

## **Stormwater Management Authority**

### **Annual Report 2010 – 2011**

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

The agreement sets out the roles and responsibilities of the State and Local Government and provides governance arrangements for stormwater management on a catchment basis throughout South Australia.

The agreement also incorporates a commitment by the State 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, is based on a spirit of cooperation between the State and Local Government to minimise administrative costs so that maximum available funding can be directed towards stormwater management initiatives.

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

The Department for Water, through a service level agreement, provide agreed services to the Authority.

On 1 July 2008 Ministerial functions were assigned to the Minister for Water Security. On 25 March 2010 the reference to the Minister for Water Security was changed to the Minister for Water.

#### **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.

The current board members are:

Mr Barry Gear AO	Presiding Member,
Mr Kym Good	Adelaide and Mount Lofty Ranges NRM Board,
Mr Andrew Gear	Department of Planning and Local Government,
Ms Julia Grant	Department for Water,
Mr Brian Clancey	District Council of Mount Barker, representative of a non-metropolitan council,
Ms Wendy Campana	Executive Director of the LGA, representative of a southern metropolitan council,
Mr Colin Pitman	City of Salisbury, representative of a northern metropolitan council.

The General Manager is Mr Carmine Porcaro.

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

The Board meets bi-monthly (or as required) and met on seven occasions during the reporting year. Two out of session meetings were called to progress activities during the year which were then formally recorded at the next regular meeting.

The General Manager Mr Carmine Porcaro in attendance at the Board meetings but had no voting rights.

On 31 December 2010 Ms Anne Howe resigned as a board member of the Authority having been a serving member since July 2008. As a result, the new ministerial appointment was Ms Julia Grant, Executive Director Policy and Urban Water from the Department of Water. This appointment was made by the Governor's Deputy on 12 May 2011 until 29 February 2012.

On 12 May 2011 the Governor's Deputy also re-appointed the remaining board members until 29 February 2011.

### **Members' Remuneration**

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, Presiding Member, was entitled to a remuneration and received a total of \$7,611.

### **Board Members' Interests**

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 2011, no member had a direct or personal interest in any proposal or application for funding considered by the Authority other than in the ordinary course of the Authority's business and at arm's length.

### **Gender balance**

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 two women and five men on the board.

### **Freedom of Information**

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](http://www.lga.sa.gov.au/goto/sma)).

In 20010/11 the Authority received 4 requests under the *Freedom of Information Act 1991*.

### **Stormwater Management Fund**

The Authority is required to report on the operation and adequacy of the 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 \$13.005 million at 30 June 2011 together with the State Government contribution of \$4.525 million in 2011/12 is adequate to fund anticipated progress payments next financial year.

However, the total amount of \$19.392 million at 30 June 2011 committed to approved stormwater management projects but yet to be claimed by applicants is expected to be paid out over the next 3 years.

The Authority is concerned that various stormwater management works including a number of large projects planned for implementation by councils over the next five to ten years will involve significant demand for funding contributions beyond the capacity of the annual State Government funding commitment.

### **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 \$1.33

million and is included in the abovementioned total value of existing commitments at 30 June 2011.

### **Project Funding**

A total of \$22.2 million has been approved towards 65 projects worth \$52.2 million since September 2006.

<u>Floodplain Mapping / Planning</u>	17	Metropolitan Projects	\$1,470,048
	11	Regional Projects	\$330,000
<u>Infrastructure Works</u>	25	Metropolitan Projects	\$16,935,840
	12	Regional Projects	\$3,498,158

- The Stormwater Management Committee approved \$2.803 million towards 12 projects worth \$6.329 million in 2006/07.
- The Authority approved \$2.650 million towards 13 projects worth \$7.149 million in 2007/08.
- The Authority approved \$5.887 million towards 18 projects worth \$14.174 million in 2008/09.
- The Authority approved \$7.869 million towards 10 projects worth \$17.769 million in 2009/10.
- The Authority approved \$3.026 million towards 12 projects worth \$6.784 million in 2010/2011.

In addition, \$7.75 million was previously committed to the \$20 million Gawler River Flood Mitigation Scheme.

Significant Commonwealth Government funding has been obtained for various projects including \$7.75 million for the Gawler River Flood Mitigation Scheme.

In June 2010 the Authority approved a contribution of \$6 million to the Port Road rejuvenation project. This formed part of the Water Proofing the West project – stage one which has a total approved value of \$58.6 million from other State and Commonwealth Agencies.

### **Regional Flood Mitigation Strategy**

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

The Stormwater Management 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 the past the Commonwealth provided periodic payments to the State for the purpose of the RFMP. In an effort to finalise the Commonwealth funding for the pre-2009 legacy programs, all outstanding funds under the program have been reviewed and the Commonwealth Treasury has now paid the total remaining amount to the State of South Australia for the RFMP.

In October 2010, the Authority received \$1,930,778 for the RFMP from the Commonwealth and will be the final payment for the original flood mitigation program. The SMA will need to continue to report to the Commonwealth through the National Partnerships Agreement on Natural Disaster Resilience.

### **Stormwater Management Plans**

- Port Road (Rejuvenation) Stormwater Management Plan  
City of Charles Sturt and City of Port Adelaide Enfield  
Approved September 2007
- Brown Hill and Keswick Creeks Stormwater Management Plan  
Adelaide City Council, Cities of Burnside, Mitcham, Unley and West Torrens  
Approved February 2008 – Plan current being revised
- Truro Stormwater Management Plan  
Mid Murray Council City  
Approved August 2010
- Streaky Bay Stormwater Management Plan  
District Council of Streaky Bay  
Approved April 2011
- Wasleys Stormwater Management Plan  
Light Regional Council  
Approved April 2011
- Laura Stormwater Management Plan  
Northern Area Council  
Approved April 2011

Stormwater Management Plans are being prepared for Port Pirie, North Arm East Catchment (Port Adelaide), Torrens Road Catchment, Marion-Holdfast Bay, Pedlar Creek, Port Elliot, Hallet Cove, Yankalilla, Normanville and Carrickalinga.

### **Brown Hill and Keswick Creeks Catchment Stormwater Management Plan**

Parts of the Brown Hill Creek and Keswick Creek catchment have been identified as at significant risk of flood damage. The catchment covers parts of the Cities of Adelaide, Burnside, Mitcham, Unley and West Torrens.

Local councils have primary responsibility for managing stormwater and flooding risk within their respective areas.

The five councils in association with the Adelaide and Mt Lofty Ranges Natural Resources Management Board collaborated to prepare the Brown Hill Creek and Keswick Creek Flood Mitigation Study in December 2006. This study was approved by the SMA as a Stormwater Management Plan in February 2008.

Subsequently the five Councils, through a Memorandum of Agreement, agreed to work together to implement the recommendations of the plan, by initiating detailed technical investigations and working towards the formation of a regional subsidiary.

In 2008 the City of Mitcham withdrew from the Memorandum of Agreement due to its concern regarding aspects of the Stormwater Management Plan.

In December 2009 the Authority initiated a mediation process to address and resolve differences between the Councils involved in the project. This process did bring some success but the Stormwater Management Authority resolved to conclude the mediation process in April 2010.

In May 2010 the Authority issued a 'Notice' to the five councils to prepare a Stormwater Management Plan in respect of the Brown Hill Creek and Keswick Creek catchment within a period of 90 days.

At the Stormwater Management Authority meeting on 9 August 2010, representatives of the Councils outlined an application to the Authority for financial assistance to prepare a revised Stormwater Management Plan. The application before the Authority had a total cost of \$220,000 and a timing of April 2011 for the Councils to finalise and accept the Stormwater Management Plan. The Authority resolved to issue an 'order' to the Councils to have the Stormwater Management Plan prepared by 30 April 2011 and to contribute \$110,000 towards its preparation.

On 16 February 2011 the Authority noted the progress with the preparation of the plan but was concerned about potential delays. As a result the Authority requested the five Councils to endorse a report that outlined the following:-

- timing and process for the completion of the draft Plan
- timing and process for community consultation on the draft Plan
- timing of the approval of the Plan by respective councils

On 19 April 2011 the Authority received a report, endorsed by all five Councils, that set out the timing and process to complete the Plan. The date presented by the Councils to complete the plan was March 2012.

On 11 May 2011 the Authority considered all the information from the five Councils and acknowledged the significance of the agreement to complete the Stormwater Management Plan.

This agreement demonstrates a commitment to deliver a plan that outlines appropriate flood mitigation measures to protect the community. The Authority has now issued a new order to reflect the timing and process of the five Councils for a plan to be delivered by the 2 March 2012.

## **Natural Resources Committee of Parliament**

On 3 May 2011, Mr Barry Gear AO, Presiding Member and Mr Carmine Porcaro, General Manager, from the Authority, attended a hearing of the Natural Resources Committee of Parliament. At the hearing the Presiding Member provided an update of the Authorities activities and an update to the Brown Hill and Keswick Creeks Catchment Project.

## **Stormwater Strategy Task Force**

In September 2010, the Minister for Water established a stormwater taskforce to develop a strategy for stormwater management. The task force included senior representatives from the Stormwater Management Authority (Presiding Member), SA Water, the Adelaide and Mount Lofty Ranges Natural Resources Management Board, the Local Government Association and the Goyder Institute for water Research. Chaired by the Chief Executive of the Department for Water, the taskforce was charged with developing a plan to guide stormwater management in the greater Adelaide region.

The strategy was to provide a "road map" for achieving the stormwater-related targets in the Government's water security plan, Water for Good, released in June 2009. To that end the Taskforce agreed on four key objectives:-

- To manage water resources in an integrated way
- To better mitigate flood risk
- To clarify roles and responsibilities, and
- To move towards water sensitive urban design.

The strategy is due for release in July 2011.

## **Water for Good**

Water for Good, a plan for ongoing water security throughout the State, was released in June 2009. The plan contains 94 actions of which some will involve the Authority as lead agency or partner. Achievement of outcomes will be a priority.

Action 14 of Water for Good - 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 report on governance issues of the Stormwater Management Authority was completed by Mr Kym Kelly and was jointly funded by the Local Government Association and the State Government.

The Department for Water will work with the Local Government Association and councils to develop a new operational model for the Stormwater Management Authority and to formalise a new State and Local Government Agreement.

# INDEPENDENT AUDITOR'S REPORT



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## To the Presiding Member Stormwater Management Authority

As required by section 31 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 2011. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2011
- a Statement of Financial Position as at 30 June 2011
- a Statement of Changes in Equity for the year ended 30 June 2011
- a Statement of Cash Flows for the year ended 30 June 2011
- 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 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 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 2011, 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  
30 September 2011

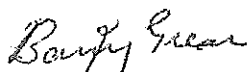
## Stormwater Management Authority

### 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 2011 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.



Barry J Grear AO  
Presiding Member

26<sup>th</sup> September 2011



Carmine Porcaro  
General Manager

26 September 2011

# Stormwater Management Authority

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

	Note No.	2011 \$'000	2010 \$'000
<b>Expenses</b>			
Supplies & Services	5	179	246
Grants and subsidies	6	3,252	2,344
<b>Total expenses</b>		<b>3,431</b>	<b>2,590</b>
<b>Income</b>			
Commonwealth revenues	8	1,931	277
Interest revenues	9	697	402
<b>Total income</b>		<b>2,628</b>	<b>679</b>
<b>Net cost of providing services</b>		<b>803</b>	<b>1,911</b>
<b>Revenues from SA Government</b>			
Revenues from SA Government	10	4,415	4,308
<b>Net result</b>		<b>3,612</b>	<b>2,397</b>
<b>Total comprehensive result</b>		<b>3,612</b>	<b>2,397</b>

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 2011

	Note No.	2011 \$'000	2010 \$'000
<b>Current assets</b>			
Cash and cash equivalents	11	13,005	9,452
Receivables	12	171	115
<b>Total current assets</b>		<b>13,176</b>	<b>9,567</b>
<b>Total assets</b>		<b>13,176</b>	<b>9,567</b>
<b>Current liabilities</b>			
Payables	13	6	9
<b>Total current liabilities</b>		<b>6</b>	<b>9</b>
<b>Total liabilities</b>		<b>6</b>	<b>9</b>
<b>Net assets</b>		<b>13,170</b>	<b>9,558</b>
<b>Equity</b>			
Retained earnings	14	13,170	9,558
<b>Total equity</b>		<b>13,170</b>	<b>9,558</b>

Unrecognised contractual commitments 15

Contingent assets and contingent liabilities 16

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 2011

	Note	Retained earnings	Total Equity
	No.	\$'000	\$'000
Balance at 30 June 2009		7,161	7,161
Net result for 2009-10		2,397	2,397
Total comprehensive result for 2009-10		2,397	2,397
Balance at 30 June 2010	14	9,558	9,558
Net result for 2010-11		3,612	3,612
Total comprehensive result for 2010-11		3,612	3,612
Balance at 30 June 2011	14	13,170	13,170

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 2011

	Note No.	2011 \$'000	2010 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Supplies & Services		182	244
Payments of grants and subsidies		3,249	2,347
<b>Cash used in operations</b>		<b>3,431</b>	<b>2,591</b>
<b>Cash inflows</b>			
Receipts from Commonwealth		1,931	277
Interest received		638	342
<b>Cash generated from operations</b>		<b>2,569</b>	<b>619</b>
<b>Net cash (used in) / generated from operations</b>		<b>(862)</b>	<b>(1,972)</b>
<b>Cash inflows from SA Government</b>			
Receipts from SA Government	10	4,415	4,308
<b>Cash generated from SA Government</b>		<b>4,415</b>	<b>4,308</b>
<b>Net cash provided by operating activities</b>		<b>3,553</b>	<b>2,336</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>3,553</b>	<b>2,336</b>
Cash and cash equivalents at the beginning of the period		9,452	7,116
<b>Cash and cash equivalents at the end of the period</b>	<b>11</b>	<b>13,005</b>	<b>9,452</b>
Non-cash transactions	18		

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 for Water 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*.

Except for AASB 2009-12, which the Authority has early adopted, 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 reporting period ending 30 June 2011. These are outlined in Note 4.

#### 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



## Stormwater Management Authority

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;
- b) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income);
- c) 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, except for certain assets that were valued in accordance with the valuation policy applicable.

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

The financial report has 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 2010 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 information 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.

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## Stormwater Management Authority

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.

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.

*nan*

## **Stormwater Management Authority**

### **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.

Commonwealth revenue is recognised as income at the time the grant is received by the Authority.

Commonwealth revenue and revenue from SA Government 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.

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 for Water (DFW), through a service level agreement, provides agreed services to the Authority.

The agreement includes:

Secondment of an employee of DFW 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 DFW Payroll system.

Payment through DFW's accounts system of payments to non local council payees in a timely manner on receipt of vendor tax invoices approved by the Authority.

## Stormwater Management 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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## 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

Except for AASB 2009-12 Presentation of Financial Statements, which the Authority has early-adopted, the 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 2011. The Authority has assessed the impact of the new and revised accounting 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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## Stormwater Management Authority

### Note 5 Supplies & Services

	2011	2010
	\$'000	\$'000
<b>Supplies and services provided by entities within the SA Government</b>		
Reimbursement of employee benefits - General Manager DFW*	116	102
Reimbursement of employee benefits - General Manager DTEI	0	21
Corporate Overhead Charge	25	26
Other expenses	25	24
<b>Total supplies and services - SA Government entities</b>	<b>166</b>	<b>173</b>
<b>Supplies and services provided by entities external to the SA Government</b>		
Contractor expenses	5	63
Board and Committee Fees	8	10
<b>Total supplies and services - Non SA Government entities</b>	<b>13</b>	<b>73</b>
<b>Total Supplies &amp; Services expenses</b>	<b>179</b>	<b>246</b>

\* refer to Note 3(i)

### Note 6 Grants and Subsidies

	2011	2010
	\$'000	\$'000
<b>Grants &amp; Subsidies provided to entities within the SA Government</b>		
Environment Protection Agency	30	0
<b>Total grants &amp; subsidies - SA Government entities</b>	<b>30</b>	<b>0</b>
<b>Grants paid</b>		
Gawler River Flood Mitigation Scheme	45	238
City of West Torrens	32	180
City of Holfast Bay	0	173
District Council of Loxton Waikerie	675	495
City of Norwood Payneham & St Peters	0	294
City of Port Adelaide Enfield	98	162
City of Salisbury	1,412	553
The Rural City of Murray Bridge	0	19
City of Victor Harbour	241	0
Brownhill / Keswick Creeks Stormwater Project	181	0
City of Tea Tree Gully	70	0
City of Charles Sturt	104	0
Other projects	364	230
<b>Total grants</b>	<b>3,222</b>	<b>2,344</b>
<b>Total Grants &amp; Subsidies expenses</b>	<b>3,252</b>	<b>2,344</b>

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## Stormwater Management Authority

### Note 7 Auditor's remuneration

	2011	2010
	\$'000	\$'000
Audit fees paid / payable to the Auditor-General's Department	6	7
<b>Total audit fees</b>	<b>6</b>	<b>7</b>

### Other services

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

### Note 8 Commonwealth revenues

	2011	2010
	\$'000	\$'000
Grants	1,931	277
<b>Total Commonwealth revenues</b>	<b>1,931</b>	<b>277</b>

### Note 9 Interest revenues

	2011	2010
	\$'000	\$'000
Interest	697	402
<b>Total interest revenues</b>	<b>697</b>	<b>402</b>

### Note 10 Revenues from SA Government

	2011	2010
	\$'000	\$'000
Revenues from SA Government	4,415	4,308
<b>Total revenues from SA Government</b>	<b>4,415</b>	<b>4,308</b>

### Note 11 Cash and cash equivalents

	2011	2010
	\$'000	\$'000
Deposits at call - Local Government Finance Authority Deposit Account	13,005	9,452
<b>Total cash and cash equivalents</b>	<b>13,005</b>	<b>9,452</b>

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

## Stormwater Management Authority

### Note 12 Receivables

	2011	2010
	\$'000	\$'000
Accrued interest	171	112
Recovery of Grant Overpayment	0	3
<b>Total receivables</b>	<b>171</b>	<b>115</b>

### Note 13 Payables

	2011	2010
	\$'000	\$'000
Creditors	0	7
Administration Costs Payable to DFW	6	2
<b>Total creditors</b>	<b>6</b>	<b>9</b>

### Note 14 Equity

	2011	2010
	\$'000	\$'000
Retained earnings	13,170	9,558
<b>Total equity</b>	<b>13,170</b>	<b>9,558</b>

### Note 15 Unrecognised contractual commitments

Other commitments	2011	2010
	\$'000	\$'000
Within one year	16,640	13,271
Later than one year but not longer than five years	2,752	6,098
Later than five years	-	-
<b>Total other commitments</b>	<b>19,392</b>	<b>19,369</b>

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 16 Contingent assets and liabilities

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

### Note 17 Remuneration of board members

Members that were entitled to receive remuneration for membership were:

Mr Barry Gear (appointed 1 July 2008)



## Stormwater Management Authority

The number of members whose remuneration received or receivable falls within the following bands:

	2011	2010
\$0 - \$9 999	1	2
<b>Total number of members</b>	<b>1</b>	<b>2</b>

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 \$7,600 (\$10,400).

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.

### Note 18 Cash flow reconciliation

	2011 \$'000	2010 \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period:</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	13,005	9,452
<b>Balance as per the Statement of Cash Flows</b>	<b>13,005</b>	<b>9,452</b>

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

Net cash provided by operating activities	3,553	2,336
Less revenues from SA Government	(4,415)	(4,308)

**Movements in assets and liabilities**

Increase (decrease) in receivables	56	63
(Increase) in liabilities	3	(2)
<b>Net cost of providing services</b>	<b>(803)</b>	<b>(1,911)</b>

## Stormwater Management Authority

Note 15: Stormwater Management Authority's 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 2011 \$'000	Fair value 2011 \$'000
Financial assets				
Cash and cash equivalents	Cash and cash equivalents	11	13,005	13,005

### 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 4.6% for 2010/11. The carrying amount of cash and cash equivalents represents fair value.

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## Stormwater Management Authority

### Note 20 Events after balance date

There were no events after balance date.

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