBAN DESIGN CHARTER

No events occurred in 2013-14 that required the Stormwater Management Authority to consider the principles of urban design contained in the South Australian Urban Design Charter.

FREEDOM OF INFORMATION – INFORMATION STATEMENTS

The Authority is committed to openness and transparency. Resolutions of the minutes of meetings that record all decisions of the Board are published on the Authority's webpage hosted by the Local Government Association (www.lga.sa.gov.au/goto/sma).

There were no freedom of information requests in the reporting year.

WHISTLEBLOWERS PROTECTION ACT 1993

Reporting requirements against *the Whistleblowers Protection Act 1993* require the Stormwater Management Authority to report on the number of occasions on which public interest information has been disclosed to a Responsible Officer of the agency. There were no disclosures made during the 2013-14 financial year.

REGIONAL IMPACT ASSESSMENT STATEMENTS

No Regional Impact Assessment Statements were undertaken by the Authority in 2013-14.

**FINANCIAL STATEMENTS OF STORMWATER MANAGMENT
AUTHORITY 1 JULY 2013 TO 30 JUNE 2014**



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Presiding Member Stormwater Management Authority

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 19(2) of Schedule 1A to the *Local Government Act 1999*, I have audited the accompanying financial report of the Stormwater Management Authority for the financial year ended 30 June 2014. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2014
- a Statement of Financial Position as at 30 June 2014
- a Statement of Changes in Equity for the year ended 30 June 2014
- a Statement of Cash Flows for the year ended 30 June 2014
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from a Board Member and General Manager.

The Board's Responsibility for the Financial Report

The members of the Board are 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 Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as the overall presentation of the financial report.

INDEPENDENT AUDITOR'S REPORT

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Stormwater Management Authority as at 30 June 2014, 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.



S O'Neill
AUDITOR-GENERAL
29 September 2014

Stormwater Management Authority

Certification of the Financial Statements

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

- complies 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 Authority; and
- present a true and fair view of the financial position of the Stormwater Management Authority as at 30 June 2014 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 report have been effective throughout the reporting period.



Mr Wally Iasiello
Board Member
29 September 2014



Mr Carmine Porcaro
General Manager
29 September 2014

Stormwater Management Authority

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2014

	Note No.	2014 \$'000	2013 \$'000
Expenses			
Supplies & Services	5	249	176
Grants and subsidies	6	5,369	7,503
Total expenses		5,618	7,679
Income			
Interest revenues	8	419	567
Total income		419	567
Net cost of providing services		5,199	7,112
Revenues from SA Government			
Revenues from SA Government	9	4,754	4,638
Net result		(445)	(2,474)
Total comprehensive result		(445)	(2,474)

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 2014

	Note No.	2014 \$'000	2013 \$'000
Current assets			
Cash and cash equivalents	10	10,903	11,321
Receivables	11	81	103
Total current assets		10,984	11,424
Total assets		10,984	11,424
Current liabilities			
Payables	12	10	5
Total current liabilities		10	5
Total liabilities		10	5
Net assets		10,974	11,419
Equity			
Retained earnings	13	10,974	11,419
Total equity		10,974	11,419

Unrecognised contractual commitments 14

Contingent assets and contingent liabilities 15

The total equity is attributable to the SA Government as owner

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

Stormwater Management Authority

STATEMENT OF CHANGES IN EQUITY

As at 30 June 2014

	Note No.	Retained earnings \$'000	Total Equity \$'000
Balance at 30 June 2012	13	13,893	13,893
Net result for 2012-13		(2,474)	(2,474)
Total comprehensive result for 2012-13		(2,474)	(2,474)
Balance at 30 June 2013	13	11,419	11,419
Net result for 2013-14		(445)	(445)
Total comprehensive result for 2013-14		(445)	(445)
Balance at 30 June 2014	13	10,974	10,974

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 2014

	Note No.	2014 \$'000	2013 \$'000
Cash flows from operating activities			
Cash outflows			
Supplies & Services		(244)	(177)
Payments of grants and subsidies		(5,369)	(7,523)
Cash used in operations		(5,613)	(7,700)
Cash inflows			
Grant refunds		-	20
Interest received		441	614
Cash generated from operations		441	634
Net cash (used in) / generated from operations		(5,172)	(7,066)
Cash inflows from SA Government			
Receipts from SA Government	9	4,754	4,638
Cash generated from SA Government		4,754	4,638
Net cash provided by operating activities	17	(418)	(2,428)
Net increase / (decrease) in cash and cash equivalents		(418)	(2,428)
Cash and cash equivalents at the beginning of the period		11,321	13,749
Cash and cash equivalents at the end of the period	10	10,903	11,321

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

Stormwater Management Authority

NOTE INDEX

Objectives of the Stormwater Management Authority	Note 1
Organisation	Note 2
Summary of significant accounting policies	Note 3
New and revised accounting standards and policies	Note 4
Expense notes	
Supplies & Services	Note 5
Grants and subsidies	Note 6
Auditor's remuneration	Note 7
Income notes	
Interest revenues	Note 8
Revenues from SA Government	Note 9
Asset notes	
Cash and cash equivalents	Note 10
Receivables	Note 11
Liabilities notes	
Payables	Note 12
Equity notes	
Equity	Note 13
Other notes	
Unrecognised contractual commitments	Note 14
Contingent assets and contingent liabilities	Note 15
Remuneration of board members	Note 16
Cash flow reconciliation	Note 17
Financial instruments/financial risk management	Note 18
Events after balance date	Note 19

Stormwater Management Authority

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 Objectives of 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 or expenses of the Authority.

Note 2 Organisation

The Authority is managed by a seven member board.

The position of General Manager has been provided through the Department of Environment, Water and Natural Resources and reports to the board of the Authority.

Note 3 Summary of significant accounting policies

a) Statement of compliance

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian accounting standards and Treasurer's instructions and accounting policy statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

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, these 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; and
- 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:
 - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items applies;

Stormwater Management Authority

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

The Authority's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2014 and the comparative information presented.

c) Reporting entity

The Authority was established as a body corporate under the *Local Government Act 1999* on 1st 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 has required a change.

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

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, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents. 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, 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; and
- receivables and payables, which are stated with the amount of GST included.

Stormwater Management Authority

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Taxation Office is classified as part of operating cash flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

g) Events after the end of 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 provides 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) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Authority will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Transactions with SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

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

i) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Authority will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The notes accompanying the financial statements disclose expenses where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Transactions with SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

Stormwater Management Authority

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

The Department of Environment Water and Natural Resources (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 of management.
- Payment of member 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.

j) 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.

k) Assets

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes only cash at bank.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

l) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

All liabilities are expected to settle within twelve months. No liabilities are greater than the threshold for disclosure as transactions with SA Government and therefore not separately disclosed.

Payables

Payables include creditors and accrued expenses.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Authority.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

Stormwater Management Authority

All payables are measured at their nominal amount are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

m) 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.

Note 4 New and revised accounting standards and policies

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Authority for the period ending 30 June 2014. The Authority has assessed the impact of the new and amended standards and Interpretations and considers there will be no impact on the accounting policies or the financial statements of the Authority.

Stormwater Management Authority

Note 5 Supplies & Services

	2014 \$'000	2013 \$'000
Supplies and services provided by entities within the SA Government		
Reimbursement of employee benefits - General Manager DEWNR*	124	118
Corporate overhead charge	30	29
Professional services - Department of Planning, Transport and Infrastructure	50	-
Other expenses**	15	14
Total supplies and services - SA Government entities	219	161
Supplies and services provided by entities external to the SA Government		
Contractor expenses	8	11
Board and Committee Fees	22	4
Total supplies and services - Non SA Government entities	30	15
Total Supplies & Services expenses	249	176

* refer to Note 3(i)

** includes Auditor's remuneration refer to Note 7

Note 6 Grants and Subsidies

Grants & Subsidies paid to SA Government Entities

Adelaide Mount Lofty NRM Board	28	-
Total grants - SA Government entities	28	-

Grants & Subsidies paid to entities external to SA Government

City of Charles Sturt	2,961	3,599
City of Port Adelaide Enfield	1,051	1,134
Mount Barker Council	450	-
City of Salisbury	326	765
Clare & Gilbert Valley	165	-
The Barossa Council	94	152
Gawler River Flood Mitigation Scheme	91	427
Bureau of Meteorology	68	70
Light Regional Council	71	-
Port Lincoln	30	-
Onkaparinga	20	-
Northern Areas Council	10	194
Brown Hill / Keswick Creeks Stormwater Project	4	372
City of West Torrens	-	810
City of Victor Harbor - refund of overpaid grants	-	(20)
City of Mitcham	-	-
Alexandrina Council	-	-
City of Victor Harbor	-	-
Other projects	-	-
Total grants - Non SA Government entities	5,341	7,503
Total Grants & Subsidies expenses	5,369	7,503

Stormwater Management Authority

Note 7 Auditor's remuneration

	2014	2013
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements.	6	5
Total audit fees	6	5

Other services

No other services were provided to the Authority by the Auditor-General's Department.

Note 8 Interest revenues

	2014	2013
	\$'000	\$'000
Interest	419	567
Total interest revenues	419	567

Note 9 Revenues from SA Government

	2014	2013
	\$'000	\$'000
Revenues from SA Government	4,754	4,638
Total revenues from SA Government	4,754	4,638

Note 10 Cash and cash equivalents

	2014	2013
	\$'000	\$'000
Deposits at call - Local Government Finance Authority Deposit Account	10,903	11,321
Total cash and cash equivalents	10,903	11,321

The Authority's bank account is an interest bearing account held with the Local Government Finance Authority.

Stormwater Management Authority

Note 11 Receivables

	2014	2013
	\$'000	\$'000
Accrued interest	81	103
Total receivables	81	103

Note 12 Payables

	2014	2013
	\$'000	\$'000
Creditors & accruals	10	5
Total creditors	10	5

Note 13 Equity

	2014	2013
	\$'000	\$'000
Retained earnings	10,974	11,419
Total equity	10,974	11,419

Note 14 Unrecognised contractual commitments

Other commitments	2014	2013
	\$'000	\$'000
Within one year	11,870	11,615
Later than one year but not longer than five years	185	3,173
Total other commitments	12,055	14,788

The Authority's other commitments comprise approved grants towards stormwater management projects in accordance with the Stormwater Management Agreement and include some projects approved under the former Catchment Management Subsidy Scheme and Commonwealth Government Regional Flood Mitigation Program.

Note 15 Contingent assets and liabilities

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

Stormwater Management Authority

Note 16 Remuneration of board members

Members that were entitled to receive remuneration for membership were:

Mr Stephen Hains re-appointed 1 January 2014

Mr Kym Good* re-appointed 1 January 2014

Ms Julia Grant* re-appointed 1 January 2014

Dr Donna Ferretti* re-appointed 1 January 2014

Mayor Lorraine Rosenberg* re-appointed 1 January 2014

Dr Helen Macdonald* re-appointed 1 January 2014

Mr Wally Iasiello* re-appointed 1 January 2014

The number of members whose remuneration received or receivable falls within the following bands:	2014	2013
\$0 - \$9 999	0	2
\$20 000 - \$29 999	1	0
Total number of members	1	2

Remuneration of members reflects costs of performing board member duties including sitting fees and superannuation contributions and retention allowance. The total remuneration received or receivable by member was \$22,000 (\$4,400).

* In accordance with Schedule 1A of the *Local Government Act 1999*, any officer or 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.

Stormwater Management Authority

Note 17 Cash flow reconciliation

	2014	2013
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	10,903	11,321
Balance as per the Statement of Cash Flows	10,903	11,321
 Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by operating activities	(418)	(2,428)
Less revenues from SA Government	(4,754)	(4,638)
 Movements in assets and liabilities		
(Decrease) Increase in receivables	(22)	(47)
Decrease (Increase) in liabilities	(5)	1
Net cost of providing services	(5,199)	(7,112)

Stormwater Management Authority

Note 16 Financial instruments/financial risk management

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 Summary of Significant Accounting Policies.

Category of financial asset and financial liability	Balance Sheet line item	Note	Carrying amount 2014 \$'000	Fair value 2014 \$'000	Carrying amount 2013 \$'000	Fair value 2013 \$'000
Financial assets						
Cash and cash Receivables	Cash and cash equivalents Accrued interest	10 11	10,903 81	10,903 81	11,321 103	11,321 103
Financial Liabilities						
Financial liabilities at cost	Creditors & accruals	12	10	10	5	5

Interest rate risk

Deposits at call with the Local Government Finance Authority earns a floating interest rate, based on daily bank deposit rates. The weighted average interest rate was 2.74% (3.15%). The carrying amount of cash and cash equivalents represents fair value.

Stormwater Management Authority

Note 19 Events after balance date

There are no events after balance date.