

STORMWATER MANAGEMENT AUTHORITY

ANNUAL REPORT

1 July 2012 to 30 June 2013



**Government
of South Australia**

Stormwater Management Authority
Annual Report 2012-13

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

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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 2013.

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**

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.

The Authority has agreed to prepare a long term strategic plan which outlines actions to mitigate flood risk and enhance stormwater reuse. The strategic plan will put in place a three year business plan which will be focused on completing high priority stormwater management planning across the various councils.

The strategic plan will include consideration to the State Government's "*Blue print for Urban Water*" which brings together stormwater and wastewater alongside other water resources in the Adelaide region, guides future infrastructure investment and policy requirements across Adelaide, and assists transition to a water sensitive 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 and the Local Government Association have continued to work together to develop a new operational model for the Stormwater Management Authority and to formalise a new State and Local Government Agreement. This agreement is expected to be finalised early 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 \$11.3 million at 30 June 2013 together with the State Government contribution of \$4.8 million in 2013-14 is adequate to fund anticipated progress payments next financial year.

PROJECT FUNDING

A total of \$29.6 million has been approved towards 83 projects worth \$68.6 million since September 2006.

<u>Floodplain Mapping / Planning</u>	22	Metropolitan Projects	\$1,973,548
	16	Regional Projects	\$678,000
<u>Infrastructure Works</u>	31	Metropolitan Projects	\$23,673,261
	14	Regional Projects	\$3,303,490

In 2012-13 the Authority approved \$5.1 million towards 12 projects worth \$11.0 million. Table 1 contains the list of projects.

Table 1 Approved Projects for 2012-13				
Application No.	Applicant	Project	Total Cost	SMA Subsidy
114/12	City of Salisbury	Cobbler Creek SMP(*)	\$60,000	\$10,000
115/12	Dist. C. of Tumby Bay	Tumby Bay SMP	\$100,000	\$33,000
116/12	Dist. C. of Copper Coast	Moonta SMP	\$100,000	\$50,000
118/12	Adelaide Mt Lofty NRM Board	Brown Hill Creek Stream Gauging and Manning Roughness value	\$99,000	\$33,000
120/13	City of Onkaparinga	Silver Sands Creek SMP	\$90,000	\$30,000
121/13	City of West Torrens	Cowandilla- Mile End	\$905,682	\$301,894
122/13	City of Playford	Smith Creek Catchment	\$240,000	\$120,000
123/13	City of Unley	Ridge Park	\$2,875,000	\$1,400,000
124/13	Bureau of Meteorology	Rain & River monitoring to assist LG in flash Flood Management over 2013-2016	\$564,100	\$273,050
125/13	Brown Hill & Keswick Creeks project	BHKCP SMP additional funding	\$762,000	\$270,000
126/13	Light Regional Council	Flood modelling & associated Mapping, Freeling, Greenock, Kapunda	\$210,000	\$70,000
127/13	Brown Hill & Keswick Creeks project	Brown Hill Creek Diversion	\$5,000,000	\$2,500,000

(* 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 Regional Flood Mitigation Program (RFMP).

The Authority is the lead agency for the agreement with the primary state responsibility for financial management, coordination of priority setting, planning, implementing, monitoring and evaluation of the program.

In October 2010, the Authority received \$1.9 million for the RFMP from the Commonwealth as the final payment for the original flood mitigation program. The Authority will need to continue

to report to the Commonwealth through the National Partnerships Agreement on Natural Disaster Resilience.

The remaining projects are:-

- Gawler Flood Mitigation Scheme.
- Light Regional Council –Kapunda Northern Flood Mitigation.
- 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 \$449,494.

2012 BROWN HILL CREEK AND KESWICK CREEK STORMWATER MANAGEMENT PLAN

On 26 February 2013 the Authority approved the 2012 Brown Hill Creek and Keswick Creek SMP.

The Authority welcomed the significant milestone in delivering a flood mitigation strategy to protect the residents of the Brown Hill Creek and Keswick Creek catchment area.

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 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.
- South Park Lands detention.
- 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 section of upper Brown Hill Creek.

Further to the 2012 Brown Hill Keswick Creek SMP it is estimated that \$153 million would be required to construct infrastructure within the Brown Hill Creek and Keswick Creek catchment over the next ten (10) years.

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.

Now that the Plan has been endorsed by the Authority, the councils will need to work with the State Government to develop funding model options, including assistance from the Commonwealth Government.

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 current being revised
- 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

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
City of Port Lincoln SMP
Campbelltown City Council - Eastern Suburbs Urban SMP
City of Salisbury – Cobbler Creek & Salisbury Escarpment SMPs
Copper Coast Council – Moonta Bay SMP
City of Onkaparinga – Silver Sand Creek SMP
City of Playford – Smith Creek 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 between the State Government of South Australia and the Local Government Association dated 14 March 2006 (the agreement).

The Authority is responsible for the proper operation of the agreement which sets out the roles and responsibilities of the State 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 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.

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 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 **31 August 2012** the following board members ended their term:-

Mr Barry Grear AO	Presiding Member
Mr Kym Good	Adelaide and Mount Lofty Ranges NRM Board
Mr Andrew Grear	Department of Planning Transport and Infrastructure
Ms Julia Grant	Department of Environment, Water and Natural Resources
Mr Brian Clancey	District Council of Mount Barker, representative of a non-metropolitan council
Ms Wendy Campana	Local Government Association, representative of a southern metropolitan council
Mr Colin Pitman	City of Salisbury, representative of a northern metropolitan council

On **13 December 2012** a new board was appointed by the Governor consisting of the following members:-

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

Department of Environment, Water and Natural Resources

Dr Donna Ferretti

Department of Planning Transport and Infrastructure

A quorum of the board consists of 5 members and a decision of the board must be carried by at least 4 members.

MEETINGS: GENERAL AND SPECIAL

The board of the Authority usually meets bi-monthly (or as required) and met on only three occasions during the reporting year (due to the expiration and appointment of new board members).

One out of session meeting was conducted by the board on 4 June 2013 to tour the Brown Hill Creek and Keswick Creek Catchment.

Table 2 Attendance at Meetings		
Member	Meetings attended	Reason for non attendance
Barry Grear	1	
Kym Good	1	
Andrew Grear	0	Other commitments
Julia Grant	1	
Wendy Campana	1	
Brian Clancey	1	
Colin Pitman	1	
Stephen Hains	2	
Kym Good	1	Other commitments
Julia Grant	2	
Donna Ferretti	2	
Lorrain Rosenberg	2	
Helen Macdonald	2	
Wally Iasiello	2	

MINISTERIAL ADVICE

During the reporting year the Presiding Member of the Authority met twice to brief the Minister for Water and the River Murray and once with the President of the Local Government Association.

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, provide 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 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.

The commitment to ongoing technical and stormwater engineering advice provided at no cost to the Authority by the Department for Planning, Transport and Infrastructure is acknowledged.

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 Barry Gear, outgoing Presiding Member, was entitled to remuneration and received a total of \$2,612.

Mr Stephen Hains, current Presiding Member was entitled to remuneration and received a total of \$1,741.

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. For the financial year ending 30 June 2013, no member had a direct or personal interest in any proposal or application for funding considered by the Authority.

GENDER REPORTING

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

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

The following matters are also contained in the DEWNR annual report 2012-13:

- 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 2012-13 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 2012-13 financial year.

REGIONAL IMPACT ASSESSMENT STATEMENTS

No Regional Impact Assessment Statements were undertaken by the Authority in 2012-13.

**FINANCIAL STATEMENTS OF STORMWATER MANAGMENT
AUTHORITY 1 JULY 2012 T0 30 JUNE 2013**



9th Floor
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*, I have audited the accompanying financial report of the Stormwater Management Authority for the financial year ended 30 June 2013. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2013
- a Statement of Financial Position as at 30 June 2013
- a Statement of Changes in Equity for the year ended 30 June 2013
- a Statement of Cash Flows for the year ended 30 June 2013
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Presiding 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 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 members of the Board, as well as the overall presentation of the financial 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 2013, 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
27 September 2013

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 2013 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.



Stephen Hains
Presiding member
27 September 2013



Carmine Porcaro
General Manager
27 September 2013

Stormwater Management Authority

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Note No.	2013 \$'000	2012 \$'000
Expenses			
Supplies & Services	5	176	205
Grants and subsidies	6	7,503	4,355
Total expenses		7,679	4,560
Income			
Interest revenues	8	567	758
Total income		567	758
Net cost of providing services		7,112	3,802
Revenues from SA Government			
Revenues from SA Government	9	4,638	4,525
Net result		(2,474)	723
Total comprehensive result		(2,474)	723

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

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Stormwater Management Authority

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note No.	2013 \$'000	2012 \$'000
Current assets			
Cash and cash equivalents	10	11,321	13,749
Receivables	11	103	150
Total current assets		11,424	13,899
Total assets		11,424	13,899
Current liabilities			
Payables	12	5	6
Total current liabilities		5	6
Total liabilities		5	6
Net assets		11,419	13,893
Equity			
Retained earnings	13	11,419	13,893
Total equity		11,419	13,893

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 2013

	Note	Retained earnings	Total Equity
	No.	\$'000	\$'000
Balance at 30 June 2011		13,170	13,170
Net result for 2011-12		723	723
Total comprehensive result for 2011-12		723	723
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

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

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

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Stormwater Management Authority

STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	Note No.	2013 \$'000	2012 \$'000
Cash flows from operating activities			
Cash outflows			
Supplies & Services		(177)	(205)
Payments of grants and subsidies		(7,523)	(4,355)
Cash used in operations		(7,700)	(4,560)
Cash inflows			
Grant refunds		20	-
Interest received		614	779
Cash generated from operations		634	779
Net cash (used in) / generated from operations		(7,066)	(3,781)
Cash inflows from SA Government			
Receipts from SA Government	9	4,638	4,525
Cash generated from SA Government		4,638	4,525
Net cash provided by operating activities		(2,428)	744
Net increase / (decrease) in cash and cash equivalents		(2,428)	744
Cash and cash equivalents at the beginning of the period		13,749	13,005
Cash and cash equivalents at the end of the period	10	11,321	13,749

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

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Stormwater Management Authority

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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 2013 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.

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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.



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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 2013. 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.

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Note 5 Supplies & Services

	2013	2012
	\$'000	\$'000
Supplies and services provided by entities within the SA Government		
Reimbursement of employee benefits - General Manager DEWNR*	118	118
Corporate overhead charge	29	29
Other expenses**	14	18
Total supplies and services - SA Government entities	161	165
 Supplies and services provided by entities external to the SA Government		
Contractor expenses	11	31
Board and Committee Fees	4	9
Total supplies and services - Non SA Government entities	15	40
Total Supplies & Services expenses	176	205

* refer to Note 3(i)

** includes Auditor's remuneration refer to Note 7

Note 6 Grants and Subsidies

Grants & Subsidies paid to entities external to SA Government

Gawler River Flood Mitigation Scheme	427	2,218
City of Charles Sturt	3,599	417
City of Mitcham	-	402
Northern Areas Council	194	287
The Barossa Council	152	274
City of Port Adelaide Enfield	1,134	245
Brown Hill / Keswick Creeks Stormwater Project	372	160
Alexandrina Council	-	120
City of Victor Harbor	-	107
City of Salisbury	765	39
City of West Torrens	810	-
Bureau of Meteorology	70	59
City of Victor Harbor - refund of overpaid grants	(20)	-
Other projects	-	27
Total grants - Non SA Government entities	7,503	4,355
Total Grants & Subsidies expenses	7,503	4,355

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Stormwater Management Authority

Note 7 Auditor's remuneration

	2013	2012
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements.	5	5
Total audit fees	5	5

Other services

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

Note 8 Interest revenues

	2013	2012
	\$'000	\$'000
Interest	567	758
Total interest revenues	567	758

Note 9 Revenues from SA Government

	2013	2012
	\$'000	\$'000
Revenues from SA Government	4,638	4,525
Total revenues from SA Government	4,638	4,525

Note 10 Cash and cash equivalents

	2013	2012
	\$'000	\$'000
Deposits at call - Local Government Finance Authority Deposit Account	11,321	13,749
Total cash and cash equivalents	11,321	13,749

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

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Note 11 Receivables

	2013	2012
	\$'000	\$'000
Accrued interest	103	150
Total receivables	103	150

Note 12 Payables

	2013	2012
	\$'000	\$'000
Creditors & accruals	5	6
Total creditors	5	6

Note 13 Equity

	2013	2012
	\$'000	\$'000
Retained earnings	11,419	13,893
Total equity	11,419	13,893

Note 14 Unrecognised contractual commitments

Other commitments	2013	2012
	\$'000	\$'000
Within one year	11,615	17,571
Later than one year but not longer than five years	3,173	68
Total other commitments	14,788	17,639

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.

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Note 16 Remuneration of board members

Members that were entitled to receive remuneration for membership were:

Mr Barry Gear AO appointment expired 31 August 2012

Mr Andrew Gear* appointment expired 31 August 2012

Mr Brian Clancey* appointment expired 31 August 2012

Ms Wendy Campana* appointment expired 31 August 2012

Mr Colin Pitman* appointment expired 31 August 2012

Mr Stephen Hains appointed 13 December 2012

Mr Kym Good* appointed 13 December 2012

Ms Julia Grant* appointed 13 December 2012

Dr Donna Ferretti * appointed 13 December 2012

Mayor Lorraine Rosenberg* appointed 13 December 2012

Dr Helen Macdonald* appointed 13 December 2012

Mr Wally Iasiello* appointed 13 December 2012

The number of members whose remuneration received or receivable falls within the following bands:	2013	2012
\$0 - \$9 999	2	1
Total number of members	2	1

Remuneration of members reflects costs of performing board member duties including sitting fees and superannuation contributions. The total remuneration received or receivable by members was \$4,400 (\$8,800).

* 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

	2013	2012
	\$'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	11,321	13,749
Balance as per the Statement of Cash Flows	11,321	13,749

Reconciliation of net cash provided by operating activities to net cost of providing services:

Net cash provided by operating activities	(2,428)	744
Less revenues from SA Government	(4,638)	(4,525)

Movements in assets and liabilities

(Decrease) Increase in receivables	(47)	(21)
Decrease in liabilities	1	-
Net cost of providing services	(7,112)	(3,802)

