



**Government
of South Australia**

Stormwater Management Authority

2017-18 Annual Report

Stormwater Management Authority

Level 5, 81–95 Waymouth Street, Adelaide, SA, 5000

www.sma.sa.gov.au

Contact phone number +61 8 8124 4787

Contact email sma@sa.gov.au

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To:

The Hon David Speirs MP

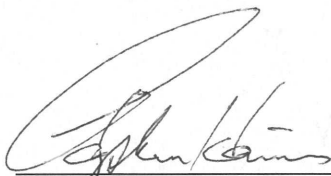
Minister for Environment and Water

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

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

Submitted on behalf of the Stormwater Management Authority by:

Stephen Hains
Presiding Member


Signature

28/9/18.
Date

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

Agency purpose or role

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

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

Objectives

In collaboration with local government, the Authority drives a strategic and long-term approach to stormwater management across South Australia. In 2017-18 the Authority has pursued the following objectives:

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

Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
Drive the finalisation and implementation of the Brown Hill and Keswick Creek Stormwater Management Plan	Flood hazard reduction
Drive the development and implementation of stormwater management plans for high priority projects	A green, liveable city Flood hazard reduction Sustainable water use

Key strategy	SA Government objective
Engage state government agencies to promote a whole-of-government approach to stormwater	Sustainable water use

Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Stormwater Management Fund	Not assessed in the reporting period	Reporting of the Stormwater Management Fund is contained in Section B

Legislation administered by the agency

The Authority does not administer any legislation.

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

Organisation of the agency

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

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

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

Department for Environment and Water

Employment opportunity programs

The Board of the Authority has no staff of its own and utilises the services of the Department for Environment and Water (DEW). Reporting on this matter is contained in the DEW Annual Report 2017-18.

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

Agency performance management and development systems

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

Work health, safety and return to work programs of the agency and their effectiveness

Program name and brief description	Effectiveness
The Authority abides by the relevant health and safety policies and procedures that have been adopted by DEW to meet whole of Government and legislative requirements	Reporting on this matter is contained within the DEW Annual Report 2017-18

Work health and safety and return to work performance

	2017-18	2016-17	% Change (+ / -)
Workplace injury claims			
Total new workplace injury claims	0	0	0
Fatalities	0	0	0
Seriously injured workers*	0	0	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0
Work health and safety regulation			
Number of notifiable incidents (<i>WHS Act 2012, Part 3</i>)	0	0	0
Number of provisional improvement, improvement and prohibition notices (<i>WHS Act 2012 Sections 90, 191 and 195</i>)	0	0	0
Return to work costs**			
Total gross workers compensation expenditure (\$)	0	0	0
Income support payments – gross (\$)	0	0	0

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the *Return to Work Act 2014 (Part 2 Division 5)*

**before third party recovery

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

Fraud detected in the agency

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

Strategies implemented to control and prevent fraud

Strategies to detect instances of fraud are reported in the DEW Annual Report 2017-18.

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

Whistle-blowers' disclosure

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

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

Executive employment in the agency

Executive classification	Number of executives
SAES Level 1	0

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

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

Consultants

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

Consultancies below \$10,000 each		
All consultancies below \$10,000 each	–	\$0
	Subtotal	\$0
Consultancies above \$10,000 each		
All consultancies above \$10,000 each	–	\$0
	Subtotal	\$0
Total all consultancies		\$0

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

See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

Contractors

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

Contractor	Purpose	Value
Andrew Thomas	Adelaide metropolitan stormwater infrastructure valuation and forecast	\$17,720
University of Adelaide	Review of national and international approaches to accounting for climate change in stormwater management	\$19,880
Department of Planning, Transport and Infrastructure	Provision of technical services under a Service Level Agreement	\$90,000

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

The details of all South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website [here](#).

The website also provides details of Across government contracts [here](#).

Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2017-18 are attached to this report.

In 2017-18, the Authority approved \$3.5 million towards ten projects with a total value of \$8.7 million.

The Authority's expenses in 2017-18 comprised:

Supplies and services	\$403,000
Grants and subsidies	\$6,132,000

The Fund generated \$362,000 in interest revenues in 2017-18.

Other financial information

Nil to report.

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

Nil to report.

Section B: Reporting required under any other act or regulation

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

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

During the 2017-18 financial year the Authority continued to pursue the completion of Stormwater Management Plans (SMPs) in accordance with its business plan. In 2017-18 the Authority approved the following SMPs:

- Freeling SMP (Light Regional Council)
- Greenock SMP (Light Regional Council)
- Kapunda SMP (Light Regional Council)
- Lefevre Peninsula SMP (City of Port Adelaide Enfield)
- Two Wells SMP (Adelaide Plains Council)
- Port Pirie SMP (Port Pirie Regional Council).

The Authority continues to work with Councils to facilitate development of remaining high priority SMPs. The following SMPs are currently being prepared:

- Adams Creek and Helps Road Drain SMP (City of Playford)
- Auburn SMP (Clare and Gilbert Valleys Council)
- Beach Road (Christies Beach) SMP (City of Onkaparinga)
- Burra SMP (Regional Council of Goyder)
- Cobbler Creek SMP (City of Salisbury)
- Eastern Suburbs SMP (City of Campbelltown)
- Gawler SMP (Town of Gawler)
- Greater Edinburgh Parks and St Kilda SMP (City of Playford)
- Jamestown SMP (Northern Areas Council)
- Kadina SMP (District Council of the Copper Coast)
- Lower Sturt River SMP (City of Mitcham)
- Manoora SMP (Clare and Gilbert Valleys Council)
- Mintaro SMP (Clare and Gilbert Valleys Council)
- Pedler Creek SMP (City of Onkaparinga)
- Port Elliot SMP (Alexandrina Council)
- Port River East SMP (City of Port Adelaide Enfield)
- Rhynie SMP (Clare and Gilbert Valleys Council)
- Riverton SMP (Clare and Gilbert Valleys Council)
- Saddleworth SMP (Clare and Gilbert Valleys Council)

- Salisbury Escarpment SMP (City of Salisbury)
- Silver Sands SMP (City of Onkaparinga)
- Smith Creek SMP (City of Playford)
- Stockport SMP (Clare and Gilbert Valleys Council)
- Tarlee SMP (Clare and Gilbert Valleys Council)
- Whyalla SMP (City of Whyalla)
- Yankalilla, Normanville & Carrickalinga SMP (District Council of Yankalilla).

In 2017-18 the Authority continued to improve the efficiency and effectiveness of its administrative arrangements and renegotiated a Service Level Agreement (SLA) with DEW for the provision of administrative support. As part of that SLA, the provision of technical staff to the Authority was transferred from DPTI to DEW.

The Authority has established a multi-disciplinary Stormwater Reference Group to provide technical advice and assurance.

The Authority will undertake a review of its business plan in 2018-19.

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

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

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

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

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

In 2017-18, the Authority made the following payments from the Stormwater Management Fund:

Application Number	Applicant	Project	Payment (\$'000)
157/16	City of Charles Sturt	Port Rd drainage project stage 2	3,945
165/17	City of Holdfast Bay	Bickford Tce drainage upgrade	1,055
153/15	City of Port Adelaide Enfield	Hargrave St gravity main	413
N/A	N/A	Operating expenses of the Authority	403
85/10	The Barossa Council	Nuriootpa township flood mitigation scheme	131
158/16	Adelaide and Mt Lofty Ranges NRM Board	Capacity building for water sensitive urban design in SA	110
140/14	District Council of the Copper Coast	Rossiters Road stormwater project	96
172/17	Bureau of Meteorology	Assisting local government with flash flood warning	85
148/14	City of Port Adelaide Enfield	Lefevre Peninsula SMP	76
25/06	Port Pirie Regional Council	Port Pire SMP	64
142/14	Light Regional Council	Freeling, Greenock and Kapunda SMPs	60

145/14	University of South Australia	Impact of infill development on minor systems	50
163/17	Gawler River Floodplain Management Authority	Gawler River flood mitigation scheme further investigation	47
TOTAL			6,535
Schedule 1A, section 30(2)(d) of the <i>Local Government Act 1999</i>			
<i>An assessment by the Authority of the adequacy of the Fund to meet claims on the Fund under this Schedule and the Stormwater Management Agreement.</i>			
<p>To date, the Fund has been adequate to meet claims for stormwater initiatives and project commitments. The cash balance of \$13.2 million at 30 June 2018, together with the State Government contribution of \$5.4 m in 2018-19, is adequate to fund progress payments in financial year 2018-19.</p> <p>The Authority expects to commence making payments against claims for the delivery of works identified in the Brown Hill and Keswick Creek SMP in 2018-19. The Fund has adequate capacity to meet these claims (over the proposed twenty-year implementation timeline). However, in developing its priorities for future stormwater management planning, the Authority is aware of a number of significant and emerging priorities, the funding of which are likely to be beyond the capacity of the Fund.</p> <p>At present, the Authority is therefore of the opinion that the Fund is not adequate if all known stormwater management issues are to be effectively addressed in the coming decade. The forecast cash flows for the Fund will most likely preclude the Authority from funding any new commitments in 2018-19 or beyond.</p>			

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

Summary of complaints by subject

Public complaints received by the Stormwater Management Authority	
Category of complaints by subject	Number of instances
All complaints	0

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

Complaint outcomes

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

Appendix: Audited financial statements 2017-18



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

To the Presiding Member Stormwater Management Authority

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 23(2) of Schedule 1A of the *Local Government Act 1999*, I have audited the financial report of the Stormwater Management Authority for the financial year ended 30 June 2018.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Stormwater Management Authority as at 30 June 2018, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member and the General Manager.

Basis for opinion

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

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

Responsibilities of the General Manager and the members of the Authority for the financial report

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

The members of the Authority are responsible for overseeing the entity's financial reporting process

Auditor's responsibilities for the audit of the financial report

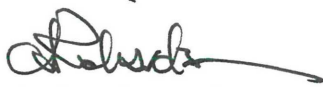
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Andrew Richardson

Auditor-General

28 September 2018

Stormwater Management Authority

CERTIFICATION OF THE FINANCIAL STATEMENTS

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

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- are in accordance with the accounts and records of the Stormwater Management Authority; and
- present a true and fair view of the financial position of the Stormwater Management Authority as at 30 June 2018 and the results of its operation and cash flows for the financial year.

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



Mr David Trebilcock
General Manager

28 September 2018



Mr Stephen Hains
Presiding Member

28 September 2018

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STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
Expenses			
Supplies and services	4	403	317
Grants and subsidies	5	6 132	3 313
Total expenses		6 535	3 630
Income			
Interest revenues	6	362	332
Total income		362	332
Net cost of providing services		(6 173)	(3 298)
Revenues from SA Government			
Revenues from SA Government	7	5 248	5 120
Net result		(925)	1 822
Total comprehensive result		(925)	1 822

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

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
Current assets			
Cash and cash equivalents	8	13 232	14 311
Receivables	9	80	65
Total current assets		13 312	14 376
Total assets		13 312	14 376
Current liabilities			
Payables	10	296	435
Total current liabilities		296	435
Total liabilities		296	435
Net assets		13 016	13 941
Equity			
Retained earnings	11	13 016	13 941
Total equity		13 016	13 941

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

Unrecognised contractual commitments 12

Contingent assets and liabilities 13

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Stormwater Management Authority

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Note No.	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2016		12 119	12 119
Net result for 2016-17		1 803	1 803
Total comprehensive result for 2016-17		1 803	1 803
Balance at 30 June 2017		13 922	13 922
Prior period adjustment	10	19	19
Restated balance at 30 June 2017	11	13 941	13 941
Net result for 2017-18		(925)	(925)
Total comprehensive result for 2017-18		(925)	(925)
Balance at 30 June 2018	11	13 016	13 016

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

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Note No.	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Cash outflows			
Payments for supplies and services		(438)	–
Payments of grants and subsidies		(6 236)	(3 210)
Cash used in operations		(6 674)	(3 210)
Cash inflows			
Interest received		347	340
Cash generated from operations		347	340
Cash flows from SA Government			
Receipts from SA Government	7	5 248	5 120
Cash generated from SA Government		5 248	5 120
Net cash provided by/(used in) operating activities		(1 079)	2 250
Net increase/(decrease) in cash and cash equivalents		(1 079)	2 250
Cash and cash equivalents at the beginning of the period		14 311	12 061
Cash and cash equivalents at the end of the period	8	13 232	14 311

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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Stormwater Management Authority

Note 1 Basis of financial statements

1.1 Reporting Entity

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

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

The Authority does not control any other entity and has no interests in unconsolidated structured entities.

1.2 Statement of compliance

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

The financial statements are general purpose financial statements.

The Authority has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Authority is a not-for-profit entity. Australian Accounting Standards have recently been issued or amended but are not yet effective, have not been adopted by the Authority for the period ending 30 June 2018.

1.3 Basis of preparation

The financial statements have been prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out in the notes.

1.4 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 Tax Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable;
- receivables and payables, which are stated with the amount of GST included.

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

Note 2 Objectives and activities

2.1 Objectives

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

2.2 Activities

The Authority provides funding toward 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 operation costs of the Authority.

Note 3 Remuneration of board members

Members during the 2017-18 financial year were:

Mr Trevor Daniell (appointed 5 October 2017)
Ms Fiona Gill* (appointed 3 May 2017)
Mr Stephen Hains (appointed 5 October 2017)
Mr Walter (Wally) Iasiello* (appointed 5 October 2017)
Dr Helen Macdonald* (appointed 5 October 2017)
Mayor Lorraine Rosenberg (appointed 5 October 2017)
Ms Katharine Ward* (appointed 5 October 2017)

The number of members whose remuneration received or receivable falls within the following bands:	2018	2017
\$0 – \$9 999	6	6
\$10 000 – \$19 999	1	1
\$20 000 – \$29 999	–	1
Total number of members	7	8

Remuneration of members reflects all costs of performing board member duties including sitting fees, superannuation contributions and retention allowance. The total remuneration received or receivable by members was \$39 000 (\$40 000).

* In accordance with Schedule 1A of the *Local Government Act 1999*, any employee of a public authority (meaning a Minister, an agency or instrumentality of the Crown or a council

Stormwater Management Authority

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.

Key management personnel

The Authority had ten key management personnel during 2017-18 including:

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

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

Total compensation for the Authority's key management personnel was \$148 000 in 2017-18 and \$156 000 in 2016-17.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Environment and Water and the Minister for Water and the River Murray receives. The Ministers' remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

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Note 4 Supplies and services

	2018 \$'000	2017 \$'000
Reimbursement of employee benefits to DEW ¹	125	122
Corporate overhead charges to DEW	31	20
Professional services—DEW ¹	50	–
Professional services—Department of Planning, Transport and Infrastructure ²	90	120
Other professional services	38	–
Other expenses ³	28	13
Board fees and associated costs ¹	41	42
Total supplies and services	403	317

1. DEW, through a service level agreement, provides agreed services to the Authority. The agreed services include:
 - Secondment of an employee of DEW to be the General Manager of the Authority who reports to the board of the Authority.
 - Payment of board fees and on-costs through the DEW payroll system.
 - Payments to non-local government payees through DEW's accounts system on receipt of vendor tax invoices approved by the Authority.
 - Provision of professional services for policy support

In 2017-18, following the withdrawal of services by the Department of Planning, Transport and Infrastructure, DEW agreed to the temporary, part-time secondment of an employee to be the Technical Adviser to the Authority, reporting to the General Manager.

2. The Department of Planning, Transport and Infrastructure (DPTI), through a service level agreement, provides agreed services to the Authority. The agreed services include:
 - Provision of professional services for technical advice.

In 2017-18, DPTI withdrew from providing services to Authority. DPTI ceased providing services on 31 March 2018.

3. Includes audit fees paid/payable to the Auditor-General's Department of \$9 500 (\$7 700) relating to work performed under the *Local Government Act 1999*. No other services were provided by the Auditor-General's Department.

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Note 5 Grants and subsidies

	2018	2017
	\$'000	\$'000
City of Charles Sturt	3 945	249
City of Holdfast Bay	1 055	28
City of Port Adelaide Enfield	489	1 633
The Barossa Council	131	–
Adelaide and Mt Lofty Ranges NRM Board	110	10
District Council of the Copper Coast	96	278
Bureau of Meteorology	85	93
Port Pirie Regional Council	64	–
Light Regional Council	60	–
University of South Australia	50	–
Gawler River Floodplain Management Authority	47	89
Naracoorte Lucindale Council	–	582
Brown Hill and Keswick Creeks Stormwater Project	–	145
City of Playford	–	80
Regional Council of Goyder	–	65
City of Salisbury	–	26
City of Port Lincoln	–	17
City of Unley	–	15
Northern Areas Council	–	3
Total grants and subsidies	6 132	3 313

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

Note 6 Interest revenues

	2018	2017
	\$'000	\$'000
Interest	362	332
Total interest revenues	362	332

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Note 7 Revenues from SA Government

	2018	2017
	\$'000	\$'000
Revenues from SA Government	5 248	5 120
Total revenues from SA Government	5 248	5 120

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

Note 8 Cash and cash equivalents

	2018	2017
	\$'000	\$'000
Deposits at call with the Local Government Finance Authority	13 232	14 311
Total cash and cash equivalents	13 232	14 311

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

Note 9 Receivables

	2018	2017
	\$'000	\$'000
Accrued interest	80	65
Total receivables	80	65

Note 10 Payables

	2018	2017
	\$'000	\$'000
Accrued expenses*	–	103
Administration costs payable to DEW*	296	332
Total payables	296	435

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

* Includes a prior period adjustment of \$19 000.

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Note 11 Equity

	2018	2017
	\$'000	\$'000
Retained earnings	13 016	13 941
Total equity	13 016	13 941

Note 12 Unrecognised contractual commitments

Commitments include grant expenditure arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

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

Expenditure commitments	2018	2017
	\$'000	\$'000
Within one year	8 854	5 544
Later than one year but not longer than five years	1 015	7 809
Total other commitments	9 869	13 353

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 13 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of note and, if quantifiable, are measured at nominal value.

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

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

Note 14 Related party transactions

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

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Related parties of the Authority include all key management personnel and their close family members; all Cabinet Ministers and their close family members, and the Local Government Association of South Australia.

Transactions with key management personnel and other related parties

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

Note 15 Financial risk management / financial instruments

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

		Carrying amount/fair value	
	Note	2018 \$'000	2017 \$'000
Financial assets			
Cash and cash equivalents	8	13 232	14 311
Receivables¹			
Accrued interest	9	80	65
Total financial assets		13 312	14 376
Financial liabilities			
Financial liabilities at cost			
Payables ¹	10	286	427
Total financial liabilities		286	427

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

Interest rate risk

Deposits at call with the Local Government Finance Authority earn a floating interest rate, based on daily bank deposit rates. The weighted average interest rate was 1.85% (1.74%). The carrying amount of cash and cash equivalents represents fair value.

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Note 16 Impact of standards and statements not yet implemented

The Authority did not voluntarily change any of its accounting policies in 2017-18.

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 2018.

AASB 9 Financial Instruments

The revision to AASB 9 *Financial Instruments* applies to reporting periods beginning on or after 1 January 2018, i.e. to financial statements as 30 June 2019. AASB 9 *Financial Instruments* provides the principles for the classification, measurement, recognition, de-recognition and disclosure associated with financial assets and liabilities. The key changes include simplified requirements for classification and measurement of financial assets and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognised impairment only when incurred.

The Authority has reviewed the impact of AASB 9 *Financial Instruments* on the classification and measurement of its financial assets. The following summarises the estimated impact to the categorisation and valuation of the amounts reported:

- Trade receivables and loan receivables will be classified and measured at amortised cost, similar to the current classification of loans and receivables. However, new impairment requirements will result in a provision being applied to all receivables rather than only those receivables that are credit impaired. The Authority will be adopting the simplified approach under AASB 9 *Financial Instruments* and will measure lifetime expected credit losses on all trade receivables and contract assets using a provision matrix approach as a practical expedient to measure impairment provision. The Authority has not yet calculated the impact.
- All financial liabilities listed in the financial instruments/ financial risk management note will continue to be measured at amortised cost. The Authority does not expect a material change in the reported value of financial liabilities.

Note 17 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2018 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2018.

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 2018 and which may have a material impact on the results of subsequent years.

No events have occurred after balance date that would affect the financial statements of the Authority as at 30 June 2018.