

STORMWATER MANAGEMENT AUTHORITY

ANNUAL REPORT

1 July 2015 to 30 June 2016



**Government
of South Australia**

Stormwater Management Authority
Annual Report 2015-16

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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 Dave Burgess
President
Local Government Association
148 Frome Street
Adelaide SA 5000

Dear Minister and President

On behalf of the Stormwater Management Authority, I have pleasure in presenting its Annual Report for the year ended 30 June 2016.

During the 2015-16 year, the Authority has taken significant steps to establish itself as a strategic leader in stormwater management, linking closely with State and local government entities.

This report is submitted for 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 "SM", followed by a horizontal line.

Mr Steven Morton
GENERAL MANAGER

for Mr Stephen Hains
PRESIDING MEMBER
STORMWATER MANAGEMENT AUTHORITY

30 September 2016

PLANS AND OBJECTIVES

The Stormwater Management Authority (the Authority) was established as a key outcome of the 2006 State and Local Government Stormwater Management Agreement. It has responsibility for leading the development and to support the implementation of multi-objective stormwater management plans, so as to address flood risk, improving environmental amenity, deliver water security outcomes and maximise the benefits of stormwater to local communities.

In pursuing this role, the Authority directly supports State and local government policy directions, including the South Australian Government's strategic and economic priorities. It works closely with individual councils and relevant State Government agencies to ensure a coordinated approach to stormwater management across the State

Effective stormwater management in urban areas of South Australia continues to be important, not only for the protection of property, critical infrastructure and human life, but also for creating liveable urban environments and delivering environmental benefits.

On 15 April 2016, a revised Schedule 1A of the *Local Government Act 1999* was proclaimed and became operational, specifying a number of amendments to the role and legislative context under which the Stormwater Management Authority operates. The key changes outlined in the new legislation were driven by the 2013 State and Local Government Stormwater Management Agreement and included:

- Amendments to the nomination processes for the Authority board, to support a more skills based membership;
- Provisions to allow for the establishment of an Advisory Committee to the board to strengthen linkages between the Authority's activities and those of State and local government entities;
- Requirements for the Authority to prepare and maintain a Strategic Plan and Business Plan to guide its activities;
- Allowances for the Authority to approve stormwater management plans with conditions specified, to facilitate the more timely preparation and implementation of such plans.

In December 2015, the Authority released its 10 Year Strategic Plan, outlining its key areas of focus for over the next three years.

The goals established by the Authority in its Strategic Plan are:

- 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.

Alongside the release of the Strategic Plan, the Authority also released its priorities for stormwater management planning, specifying those catchments for which it will proactively work with councils and other stakeholders to drive the preparation of new stormwater management plans over coming years. The Authority has started to engage with those councils in which its high priority catchments reside to facilitate the development of new plans. These high priority catchments are:

- West Lakes;
- Brown Hill and Keswick Creek (urban catchments);
- Port River East;
- Munno Para System;
- Virginia;
- Hindmarsh, Enfield, Prospect and Days Road;
- Clare;
- Renmark;
- Pt Augusta.

The finalisation of stormwater management plans for these catchments will be of the highest priority for the Authority over the next few years.

HIGHLIGHTS, OPERATIONS AND INITIATIVES

STORMWATER MANAGEMENT FUND

The Stormwater Management Fund is established under Schedule 1A of the *Local Government Act 1999*. As part of the 2006 State and Local Government Stormwater Management Agreement, the South Australian Government committed to provide funding of \$4 million per annum, indexed against CPI, until 2037.

Under legislation and the Stormwater Management Agreement, the Authority is required to report on the operation and adequacy of the Stormwater Management Fund.

To date, the Fund has been adequate to meet progress claims on stormwater initiatives and project commitments. The cash balance of \$12.134 million at 30 June 2016, together with the State Government contribution of \$5.120 million in 2016-17, is adequate to fund anticipated progress payments next financial year.

As part of developing its priorities for future stormwater management plan development, the Authority has identified a likely deficiency of resourcing in the Stormwater Management Fund over the coming decades, if all current stormwater management issues are to be affectively addressed.

In the short term, the analysis of the Authority suggests that there is sufficient capacity in the Fund to support known infrastructure projects and priority plan development. As priority stormwater management plans are finalised over the coming years, a greater understanding of future funding requirements will result.

PROJECT FUNDING

A total of \$36.1 million has been approved towards 112 projects costing a total of \$84.4 million since September 2006.

<u>Floodplain Mapping /</u>	33	Metropolitan Projects	\$2 974 008
<u>Stormwater Management Planning</u>	28	Regional Projects	\$1 397 100
 <u>Infrastructure Works</u>	37	Metropolitan Projects	\$27 330 761
	14	Regional Projects	\$4 417 490

In 2015-16, the Authority approved \$1.6 million towards 6 projects costing a total of \$3.3 million. Table 1 contains the list of projects.

Table 1 Approved Projects for 2015-16				
Application No.	Applicant	Project	Total Cost	SMA Subsidy
152-15	City of Whyalla	Whyalla SMP*	\$310 000	\$130 000
153-15	Port Adelaide Enfield	Hargrave Street Gravity main	\$2 740 000	\$1 370 000
154-15	City of Marion	Drain 18 Monitoring extension	\$14,888	\$4960
155-15	City of Port Lincoln	Flood mitigation / Stormwater recycle study	\$50 000	\$25 000
159-16	City of Port Lincoln	2D flood mapping for the City of Port Lincoln	\$150 000	\$75 000
160-16	City of Port Lincoln	Flood Mitigation Options- Mortlock Tce	\$70 000	\$35 000

(* SMP – Stormwater Management Plan)

REGIONAL FLOOD MITIGATION STRATEGY

An agreement between the Commonwealth Government and the 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 continues to report to the Commonwealth through the National Partnership Agreement on Natural Disaster Resilience.

The remaining two projects are:

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

BROWN HILL AND KESWICK CREEKS STORMWATER MANAGEMENT PLAN

Following on from the approval of the 2012 Brown Hill and Keswick Creeks Stormwater Management Plan in February 2013, the Stormwater Management Authority has continued to maintain a strong interest in the finalisation of a whole of catchment stormwater management plan.

The catchment covers land within the councils of Adelaide, Burnside, Mitcham, Unley and West Torrens and continues to be the highest identified catchment for flood risk in South Australia.

Throughout its engagement with the councils during the development of the plan, the Authority's primary objective has been to ensure timely completion and a move towards implementation.

In March 2016, the five catchment councils submitted the final draft of the plan for the catchment for the Stormwater Management Authority's consideration and legislative approval.

The new plan identifies infrastructure works across the entire catchment to provide adequate protection for property and infrastructure from a 1 in 100 year flood event. The works proposed have been estimated at \$140 million and 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 on Brown Hill Creek;
- Fisher Street Bypass culverts;
- Creek upgrade works in sections of upper Brown Hill Creek.

To date, the Authority has approved funding towards the following projects in the plan:

- A contribution of up to \$1.4 million towards the Ridge Park Detention Basin construction;
- A contribution of \$2.5 million towards the diversion of Brown Hill Creek as part of the Goodwood Junction rail grade separation project. This diversion was required to facilitate the construction of the project by the Department of Planning, Transport and Infrastructure, and increased flow capacity in the diversion was provided as part of the project;
- A contribution of up to \$380 000 towards the ongoing Part B investigations.

Since the formal receipt of the final plan from the councils, the Authority has proactively worked with them to resolve any outstanding matters. The Authority has also provided advice to the Government on funding options for the implementation of the plan.

The Authority anticipates that the final Brown Hill and Keswick Creek Stormwater Management Plan will be formally Gazetted and approved and funding arrangements agreed between the councils and the State Government by the end of the 2016 calendar year.

APPROVED STORMWATER MANAGEMENT PLANS

In accordance with Clause 15 of Schedule 1A of the *Local Government Act 1999*, the Authority has approved the following SMP's:

- 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 and Keswick Creeks 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
- Hallett Cove Creeks SMP
City of Marion
Approved July 2014
- Coastal Catchments between Glenelg to Marion SMP
City of Marion/ Holdfast Bay
Approved July 2014
- Tumby Bay SMP
District Council of Tumby Bay

Approved March 2015

- Torrens Road Catchment SMP
City of Charles Sturt
Approved December 2015

STORMWATER MANAGEMENT PLANS BEING PREPARED

The following SMP's are currently being prepared:

- Port Pirie Regional Council - Port Pirie SMP
- City of Port Adelaide Enfield - North Arm East Catchment
- City of Onkaparinga - Pedlar Creek and Beach Road SMP
- Alexandrina Council - Port Elliot 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
- Port Adelaide Enfield Council - Lefevre Peninsula SMP
- Clare and Gilbert Valley Council - Auburn SMP
- District Council of Copper Coast - Kadina SMP
- Region Council of Goyder - Burra SMP
- City of Mitcham – Lower Sturt Catchment SMP
- City of Whyalla – Whyalla 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 Authority is responsible for the proper operation of the State and Local Government Stormwater Management 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.

As required under the revised 2013 State and Local Government Stormwater Management Agreement, a new Schedule 1A was passed by Parliament and proclaimed on 15 April 2016. The legislation specifies the following roles for the Authority:

- To liaise with relevant public authorities with a view to ensuring the proper functioning of the State's stormwater management system;
- To contribute to the urban water plan for Greater Adelaide and lead the implementation of elements of that plan relating to stormwater;
- To facilitate and co-ordinate stormwater management planning by councils;
- To formulate policies and provide information to councils in relation to stormwater management planning (including policies and information promoting the use of stormwater to further environmental objectives and address issues of sustainability including the use of stormwater for human consumption, for the maintenance of biodiversity and other appropriate purposes);
- To facilitate programs by councils promoting the use of stormwater to further environmental objectives and address issues of sustainability including the use of stormwater for human consumption, for the maintenance of biodiversity and other appropriate purposes;
- To ensure that relevant public authorities co-operate in an appropriate fashion in relation to stormwater management planning and the construction and maintenance of stormwater management works;
- To provide advice to the Minister in relation to the State's stormwater management system;
- To carry out other functions conferred on the Authority:
 - under this Schedule; or
 - by the Minister with the agreement of the LGA.

THE STORMWATER MANAGEMENT AUTHORITY BOARD

The Board of the Authority consists of seven members historically appointed by the Governor but now appointed directly by the Minister. The previous Schedule 1A specified that members must include:

- A Presiding Member appointed by the Minister 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 by the Minister on the nomination of the Local Government Association;
- Three members appointed on the direct nomination of the Minister.

Under the new Schedule 1A, membership requirements for the Authority Board are now:

- A presiding member appointed by the Minister on the nomination of the LGA (with the agreement of the Minister);
- Not less than six additional members appointed by the Minister (half of whom are to be appointed on the nomination of the Minister and half of whom are to be appointed on the nomination of the LGA);

- One of the members must be appointed by the Minister as the deputy presiding member and that member may act as the presiding member if the presiding member is absent and no person has been appointed to act as the presiding member;
- A person nominated for appointment to the board must have appropriate qualifications or experience in public administration, water resources, stormwater management, mitigation of flood hazards, environmental management or infrastructure development;
- At least one of the members appointed on the nomination of the LGA must be a person who, in the opinion of the LGA, has appropriate qualifications or experience to represent the interests of regional local government;
- The qualifications or experience of appointed members of the board must be made publicly available in a manner determined by the board;
- At least one member of the board must be a woman and at least one member must be a man.
- The Minister may grant a member of the board leave of absence and appoint a suitable person to act as a member of the board during that period of absence (provided that if the member being granted leave was appointed on the nomination of the LGA, the person appointed to act as a member in his or her absence must also be appointed on the nomination of the LGA).

MEMBERSHIP

The following board members have been appointed until 30 June 2017 by the Minister for Water and the River Murray:

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
Ms Katharine Ward	Department of Environment, Water and Natural Resources
Ms Julia Grant	Department of Environment, Water and Natural Resources
Mr Andrew Gear	Department of Planning, Transport and Infrastructure

Mr Andrew Gear resigned from the Stormwater Management Authority on 20 July 2016.

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 and as required and met on three occasions during 2015-16, with attendance at meetings shown in Table 2.

Table 2 Attendance at Meetings	
Member	Meetings attended
Stephen Hains	3
Julia Grant	3
Katharine Ward	3
Andrew Grear	1
Mayor Lorraine Rosenberg	3
Helen Macdonald	2
Wally Iasiello	3

MINISTERIAL ADVICE

The Authority provides advice to the Minister for Water and the River Murray as required. In 2015-16, the Presiding Member met with the Minister on 4 occasions. As Acting Presiding Member, Mr Wally Iasiello met with the Minister on one further occasion.

GOVERNANCE ARRANGEMENTS

The Authority has a General Manager 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.

A service level agreement also exists between the Authority and the Department of Planning, Transport and Infrastructure (DPTI) for the provision of technical services. These include direct advice to the Authority on applications, advice to councils and consultants on engineering matters in relation to both works projects and stormwater management plans and certifying expenditure claims from councils.

Funding of \$100,000 is provided per-annum under the service level agreement to DPTI for these services.

MANAGEMENT OF HUMAN RESOURCES

A member of the board (other than a member who has been appointed as an employee of a public authority) is entitled to remuneration, allowances and expenses determined by the Minister.

Clause 8 of the previous Schedule 1A of the *Local Government Act 1999* stated that '*A member of the board (other than a member who has been appointed as an officer or employee of a public authority) is entitled to remuneration, allowances and expenses determined by the Minister*'.

During the audit of the Authority's financial statements for 2014-15, the auditor noted, and subsequent legal advice from the Crown Solicitor's Office confirmed, that the Presiding Member, as, the Chair of both the Centennial Park Cemetery Authority and Northern Adelaide Local Health Network Governing Council, was an 'officer' of other public authorities within the definitions of the legislation and was therefore not entitled to remuneration as the Presiding Member of the Authority.

The matter was raised with the Minister and Treasurer. On 24 December 2015, the Minister for Water and the River Murray advised the Presiding Member that the remuneration received was a result of advice from the Department of Premier and Cabinet and that, due to exceptional circumstances, the Treasurer had approved for any debt from these payments to be waived under 5.24 of Treasurer's Instruction 5 – *Debt Recovery and Write Offs*.

The new Schedule 1A of the *Local Government Act 1999* as passed by Parliament and proclaimed on 15 April 2016 now includes the following requirements for Board remuneration:

A member of the board (other than a member who has been appointed as an employee of a public authority) is entitled to remuneration, allowances and expenses determined by the Minister.

Under this provision, two Members are now eligible for payment:

- Mr Stephen Hains, Presiding Member, received a total of \$0 in 2015-16, but will be back paid in 2016-17.
- Mayor Lorraine Rosenberg, Member, received a total of \$0 in 2015-16, but will be back paid in 2016-17.

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

Clause 7 (6) 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 two 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 2015-16:

- 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
- Public Complaints
- 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 Work Health and Safety and Injury Management 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 2015-16 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 2015-16 financial year.

REGIONAL IMPACT ASSESSMENT STATEMENTS

No Regional Impact Assessment Statements were undertaken by the Authority in 2015-16.

**FINANCIAL STATEMENTS OF STORMWATER MANAGEMENT
AUTHORITY 1 JULY 2015 TO 30 JUNE 2016**

Certification of the financial statements

We certify that the:

- financial statements of the Stormwater Management Authority.
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Stormwater Management authority over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Mr Steven Morton
General Manager
Stormwater Management Authority

Date 10/8/2016



Mr Stephen Hains
Presiding Member
Stormwater Management Authority

Date 10/8/16.

Stormwater Management Authority

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Note No.	2016 \$'000	2015 \$'000
Expenses			
Supplies & Services	5	289	291
Grants and subsidies	6	979	7,925
Total expenses		1,268	8,216
Income			
Interest revenues	8	323	438
Total income		323	438
Net cost of providing services		945	7,778
Revenues from SA Government			
Revenues from SA Government	9	4,995	4,873
Net result		4,050	(2,905)
Total comprehensive result		4,050	(2,905)

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 2016

	Note No.	2016 \$'000	2015 \$'000
Current assets			
Cash and cash equivalents	10	12,061	7,961
Receivables	11	73	114
Total current assets		12,134	8,075
Total assets		12,134	8,075
Current liabilities			
Payables	12	15	6
Total current liabilities		15	6
Total liabilities		15	6
Net assets		12,119	8,069
Equity			
Retained earnings	13	12,119	10,974
Total equity		12,119	10,974

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 2016

	Note	Retained earnings	Total Equity
	No.	\$'000	\$'000
Balance at 30 June 2014	13	10,974	10,974
Net result for 2014-15		(2,905)	(2,905)
Total comprehensive result for 2014-15		(2,905)	(2,905)
Balance at 30 June 2015	13	8,069	8,069
Net result for 2015-16		4,050	4,050
Total comprehensive result for 2014-15		4,050	4,050
Balance at 30 June 2016	13	12,119	12,119

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 2016

	Note No.	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Cash outflows			
Supplies & Services		(241)	(334)
Payments of grants and subsidies		(979)	(7,925)
Cash used in operations		(1,220)	(8,259)
Cash inflows			
Grant refunds		-	-
Interest received		325	444
Cash generated from operations		325	444
Net cash (used in) / generated from operations		(895)	(7,815)
Cash inflows from SA Government			
Receipts from SA Government	9	4,995	4,873
Cash generated from SA Government		4,995	4,873
Net cash provided by operating activities	17	4,100	(2,942)
Net increase / (decrease) in cash and cash equivalents		4,100	(2,942)
Cash and cash equivalents at the beginning of the period		7,961	10,903
Cash and cash equivalents at the end of the period	10	12,061	7,961

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

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;

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- 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 the 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 2016 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 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.

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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.

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.

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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

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 2016. 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

	2016 \$'000	2015 \$'000
Supplies and services provided by entities within the SA Government		
Reimbursement of employee benefits - General Manager DEWNR*	126	131
Corporate overhead charge	31	31
Professional services - Department of Planning, Transport and Infrastructure	100	100
Other expenses**	24	12
Total supplies and services - SA Government entities	281	274
 Supplies and services provided by entities external to the SA Government		
Contractor expenses	-	3
Board and Committee Fees	8	14
Total supplies and services - Non SA Government entities	8	17
Total Supplies & Services expenses	289	291

* 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

Total grants - SA Government entities	-	-
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Grants & Subsidies paid to entities external to SA Government

City of Unley	420	933
City of Salisbury	375	37
Bureau of Meteorology	94	79
Brown Hill / Keswick Creeks Stormwater Project	55	2,861
The Barossa Council	33	-
City of Marion	2	161
City of Port Adelaide Enfield	-	3,027
City of West Torrens	-	744
District Council of Moonta	-	50
Total grants - Non SA Government entities	979	7,925
Total Grants & Subsidies expenses	979	7,925

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Note 7 Auditor's remuneration

	2016 \$'000	2015 \$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of financial statements.	7	6
Total audit fees	7	6

Other services

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

Note 8 Interest revenues

	2016 \$'000	2015 \$'000
Interest	323	438
Total interest revenues	323	438

Note 9 Revenues from SA Government

	2016 \$'000	2015 \$'000
Revenues from SA Government	4,995	4,873
Total revenues from SA Government	4,995	4,873

Note 10 Cash and cash equivalents

	2016 \$'000	2015 \$'000
Deposits at call - Local Government Finance Authority Deposit Account	12,061	7,961
Total cash and cash equivalents	12,061	7,961

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

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Note 11 Receivables

	2016	2015
	\$'000	\$'000
Accrued interest	73	75
Administration Costs Paid to DEWNR in Advance	-	39
Total receivables	73	114

Note 12 Payables

	2016	2015
	\$'000	\$'000
Creditors & accruals	7	6
Administration Costs Payable to DEWNR in Arrears	8	-
Total creditors	15	6

Note 13 Equity

	2016	2015
	\$'000	\$'000
Retained earnings	12,119	8,069
Total equity	12,119	8,069

Note 14 Unrecognised contractual commitments

Expenditure commitments	2016	2015
	\$'000	\$'000
Within one year	6,103	5,549
Later than one year but not longer than five years	0	94
Total other commitments	6,103	5,643

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.

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 Stephen Hains appointed to 30 June 2017

Ms Katharine Ward* appointed to 30 June 2017

Ms Julia Grant* appointed to 30 June 2017

Mr Andrew Grear* appointed to 30 June 2017

Mayor Lorraine Rosenberg appointed to 30 June 2017

Dr Helen Macdonald* appointed to 30 June 2017

Mr Wally Iasiello* appointed to 30 June 2017

The number of members whose remuneration received or receivable falls within the following bands:	2016	2015
\$0 - \$9 999	2	1
\$10 000 - \$19 999	0	0
Total number of members	2	1

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 members was \$8 037 (13 999).

* 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.

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Note 17 Cash flow reconciliation

	2016	2015
	\$'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	12,061	7,961
Balance as per the Statement of Cash Flows	12,061	7,961
 Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by operating activities	4,100	(2,942)
Less revenues from SA Government	(4,995)	(4,873)
 Movements in assets and liabilities		
(Decrease) Increase in receivables	(41)	33
Decrease (Increase) in liabilities	(9)	4
Net cost of providing services	(945)	(7,778)

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Note 18 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 2016 \$'000	Fair value 2016 \$'000	Carrying amount 2015 \$'000	Fair value 2015 \$'000
Financial assets						
Cash and cash equivalents	Cash and cash equivalents	10	12,061	12,061	7,961	7,961
Receivables	Accrued interest	11	73	73	75	75
Financial Liabilities						
Financial liabilities at cost	Creditors & accruals	12	0	0	0	0

Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (eg Commonwealth, State and Local Govt 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 earns a floating interest rate, based on daily bank deposit rates. The weighted average interest rate was 2.63% (2.64%). The carrying amount of cash and cash equivalents represents fair value.

Note 19 Events after balance date

There are no events after balance date.