

# Stormwater Management Authority

Financial report  
for the year ended  
30 June 2021



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## To the Presiding Member Stormwater Management Authority

### Opinion

I have audited the financial report of Stormwater Management Authority (the Authority) for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Authority as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant 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 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Member and 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 Ethics for Professional Accountants (including Independence Standards)* have been met.

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

## **Responsibilities of the General Manager and the Board 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 relevant 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.

In preparing the financial report, the General Manager is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The General Manager is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board are responsible for overseeing the entity's financial reporting process.

## **Auditor's responsibilities for the audit of the financial report**

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 Authority for the financial year ended year ended 30 June 2021.

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, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Manager
- conclude on the appropriateness of the General Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- 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 Presiding Member and General Manager about, 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.



Andrew Richardson

**Auditor-General**

27 September 2021

## Stormwater Management Authority

### CERTIFICATION OF THE FINANCIAL STATEMENTS

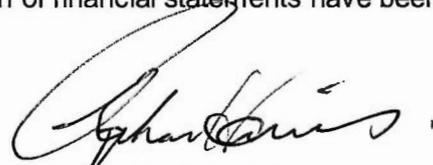
We certify that the:

- financial statements of the Stormwater Management Authority:
  - are in accordance with the accounts and records of the Stormwater Management Authority;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the Stormwater Management 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 for the financial year over its financial reporting and its preparation of financial statements have been effective.



Mr David Trebilcock  
**General Manager**

25 September 2021



Mr Stephen Hains  
**Presiding Member**

25 September 2021

## Stormwater Management Authority

### STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
<b>Income</b>			
Intra-government transfers	6	8,451	5,513
Interest revenues		40	118
LGFA bonus distributions		50	54
<b>Total income</b>		<b>8,541</b>	<b>5,685</b>
<b>Expenses</b>			
Supplies and services	4	395	326
Grants and subsidies	5	8,208	9,052
<b>Total expenses</b>		<b>8,603</b>	<b>9,378</b>
<b>Net result</b>		<b>(62)</b>	<b>(3,693)</b>
<b>Total comprehensive result</b>		<b>(62)</b>	<b>(3,693)</b>

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.

## Stormwater Management Authority

### STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	7	8,752	8,873
Receivables	8	1	3
<b>Total current assets</b>		<b>8,753</b>	<b>8,876</b>
<b>Total assets</b>		<b>8,753</b>	<b>8,876</b>
<b>Current liabilities</b>			
Payables	9	153	214
<b>Total current liabilities</b>		<b>153</b>	<b>214</b>
<b>Total liabilities</b>		<b>153</b>	<b>214</b>
<b>Net assets</b>		<b>8,600</b>	<b>8,662</b>
<b>Equity</b>			
Retained earnings		8,600	8,662
<b>Total equity</b>		<b>8,600</b>	<b>8,662</b>

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

Unrecognised contractual commitments Note 10

Contingent assets and liabilities Note 11

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 2021

	Note No.	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2019</b>		12,355	12,355
Net result for 2019-20		(3,693)	(3,693)
<b>Total comprehensive result for 2019-20</b>		(3,693)	(3,693)
<b>Balance at 30 June 2020</b>		8,662	8,662
Net result for 2020-21		(62)	(62)
<b>Total comprehensive result for 2020-21</b>		(62)	(62)
<b>Balance at 30 June 2021</b>		8,600	8,600

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.

## Stormwater Management Authority

### STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
<i>Cash Inflows</i>			
Intra-government transfers	6	8,451	5,513
Interest received		41	155
LGFA bonus distributions		50	54
<b>Cash generated from operations</b>		<b>8,542</b>	<b>5,722</b>
<i>Cash Outflows</i>			
Payments for supplies and services		(413)	(280)
Payments of grants and subsidies		(8,250)	(9,031)
<b>Cash used in operations</b>		<b>(8,663)</b>	<b>(9,311)</b>
<b>Net cash provided by/(used in) operating activities</b>		<b>(121)</b>	<b>(3,589)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(121)</b>	<b>(3,589)</b>
Cash and cash equivalents at the beginning of the period		8,873	12,462
<b>Cash and cash equivalents at the end of the period</b>	<b>7</b>	<b>8,752</b>	<b>8,873</b>

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

## Stormwater Management Authority

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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

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

The Authority has applied relevant Australian Accounting Standards that are applicable to not-for-profit entities, as the Authority is a not-for-profit entity.

Australian Accounting Standards 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 2021.

#### 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.

Income, expenses and assets are recognised net of the amount of GST except:

## Stormwater Management Authority

- 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.

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 for 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

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.

Related parties of the Authority include all key management personnel and their close family members; all public authorities that are controlled and consolidated into the whole of government financial statements; 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 with key management personnel other than compensation disclosed.

## Stormwater Management Authority

Members during the 2021 financial year were:

- Mr Trevor Daniell
- Cr Dr Helen Donovan
- Ms Catherine (Cate) Hart\* (appointed on 1 February 2021)
- Ms Shanti Ditter (appointed on 1 February 2021)
- Ms Fiona Gill\* (resigned on 30 September 2020)
- Mr Brenton Gear\* (resigned on 19 November 2020)
- Mr Stephen Hains
- Mr Walter (Wally) Iasiello\*
- Mr Simon Sherriff\*

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

	2021	2020
\$0 – \$19 999	9	7
<b>Total number of members</b>	<b>9</b>	<b>7</b>

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 \$46,000 (2020: \$37,000).

\* 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 or council subsidiary) did not receive any remuneration for board/committee duties during the financial year.

### Key management personnel

The Authority had eleven key management personnel during 2020-21 including:

- the Minister for Environment and Water
- 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 \$181,000 in 2020-21 and \$168,000 in 2019-20.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Environment and Water 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*.

## Stormwater Management Authority

### Note 4 Supplies and services

	2021 \$'000	2020 \$'000
Reimbursement of employee benefits to DEW <sup>1</sup>	219	182
Corporate overhead charges to DEW	43	31
Other supplies and services	77	69
Board fees and associated costs <sup>1</sup>	46	34
Other expenses <sup>2</sup>	10	10
<b>Total supplies and services</b>	<b>395</b>	<b>326</b>

1. DEW, through a service level agreement, provides agreed services to the Authority. The agreed services include:
  - Secondment of employees of DEW to act as Technical Adviser and Project Officer for the Authority.
  - 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.
  
2. Includes audit fees paid/payable to the Auditor-General's Department of \$10,200 (2020: \$9,900) relating to work performed under the *Local Government Act 1999*. No other services were provided by the Auditor-General's Department.

## Stormwater Management Authority

### Note 5 Grants and subsidies

	2021 \$'000	2020 \$'000
Brown Hill and Keswick Creeks Stormwater Board	6,821	1,697
City of Charles Sturt	801	3,871
Clare and Gilbert Valleys Council	181	–
City of Holdfast Bay	100	–
Regional Council of Goyder	75	–
Department for Environment and Water	55	–
City of Port Adelaide Enfield	46	677
City of West Torrens	40	–
City of Victor Harbour	32	–
Adelaide Plains Council	27	–
Gawler River Floodplain Management Authority	20	–
Green Adelaide	8	12
District Council of Yankalilla	2	27
City of Port Lincoln	–	2,031
District Council of Tumby Bay	–	488
Bureau of Meteorology	–	94
District Council of the Copper Coast	–	55
City of Mitcham	–	50
Town of Gawler	–	50
<b>Total grants and subsidies</b>	<b>8,208</b>	<b>9,052</b>

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 Intra-government transfers

	2021 \$'000	2020 \$'000
Intra-government transfers	8,451	5,513
<b>Total intra-government transfers</b>	<b>8,451</b>	<b>5,513</b>

Intra-government transfers are recognised on receipt.

Funding of \$5.651 million (2020: \$5.513 million) was received from DEW for the preparation and approval of stormwater management plans and related works.

Funding of \$2.800 million (2020: nil) was received from DEW for Gawler River flood mitigation projects identified in the State Budget 2020-21.

## Stormwater Management Authority

### Note 7 Cash and cash equivalents

	2021 \$'000	2020 \$'000
Deposits at call with the Local Government Finance Authority	8,752	8,873
<b>Total cash and cash equivalents</b>	<b>8,752</b>	<b>8,873</b>

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

### Note 8 Receivables

	2021 \$'000	2020 \$'000
Accrued interest	1	3
<b>Total receivables</b>	<b>1</b>	<b>3</b>

### Note 9 Payables

	2021 \$'000	2020 \$'000
Accrued expenses	65	116
Administration costs payable to DEW	88	98
<b>Total payables</b>	<b>153</b>	<b>214</b>

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

### Note 10 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.

	2021 \$'000	2020 \$'000
<b>Expenditure commitments</b>		
Within one year	8,998	6,892
Later than one year but not longer than five years	3,842	517
<b>Total other commitments</b>	<b>12,840</b>	<b>7,409</b>

## Stormwater Management Authority

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.

### Note 11 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.

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

### Note 12 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.

	Note	Carrying amount/fair value	
		2021 \$'000	2020 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	7	8,752	8,873
<b>Receivables<sup>1</sup></b>			
Accrued interest	8	1	3
<b>Total financial assets</b>		<b>8,753</b>	<b>8,876</b>
<b>Financial liabilities</b>			
Financial liabilities at cost			
Payables <sup>1</sup>	9	143	204
<b>Total financial liabilities</b>		<b>143</b>	<b>204</b>

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).

## Stormwater Management Authority

### Liquidity risk

The Authority is funded principally from revenues from SA Government. The board of the Authority determines cash outflows associated with its approved program of grants and subsidies to ensure funding is provided within the expected revenues received from SA Government.

### 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 0.80% (2020: 1.28%). The carrying amount of cash and cash equivalents represents fair value.

### Note 13 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2021 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2021.

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 2021 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 2021.