

The background of the entire page is a photograph of a river. In the upper right, there is a small waterfall with white water cascading over rocks. The rest of the image shows the river's surface with gentle ripples and some submerged vegetation.

# ANNUAL REPORT

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## 2018-2019

### Gawler River Floodplain Management Authority

Constituent Councils:

*Adelaide Hills Council*

*Adelaide Plains Council*

*The Barossa Council*

*Town of Gawler*

*Light Regional Council*

*City of Playford*

# GRFMA

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## **Chairman's Foreword**

The Gawler River Floodplain Management Authority is unique in its structure and role in floodplain management in Australia. Representing six councils (i.e., Adelaide Hills, Adelaide Plains, Barossa, Gawler, Light and Playford), the Authority established in 2005 as a Regional Subsidiary pursuant to Section 43 of the Local Government Act, 1999 was primarily purposed with responsibility for flood mitigation protection within the Gawler River catchment.

During 2019 the Authority met on nine occasions (i.e., six Ordinary and three Special meetings) progressing activities outlined within its Business Plan 2018 – 2021 and attending to other matters received by the Board for consideration and appropriate action.

The following provides a brief outline of important actions pursued by the Authority during the report period: -

### **Northern Floodway Project and Associated Public Relations Strategy**

The Authority has pursued endeavors to obtain State and Federal government funding for the project having an estimated \$27 million cost, on the basis of securing commitment from Federal and State Governments to fund in totality all capital costs, including the further design and development cost associated with the project

An application submitted to the Federal government seeking \$2 million from the Building Better Regions Infrastructure Scheme to undertake the first stage of the project incorporating ground-truthing investigations, preliminary design and documentation, further impacted landowner consultation, environmental and heritage surveys was unsuccessful.

With recent changes to State and Federal Government representation following respective election outcomes, it has been necessary to review strategies to engage with and seek political support for project funding. The Authority has initiated work in developing such advocacy strategies which hopefully will soon prove successful.

A recent alternative approach seeking matched contributions from State and Federal Government for \$1.8 million (i.e., \$900,000 each) has been supported by Minister David Spiers MP, and Senator Simon Birmingham in his letter to governmental colleague Minister David Littleproud MP.

### **Charter and Governance Review**

A periodic review of the Authority's Charter and associated governance review was initiated with a Working Group formed to progress in two stages, initially to pursue a short review of the Charter to identify any immediate amendments necessary for continuing operation and immediately following, undertake a further process to scope and consider other contemporary governance arrangements to be undertaken.

The Charter Review has progressed with proposed amendments supported by the Board, referred for legal review and circulated to the constituent councils for support pending adoption and subsequent Gazettal.

The Authority acknowledges the Working Group representation provided by each of the constituent councils and in particular, assistance provided by the Playford Council with legal service review.

### **Policy Review**

A review of the following Authority operating policies was undertaken and subsequently reindorsed:

- Internal Review Decisions
- Procurement and Operations
- Dam Valuation and Treasury Management, and
- Public Consultation

### **Gawler River Unharmful Mitigation Project (GRUMP)**

The Authority has agreed to enter into partnership with Bushfire and Natural Hazards CRC and the University of Adelaide to further develop an existing decision support tool (UNHaRMED) to explore how to manage flood risk into the future applying an integrated and dynamic approach. The project will consider specific pilot studies and develop a methodology for integrated flood mitigation planning by this Authority. The model once developed will also be available to other councils and floodplain managers responsible for flood-associated social, environmental and economic risk modelling and subsequent management.

The project has been supported by \$98,980 in funding the National Disaster Resilience Program. A joint University of Adelaide, Government and GRFMA constituent council representative Project Steering Group has been formed to progress the project which is due to be completed in March 2020.

### **Reforming Natural Resource Management in South Australia**

Submission was forwarded to the Hon David Spiers MP, Minister for Environment and Water regarding the State Governments proposal to establish new SA Landscapes Boards. The Authority is seeking clarification on the placement of constituent councils in the proposed regional reform and assurance that strategic flood management objectives and relevant landscape levy funding mechanisms are maintained.

### **Dam Break and Consequence Assessment Report**

Hydrology and Risk Consulting Pty Ltd was engaged to undertake a risk assessment of the Bruce Eastick North Para Flood Mitigation Dam. The report has been received and is currently undergoing review by Board members prior to initiating any actions resulting from the recommendations contained therein.

### **Dam Deflection Survey**

Recommendations contained within a survey report prepared by John Bested & Associates were received and identified for implementation.

Work required for the replacement of a Deep Bench Mark adjacent the dam structure was deferred for consideration within the 20/21 Budget.

### **Other Dam Maintenance Works Undertaken**

The following works were undertaken within budgetary allocations:

- Dewatering of stilling pond and inspection of low-level outlet to remove flow restrictions
- Reinstatement of the down-stream access track (acknowledging services provided by Light Regional Council)
- Earthworks to downstream right abutment scouring

### **New and Outgoing Board Members**

Following the outcome of the Local Government elections held in November 2018 the following constituent council elected member representations were appointed:

- Cr Stephen Coppins (Playford)
- Cr Terry-Anne Keen (Adelaide Plains)
- Cr Paul Koch (Gawler)
- Mayor Bim Lange (Barossa)

Outgoing members were acknowledged for services provided to the Board:

- Cr Denis Davey (Playford)
- Cr Mel Lawrence (Adelaide Plains)
- Cr Adrian Shackley (Gawler)
- Mayor Bob Sloane (Barossa)
- Mr. Mal Hemmerling (Playford)

The Authority maintains a short-term priority for the delivery of the Northern Floodway Project to provide increased flood protection for the lower reaches of the Gawler River.

Ultimately, resources will be aligned in providing 1:100 Average Recurrence Interval flood protection to the Gawler River catchment.

**Ian J. Baldwin**

Chairman and Independent Member

Gawler River Floodplain Management Authority

## Gawler River Floodplain Management Authority (GRFMA)

### The Gawler River

The Gawler River is formed by the confluence of the North Para and South Para in the town of Gawler and is located in the Adelaide Plains district of South Australia. The district surrounding the river produces cereal crops and sheep for both meat and wool, as well as market gardens, almond orchards and vineyards. The farm gate output of the Gawler River Floodplain horticultural areas is estimated to be at least \$225 million.

### Purpose of the GRFMA

The Gawler River Floodplain Management Authority (GRFMA) was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999 on 22 August 2002. The Constituent Councils are the Adelaide Hills Council, The Adelaide Plains Council, The Barossa Council, The Town of Gawler, Light Regional Council, and the City of Playford.

The Charter provides for one independent person, who is not an officer, employee or elected member of a Constituent Council, to be appointed as the Chairperson of the Board of Management of the GRFMA for a term of two years.

The Charter sets down the powers, functions, safeguards, accountabilities and an operational framework and the Business Plan sets down the operational plan and financial plan to achieve agreed objectives.





The Authority has been established for the following purposes:

- to co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River. This purpose is the core business of the Authority;
- to raise finance for the purpose of developing, managing and operating and maintaining works approved by the Board;
- to provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flood mitigation for the Gawler River;
- upon application of one or more Constituent Councils pursuant to clause 12.4:
  - to coordinate the construction, maintenance and promotion and enhancement of the Gawler River and areas adjacent to the Gawler River as recreational open space for the adjacent communities; and
  - to enter into agreements with one or more of the Constituent Councils for the purpose of managing and developing the Gawler River.

### **The Board**

The Members of the Board are:

<b>Council</b>	<b>Board Members</b>	<b>Deputy Board Members</b>
<b>Chairperson and Independent Member</b>	Mr. Ian Baldwin	
<b>Adelaide Hills Council</b>	Cr Malcolm Herrmann Mr. Marc Salver	Cr Pauline Gill
<b>Adelaide Plains Council</b>	Cr Terry-Anne Keen Mr James Miller	Cr John Lush Mr Robert Veitch
<b>The Barossa Council</b>	Mayor Bim Lange Mr. Gary Mavrinac	Cr Russell Johnstone
<b>Town of Gawler</b>	Cr Paul Koch Mr. Sam Dilenia	Cr Kelvin Goldstone Mr. Ben DeGilio
<b>Light Regional Council</b>	Cr William Close Mr. Brian Carr	Mr. Andrew Philpott
<b>City of Playford</b>	Cr Stephen Coppins Mr. Greg Pattinson	

Meetings of the Board are held at such time and such place as the Board decides subject only to the requirement that there will be at least one meeting in every two calendar months. A special meeting of the Board may be held at any time and may be called at the request of the Chairperson or at the written request of six members of the Board representing all of the Constituent Councils.

Ordinary meetings of the Board are generally held bi-monthly on the third Thursday of the even months commencing at 9.45 am: excepting December which is held on the second Thursday,

Meetings are hosted by the Constituent Councils on a rotational roster with six Board meetings and three Special Meetings were held during the year as follows:

- Thursday 5 July 2018                      Gawler (Special Meeting)
- Thursday 16 August 2018                Gawler
- Thursday 18 October 2018                Mallala (Adelaide Plains)
- Monday 12 November 2018                Gawler (Special Meeting)
- Thursday 13 December 2018              Playford
- Thursday 7 February 2019                Kapunda (Light)
- Thursday 21 March 2019                  Playford (Special meeting)
- Thursday 18 April 2019                  Gumeracha (Adelaide Hills)
- Thursday 17 May 2018                    Playford (Special Meeting)
- Thursday 13 June 2019                    Barossa

### Technical Assessment Panel

A Technical Assessment Panel has been appointed to support the decision-making processes of the Board with delegated powers to provide advice and manage the technical aspects of the design, assessment and construction of the various parts of the Scheme.

The Members of the Panel are:

- Mr Ian Baldwin, Independent Chair
- Ms Ingrid Franssen, Manager Flood Management, DEWNR
- Dr Moji Kan, Principal Engineer Dams, SA Water
- Mr Matt Elding, Barossa Council
- Mr Braden Austin, Playford Council
- Mr David Hitchcock Executive Officer
- Mr Dino Musolino, Observer, Lower Gawler River representative

No meetings of the Panel were held during the year, however email out of session consideration was undertaken to consider the Bruce Eastick Dam Break Consequence Report.

### Audit Committee

An Audit Committee has been appointed to review:

- the annual financial statements to ensure that they present fairly the state of affairs of the Board, and
- the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Board on a regular basis.

The Committee held four meetings during the year:

- 13 August 2018
- 10 December 2018
- 15 March 2019
- 3 June 2019

The members of the Committee are:

- Mr Peter Brass, Independent Member
- Mr Greg Pattinson, City of Playford
- Cr Malcolm Herrmann, Adelaide Hills Council

### Charter and Governance Review Working Group

A periodic review of the Authority's Charter and associated governance review was initiated with a Working Group formed to progress in two stages, initially to pursue a short review of the Charter to identify any immediate amendments necessary for continuing operation and immediately following, undertake a further process to scope and consider other contemporary governance arrangements to be undertaken.

The first stage of the Charter Review is expected to be completed by December 2019 with the governance and financial contributions review to be then initiated.



### GRFMA Policies

The following Policies have been adopted to provide management guidelines for the day-to-day business of the GRFMA:

- Procurement and Operations Policy
- Grant Policy
- Internal Review of Decisions Policy
- Public Consultation Policy
- Access to Meetings and Documents Policy
- Dam Valuation Policy
- Treasury Management Policy

The purpose of policies is to provide prudent management guidelines for the day-to-day management of the affairs of the Authority.

All meetings of the GRFMA and its committees are open to the public, with the exception of those matters to be considered under Section 90 of the Local Government Act 1999.

No Freedom of Information requests were received during the year.

Forum	Total Resolutions for the year	Resolutions to exclude the Public - Sec 90(3)	Purpose	Order for docs to remain confidential - Sec 91(7)	%
Board	99	7	Possible commercial advantage of a person	0	0
Technical Assessment Panel		0		0	0
Audit Committee	18	1		0	0

Mr David Hitchcock has been engaged to provide Executive Officer services under a services agreement until 31 December 2019. Mr Hitchcock has extensive experience in the administration of Councils and regional subsidiaries under the Local Government Act 1999.

The GRFMA has no employees and all services are engaged on a contract basis.

## Evaluation of Performance against the Business Plan

### Part A: Funding

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Secure Additional Project Funding	June 2016	All Councils, stakeholders and Governments agree to contribute to the project in accordance with the Plan	<input checked="" type="checkbox"/> Scheme total funding achieved to date \$21,913,859 and which includes grants of \$17,016,420
Grant Claims	At all times	Lodge claims monthly for the payment of Commonwealth and State Government Grants.	<input checked="" type="checkbox"/> Claims lodged at the end of the month
Maintain positive Cash Flow	At all times	Positive bank account balances at all times.	<input checked="" type="checkbox"/> Positive cash flow maintained

### Part B: Proposed Flood Mitigation Scheme Works

South Para Works			
<p>The South Para Reservoir is under the control and management of SA Water Corporation who have agreed to undertake the required modifications to the South Para Reservoir to provide the required level of flood mitigation capacity as a cost to the Scheme.</p> <p>Dam safety review and design proposal to modify the dam wall and spillway completed September 2005</p> <p>Detailed hydrology study of the catchment using the very latest methodologies let to Department of Transport, Energy and Infrastructure completed March 2007.</p>			
Performance Targets:	Timings:	To be measured By:	Actual Achievements
Detailed design of works	December 2010	Completion of detailed design and tender documents	<input checked="" type="checkbox"/> July 2011 Final approvals granted
Construction of the works	June 2012	Completion of construction	<input checked="" type="checkbox"/> Practical completion achieved June 2012

## Gawler River Flood Mitigation Scheme

- One What will the Mark Two Scheme Include? (Note these steps may occur concurrently and not necessarily in the following order)
- Two Reconfirm with the Constituent Councils that a 1 in 100-year level of protection is the protection standard that is to be pursued in the development of the Gawler River Flood Mitigation Scheme - Mark Two Strategy. N.B. The protection standard does not guarantee full protection for all flood events. ***The Findings Report 2016 advises the 1 in 100 ARI event is considered to be the minimum desirable level of flood protection for new development as well as for much of the existing floodplain development.***
- Determine if a second dam on the North Para River or modification to the Bruce Eastick North Para Flood Mitigation Dam is an option. The GRFMA Board has recently accepted a tender for a Findings Report to undertake an assessment to determine if a second dam is required and feasible. ***The Findings Report 2016 advises enlarging the existing Bruce Eastick North Para Flood Mitigation Dam on the North Para offers the greatest level of protection with least impacts and is rated as the most favoured structural mitigation option. This option deferred pending completion of the Northern Floodway Project proposal. Noting feasibility of raising the height of the Bruce Eastick Dam is still a strategic consideration;***
- Three The Gawler River Floodplain Mapping Model should be maintained as the reference tool to demonstrate the level of flood protection and validity of design of land proposed for development as part of the approval process. To achieve this, the model should be upgraded to include recent works such as the Northern Expressway works and the additional floodplain mapping completed as part of the Light River Templers Creek Salt Creek Mapping Study by the Adelaide Plains Council . ***Completed.***
- Four To further develop the preliminary assessment of possible local area levees prepared in the 2008 Gawler River Floodplain Mapping Study at Gawler, Angle Vale and Two Wells and develop a levee strategy for Virginia to a robust design standard with a staging plan. Undertake a cost benefit study for each stage of the plan. ***Currently being considered in association with the Northern Floodway Project proposal.***
- Five Establish a protocol with the Floodplain Councils that where development of land in areas identified as 'at risk of flooding' is planned to proceed by the implementation of a local area levee that mapping of the proposed levees on the Gawler River Floodplain Mapping Study Model will be required. ***It is anticipated the Gawler River Unharmful Mitigation Project, currently underway, will contribute to understanding of this issue and relevant strategies.***
- Six Maintain a working relationship with the Australian Rail Track Corporation to ensure that any changes to Railtrack infrastructure of culverts and rail heights are mapped on the Gawler River Floodplain Mapping Study Model to identify any changes to flooding impacts. ***Ongoing***
- Seven Develop a funding strategy for flood protection that is delivered by local area levees on the questions of who should own and maintain the levees and whether local area levees are regional works that the GRFMA should fund or are they local works that are the responsibility of the local Council. ***Currently being considered in association with the Northern Floodway Project proposal.***
- Eight Investigate opportunities for funding partners and grants to undertake the necessary assessments and designs. ***Ongoing.***
- Nine The Scheme will also seek to clarify, through the Local Government Association, the policy and legal framework around maintenance of rivers and creeks where those rivers and creeks are part of the regional flood management plan. Under current legislation a landowner is responsible for the condition of a creek or waterway on private land. ***Currently under review by Department Environment and Water. GRFMA submission provided.***

**Part B: Maintenance of the Scheme**

<b>Performance Targets:</b>	<b>Timings:</b>	<b>To be measured By:</b>	<b>Actual Achievements</b>
Six monthly inspection	June and December	Completion of Inspection Report	<input checked="" type="checkbox"/> <b>Comprehensive Dam inspection (Newman Engineering) carried out Jan 2018</b> <input checked="" type="checkbox"/> <b>Dam Break Consequence study due for completion June 2019.</b> <input checked="" type="checkbox"/> <b>Road Access Repairs completed February 2019.</b> <input checked="" type="checkbox"/> <b>Dam Survey Monument (5 year) Survey completed April 2019.</b> <input checked="" type="checkbox"/> <b>Lower Level Outlet Pipe and stilling basin dewatered and inspections undertaken March 2019.</b>

**Part C: Operation of the Regional Subsidiary**

<b>Performance Targets:</b>	<b>Timings:</b>	<b>To be measured By:</b>	<b>Actual Achievements</b>
Reports to Stakeholders	Twice yearly	The publication and distribution of a Fact Sheet to all stakeholders and affected landowners.	<input checked="" type="checkbox"/> <b>Newsletters were forwarded to all stakeholders following completion of Findings Report. Now not required due to no Dam construction work being undertaken.</b>
	Bi-Monthly	Key Outcomes Summary to be published following each Board Meeting to include a summary of the progress of the development of the Scheme.	<input checked="" type="checkbox"/> <b>Key Outcomes Summary prepared following GRFMA meetings</b>
Maintain effective Regional Subsidiary	December	The performance of the Executive Officer be reviewed annually Charter Review	<input checked="" type="checkbox"/> <b>Next review to be conducted in December 2019.</b> <input checked="" type="checkbox"/> <b>GRFMA Charter Review (1<sup>st</sup> stage) completed June 2019</b>
	August	The appointment of Auditor, Bank Operators, levels of insurance, appropriate registrations, delegations and policies be reviewed annually.	<input checked="" type="checkbox"/> <b>Auditor reappointed up to 30 June 2019</b> <input checked="" type="checkbox"/> <b>EOI invited in May 2019 for Auditor services 2019-2024</b> <input checked="" type="checkbox"/> <b>Appropriate levels of insurance reviewed in July 2018</b>
Review of the Business Plan	By 31 <sup>st</sup> March	Review the Business Plan prior to preparing the Budget Forward to the Councils	<input checked="" type="checkbox"/> <b>June 2018 – Business Plan 2018-2021 adopted</b> <input checked="" type="checkbox"/> <b>June 2019 – Achievements against the Business Plan 2018-2019 presented</b>

Annual Budget	By 31 <sup>st</sup> March, June, October, December	Adopt for consultation forward to Councils- Adopt Budget – copy to Councils in 5 days- Conduct Budget Reviews	<input checked="" type="checkbox"/> <b>March 2019 –Council consultation</b> <input checked="" type="checkbox"/> <b>Budget 2019–2020 adopted at June 2019 Board meeting</b>
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Subscriptions	June December	Send half year subscriptions to Council	<input checked="" type="checkbox"/> <b>All first half subscriptions paid</b> <input checked="" type="checkbox"/> <b>All Second half subscriptions paid</b>
Report to Constituent Councils	Following each Board meeting By 30 <sup>th</sup> September	The receipt of the following reports by Councils, Board Meeting Key Outcome Summary Annual Report including Annual Financial Statements	<input checked="" type="checkbox"/> <b>Key Outcomes Summary prepared following meetings</b> <input checked="" type="checkbox"/> <b>Annual Report forwarded electronically to Councils.</b>

**Financial Statements 2018-2019**

1. Certification of Financial Statements
2. Financial Statements and Notes
3. Related Parties Disclosures
4. Statement of Auditors Independence
5. Certification of Auditor Independence
6. Management Letter

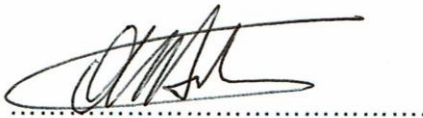


**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019**  
**CERTIFICATION OF FINANCIAL STATEMENTS**

We have been authorised by the Gawler River Floodplain Management Authority Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2019 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



David Hitchcock

EXECUTIVE OFFICER

15/8/19



Ian Baldwin

CHAIRMAN

15/8/19

# GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
<b>INCOME</b>			
Subscriptions	3	231,577	79,600
Investment income	1(d)	1,718	2,428
State Government Grants	2	-	-
Other Income		5,024	20,000
<b>Total Income</b>		<u>238,319</u>	<u>102,028</u>
<b>EXPENSES</b>			
Contractual Services	4	129,856	85,445
Depreciation	1(i), 9	233,081	231,213
Other		16,746	15,106
<b>Total Expenses</b>		<u>379,684</u>	<u>331,764</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<u>(141,365)</u>	<u>(229,736)</u>
<b>NET SURPLUS / (DEFICIT)</b>		<u>(141,365)</u>	<u>(229,736)</u>
transferred to Equity Statement			
<b>Other Comprehensive Income</b>			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment		5,830,163	-
<b>Total Other Comprehensive Income</b>		<u>5,830,163</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>5,688,798</u>	<u>(229,736)</u>

This Statement is to be read in conjunction with the attached Notes.

# GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

## STATEMENT OF FINANCIAL POSITION as at 30 June 2019

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		3,034	2,124
Investments	1(d)	63,868	57,288
Debtors		-	-
Debtors - GST		1,891	1,663
Accrued Interest		67	149
<b>Total Current Assets</b>		<u>68,860</u>	<u>61,225</u>
<b>Non-current Assets</b>			
Infrastructure	9	25,329,000	18,497,000
Accumulated Depreciation Infrastructure	1(i), 9	(3,474,000)	(2,311,850)
Land	9	477,000	465,687
<b>Total Non-current Assets</b>		<u>22,332,000</u>	<u>16,650,837</u>
<b>Total Assets</b>		<u>22,400,860</u>	<u>16,712,062</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables		-	-
Borrowings		-	-
<b>Total Liabilities</b>		-	-
<b>NET ASSETS</b>		<u>22,400,860</u>	<u>16,712,062</u>
<b>EQUITY</b>			
Accumulated Surplus		13,718,887	13,860,252
Asset Revaluation Reserves	1(h)	8,681,973	2,851,810
<b>TOTAL EQUITY</b>		<u>22,400,860</u>	<u>16,712,062</u>

This Statement is to be read in conjunction with the attached Notes.

# GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2019

	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	TOTAL EQUITY \$
<b>2019</b>				
Balance at end of previous reporting period		<b>13,860,252</b>	<b>2,851,810</b>	<b>16,712,062</b>
Restated opening balance		<b>13,860,252</b>	<b>2,851,810</b>	<b>16,712,062</b>
<b>Net Surplus / (Deficit) for Year</b>		<b>(141,365)</b>		<b>(141,365)</b>
<b>Other Comprehensive Income</b>				
Gain on revaluation of infrastructure, property, plant & equipment			<b>5,830,163</b>	<b>5,830,163</b>
<b>Balance at end of period</b>		<b>13,718,887</b>	<b>8,681,973</b>	<b>22,400,860</b>
 <b>2018</b>				
Balance at end of previous reporting period		14,089,988	2,851,810	16,941,798
Restated opening balance		14,089,988	2,851,810	16,941,798
<b>Net Surplus / (Deficit) for Year</b>		<b>(229,736)</b>		<b>(229,736)</b>
<b>Other Comprehensive Income</b>				
<b>Balance at end of period</b>		<b>13,860,252</b>	<b>2,851,810</b>	<b>16,712,062</b>

This Statement is to be read in conjunction with the attached Notes



# GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

## STATEMENT OF CASHFLOWS for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		236,374	149,732
Interest Receipts		1,800	2,774
Payments		<u>(146,602)</u>	<u>(100,552)</u>
<b>Net Cash provided by (or used in) Operating Activities</b>		<b>91,572</b>	<b>51,954</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Payments</u>			
Expenditure on new/upgraded assets		<u>(84,081)</u>	<u>(139,323)</u>
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(84,081)</b>	<b>(139,323)</b>
 <b>Net Increase (Decrease) in cash held</b>	7.1	<b>7,491</b>	<b>(87,369)</b>
 Cash & cash equivalents at beginning of period		<b>59,412</b>	<b>146,781</b>
<b>Cash &amp; cash equivalents at end of period</b>	7.2	<b><u>66,902</u></b>	<b><u>59,412</u></b>

This Statement is to be read in conjunction with the attached Notes

# GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

## UNIFORM PRESENTATION OF FINANCIAL STATEMENTS

for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
Operating Revenues		238,319	102,028
Less: Operating Expenses		(379,684)	(331,764)
<b>Operating Surplus/(Deficit) before Capital Amounts</b>		<u>(141,365)</u>	<u>(229,736)</u>
<b>Less Net Outlays in Existing Assets</b>			
Capital Expenditure on renewal and replacement of Existing Assets		-	-
Less Depreciation Amortisation and Impairment		(233,081)	(231,213)
Less Proceeds from Sale of Replaced Assets		-	-
		<u>(233,081)</u>	<u>(231,213)</u>
<b>Less Net Outlays on New and Upgraded Assets</b>			
Capital Expenditure on New and Upgraded Assets		84,081	139,323
Less Amounts received specifically for New and Upgraded Assets		-	-
Less Proceeds from Sale of Surplus Assets		-	-
		<u>84,081</u>	<u>139,323</u>
<b>Net Lending / (Borrowing) for Financial Year</b>		<u><u>7,635</u></u>	<u><u>(137,846)</u></u>

This Statement is to be read in conjunction with the attached Notes



## GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

Schedule of Constituent Council's Interest in Net Assets as at 30<sup>th</sup> June 2019

**Prepared to meet the requirements of Clause 15.5 of the Charter**

"The 'Schedule of Constituent Councils' Interests in Net Assets' will reflect the proportionate contribution each Constituent Council has made to the growth of the net assets of the Authority having regard to the proportionate contribution to subscriptions. The Schedule when updated by the Board at the end of each financial year will reflect the proportionate contribution of each Constituent Council since the commencement of the Authority and once accepted by each Constituent Council will be evidence of the agreed proportion of a Constituent Council's interests in the net assets as at 30 June in that year."

For the purposes of this Clause all subscriptions by Constituent Councils have been included.

This Schedule has been prepared on the basis that the Authority was 'wound up' on 30 June 2019. The value of infrastructure and land as stated in the Audited Financial Statements at 30<sup>th</sup> June have been included. Grants and contributions from the Commonwealth Government, State Government and the former Northern Adelaide Barossa Catchment Water Management Board that have contributed to these costs have not been deducted.

### Calculation of Net Equity

#### Assets

Investments / Debtors	\$ 68,860
Infrastructure	\$ 21,855,000
Land	<u>\$ 477,000</u>
	<b>\$ 22,400,860</b>

#### Less Liabilities

Accounts Payable / Creditors	<u>\$ 0</u>
<b>NET EQUITY</b>	<b>\$ 22,400,860</b>

### Allocation of Councils Interest in Net Assets

Constituent Councils	Accumulated Subscriptions for Operations to 30 June 2019	Accumulated Subscriptions for Maintenance to 30 June 2019	Accumulated Subscriptions for Scheme Works to 30 June 2019	All Subscriptions to 30 June 2019	Percentage of Contributions to the Total	Council's Interests in Net Assets
Adelaide Hills Council	\$123,594	\$4,005	\$70,988	\$198,587	3.92%	<b>\$878,114</b>
Adelaide Plains Council	\$123,594	\$66,878	\$1,183,146	\$1,373,618	27.11%	<b>\$6,072,873</b>
The Barossa Council	\$123,594	\$20,056	\$354,951	\$498,601	9.84%	<b>\$2,204,245</b>
Town of Gawler	\$123,594	\$40,073	\$709,892	\$873,559	17.24%	<b>\$3,861,908</b>
Light Regional Council	\$123,594	\$20,056	\$354,951	\$498,601	9.84%	<b>\$2,204,245</b>
City of Playford	\$123,594	\$80,229	\$1,419,763	\$1,623,586	32.05%	<b>\$7,179,475</b>
	<b>\$741,564</b>	<b>\$231,297</b>	<b>\$4,093,691</b>	<b>\$5,066,552</b>	<b>100%</b>	<b>\$22,400,860</b>

Schedule of Constituent Councils' Interests in Net Assets' as at the 30<sup>th</sup> June 2019 adopted by the Board in accordance with Clause 15.5 of the Charter on 15/8/19

**Gawler River Floodplain Management Authority**  
**Notes to the Financial Statements for the year ended 30<sup>th</sup> June 2019**

**1 Statement of Significant Accounting Policies**

**a) The Local Government Reporting Entity**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The Gawler River Floodplain Management Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, The Barossa Council, Town of Gawler, Light Regional Council, Adelaide Plains Council and The City of Playford.

All funds received and expended by the Authority have been included in the financial statements forming part of this financial report.

**b) Basis of Accounting**

This financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values, or except where specifically stated, current valuation of non-current assets.

**c) Employees**

The Association has no employees.

**d) Investments**

Investments are valued at cost. Interest revenues are recognised as they accrue.

**e) Cash**

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdraft.

**f) Infrastructure**

The Bruce Eastick North Para Flood Mitigation Dam was constructed in 2007. The valuation includes all materials, contractor's costs plus costs incidental to the acquisition, including engineering design and supervision fees and all other costs incurred.

**g) Land**

The dam land includes the land on which the dam is constructed, rights of way access to the land and 'right to flood' easements over the land upstream from the dam that will be inundated by dam waters for short periods of time during a flood event. The Board valuation was undertaken at 30th June 2011. Additional Land surrounding the dam was purchased in 2017/18.

**h) Revaluation**

The Board sought an independent valuation to be applied as at 30<sup>th</sup> June 2019, of the Bruce Eastick North Para Flood Mitigation Dam. The Board recognises that the dam is a unique infrastructure. The Board sought the advice of Entura (Hydro Tasmania), who provided a replacement cost valuation based on the actual construction contract costs, including some 'owner's costs' which would be incurred in the event of a replacement being necessary. The estimate of the replacement cost was \$25.245 million at June 2019. In accordance with Accounting Standard (AASB)13 Fair Value Measurement, it is to be noted that valuation has been under level 3 valuation.



*Fair value level 3 valuations of buildings, infrastructure and other assets* – There is no known market for these assets and they are valued at depreciated current replacement cost. The method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

The method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

#### **i) Depreciation**

The depreciation period for the Bruce Eastick North Para Flood Mitigation Dam is based on an expected life of 80 years.

The depreciation period for the Access Road is based on an expected life of 15 years

#### **j) Revenue**

Revenue from the Subscriptions is recognised upon the delivery of the service to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue is stated net of the amount of goods and services tax (GST).

## **2 Functions / Activities of the Association**

a) Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note b.

b) The activities of the Authority are categorised into the following function / activities:

Administration: The operations of the Authority and its Board

Other Environment: Flood Mitigation

c) Functions of the Gawler River Floodplain Management Authority (excluding depreciation)

	Revenue			Expenses	
	Year	Grants	Other	Total Revenue	Expenses Total
Administration	2019		\$148,842	\$148,842	\$75,351
	2018		\$ 63,028	\$ 63,028	\$75,431
Other	2019		\$ 89,477	\$ 89,477	\$71,251
Environment:					
Flood Mitigation	2018		\$ 39,000	\$ 39,000	\$25,120
	2019		\$238,319	\$238,319	\$146,602
Total	2018		\$102,028	\$102,028	\$100,551
					\$1,477

### 3 Subscriptions

The following subscriptions were levied on the Constituent Councils in accordance with Clause 10.2 of the Charter for the year:

Constituent Council	Scheme Works		Maintenance		Operations		TOTALS	
	2019	2018	2019	2018	2019	2018	2019	2018
Adelaide Hills Council			\$ 1,548	\$ 329	\$23,683	\$10,100	\$25,231	\$10,429
The Barossa Council			\$ 7,758	\$1,647	\$23,683	\$10,100	\$31,441	\$11,747
Town of Gawler			\$15,515	\$3,295	\$23,683	\$10,100	\$39,198	\$13,395
Light Regional Council			\$ 7,758	\$1,647	\$23,683	\$10,100	\$31,441	\$11,747
Adelaide Plains Council			\$25,868	\$5,492	\$23,683	\$10,100	\$49,551	\$15,592
City of Playford			\$31,030	\$6,590	\$23,683	\$10,100	\$54,713	\$16,690
<b>TOTAL</b>	-	-	\$89,477	\$19,000	\$142,098	\$60,600	\$231,575	\$79,600

### 4 Contractual Services

Contractual Services involve payments or liabilities for the external provision of services and include (net of GST):

Consultants	2019	2018
I Baldwin	\$770	\$0
David Hitchcock	\$49,253	\$50,471
Ball PR	\$5,000	\$0
Water Technology	\$1,080	\$0
Entura	\$8,100	\$0
REMO Contractors	\$14,540	\$0
Tonkin Consulting	\$0	\$12,800
HARC	\$38,360	\$0
Tanom Legal	\$0	\$800
Business Risk A S Solutions	\$2,600	\$2,600
Steed Surveyors	\$4,050	\$0
Enviro Group Pty Ltd	\$0	\$1,765
Newman Engineering	\$0	\$6,667
Australian Water Environments	\$0	\$3,770
HLB Mann Judd	\$6,103	\$6,572
<b>TOTALS</b>	<b>\$129,856</b>	<b>\$85,445</b>



## 5 Comparison of Budget and Actual Results (excluding depreciation)

	2019		2018	
	Budget	Actual	Budget	Actual
Revenue				
Administration	\$148,536	\$148,842	\$63,600	\$63,028
Other Environment: Flood Mitigation	\$0	\$0	\$28,574	\$20,000
State Grant	\$0	\$0	\$0	\$0
Maintenance	\$89,476	\$89,477	\$19,000	\$19,000
Other Environment: Flood Mitigation Capital	\$0	\$0	\$0	\$0
Total Revenue	\$238,012	\$238,319	\$111,174	\$102,028
Expenditure				
Administration	\$78,622	\$75,351	\$96,254	\$92,000
Other Environment: Flood Mitigation	\$0	\$0	\$0	\$0
Maintenance	\$157,400	\$71,251	\$8,650	\$8,551
Other Environment: Flood Mitigation Capital				
Total Expenditure	\$236,022	\$146,602	\$104,904	\$100,551
Surplus (deficit)	\$1,990	\$91,717	\$6,270	\$1,477

## 6 Expenditure Commitment

- i. An agreement has been entered into with David Hitchcock to provide Executive Officer and Supervision of Consultants services to 31 December 2019.

## 7 Reconciliation Statement of Cash Flows

### Cash Flows from Operating Activities

Net deficit from operations	(\$141,365)
Adjust for non-cash items	
Depreciation	\$233,082
Decrease in Debtors	(\$ 146)

### Cash Flows from Investing Activities

Works on Access Road	(\$ 84,081)
Net Cash Increase from operating activities	\$ 7,491

### 8.2 Cash and cash equivalents

Balance at bank	\$ 3,034
Balance at LGFA	\$ 63,868
Total cash and cash equivalents	\$ 66,902

## 8 Economic Dependence

The Gawler River Floodplain Management Authority (GRFMA) was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999 in August 2002, by a Charter that was amended and published in The South Australian Government Gazette on 4th June 2015 at pages 2501 to 2506.

The Gawler River Floodplain Management Authority (GRFMA) is dependent upon subscriptions levied on the Constituent Councils in accordance with Clause 10.2 of the Charter for its continued existence and ability to co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River.



## 9 Non-Current Assets Summary

Fair Value Level	2019				2018			
	At Fair Value	At Cost	Accum Dep'n	Carrying Amount	At Fair Value	At Cost	Accum Dep'n	Carrying Amount
Land and easements	\$477,000			\$477,000	\$326,364	139,323		\$465,687
North Para Dam								
Access Roads	\$84,000		\$3,000	\$81,000				
North Para Dam	\$25,245,000		(\$3,471,000)	\$21,774,000	\$18,497,000		(\$2,311,850)	\$16,185,150
Total Infrastructure and Land	\$25,806,000	\$0	(\$3,474,000)	\$22,332,000	\$18,823,364	139,323	(\$2,311,850)	\$16,650,837
Comparatives	\$18,823,364	\$139,323	(\$2,311,850)	\$16,650,837	\$18,823,364		(\$2,080,638)	\$16,742,726

	2018	Carrying Amount Movements During the Year								2019
	Carrying Amount	Additions		Disposals	Depreciation	Impairment	Transfers	Net Valuation	Carrying Amount	
		New Upgrade	Renewals							
Land and easements	\$465,687		\$0	\$0	\$0	\$0	\$0	\$11,313	\$477,000	
Access Roads	\$0	\$84,081	\$0	\$0	(\$1,868)	\$0	\$0	(\$1,213)	\$81,000	
Infrastructure - North Para Dam	\$16,185,150	\$0	\$0	\$0	(\$231,213)	\$0	\$0	\$5,820,063	\$21,774,000	
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>	<b>\$16,650,837</b>	<b>\$84,081</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$233,081)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,830,163</b>	<b>\$22,332,000</b>	
Comparatives	\$16,742,726	\$139,323	\$0	\$0	(\$231,213)	\$0	\$0	\$0	\$16,650,837	

**Gawler River Floodplain Management Authority**  
**Related Parties Disclosures as at 30 June 2019**

The Key Management Personnel of the Gawler River Floodplain Management Authority include the Chairman, Board members, Deputy Board Members and Executive Officer.

The Authority does not have any employees.

Services of the Executive Officer are provided by contractual agreement. Payment was made to I Baldwin in lieu of Executive Officer on leave. See Note 4.

See note 5 of the Financial Statements for itemized contractual services payments.

The Chairman received an Honorarium of \$7,850 as established by the Board.

Amounts paid as direct reimbursement of expenses incurred on behalf of the GRFMA have not been included above.

No other payments have been made to Key Management Personnel of the Gawler River Floodplain Management Authority.

The Board  
C/- David Hitchcock  
Executive Officer  
Gawler River Floodplain Management Authority

via email: [davidehitchcock@bigpond.com](mailto:davidehitchcock@bigpond.com)

**TO THE BOARD MEMBERS OF GAWLER RIVER FLOODPLAIN MANAGEMENT  
AUTHORITY**

**STATEMENT OF AUDITORS INDEPENDENCE  
ANNUAL FINANCIAL STATEMENT FOR THE YEAR ENDED 30 June 2019**

I confirm that, for the audit of the financial statements of Gawler River Floodplain Management Authority for the year ended 30 June 2019, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(5) Local Government (Financial Management) Regulations 2011.



**HLB Mann Judd Audit (SA) Pty Ltd**  
**Chartered Accountants**



**Corey McGowan**  
**Director**

**Adelaide, South Australia**  
**9 August 2019**

[hlb.com.au](http://hlb.com.au)

**HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097**

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**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2019**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Gawler River Floodplain Management Authority for the year ended 30 June 2019, the Authority's Auditor HLB Mann Judd has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011.



David Hitchcock  
EXECUTIVE OFFICER



Peter Brass  
PRESIDING MEMBER AUDIT COMMITTEE



Ian Baldwin  
CHAIRMAN GRFMA



Gawler River Floodplain Management Authority  
 266 Seacombe Road, Seacliff Park, SA 5049  
 Telephone: 0407717368 Email: [davidehitchcock@bigpond.com](mailto:davidehitchcock@bigpond.com)  
 Website: [www.gawler.sa.gov.au/grfma](http://www.gawler.sa.gov.au/grfma)

Mr Corey McGowan  
 HLB Mann Judd  
 169 Fullarton Road  
 DULWICH SA 5065

Dear Corey,

This representation letter is provided in connection with your audit of the financial report of Gawler River Floodplain Management Authority, for the year ended 30 June 2019, for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

### ***Financial Statements***

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 31 August 2016, for the preparation of the financial report in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and confirm that the financial report is fairly presented in accordance therewith, and is free from, material misstatement, including omissions.
2. The financial records of the entity have been kept so as to be sufficient to enable a financial report to be prepared and audited, and other records and registers required by the entity's constitution have been properly kept and are up-to-date.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error. We have designed, implemented and maintained adequate internal control to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained.
4. All transactions have been recorded in the accounting records and are reflected in the financial report.
5. The following have been properly recorded and/or disclosed in the financial report, or there are no such items requiring recording or disclosure:
  - (a) Related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees (written or oral);
  - (b) Arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements;
  - (c) Agreements to repurchase assets previously sold;
  - (d) Material liabilities, contingent liabilities and assets including those arising under derivative financial instruments;
  - (e) Losses arising from the fulfilment of, or an inability to fulfil, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.
6. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
7. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral. Allowances for depreciation have been adjusted for all important items of property, plant and equipment that have been abandoned or are otherwise unusable.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. In particular:

- (a) We consider that the measurement processes, including related assumptions and models, used by management in determining accounting estimates in the context of the applicable financial reporting framework are appropriate, and the measurement processes have been applied consistently.
  - (b) The assumptions appropriately reflect managements intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
  - (c) Disclosures related to accounting estimates are complete and appropriate under the applicable financial reporting framework.
  - (d) No subsequent event requires adjustment to the accounting estimates and disclosures included in the financial report.
9. We have assessed at the end of the reporting period whether there is any indication that an asset may be impaired, having considered, as a minimum, the impairment indicators noted in AASB 136. If any such indication exists, we have estimated the recoverable amount of the asset.
  10. We have considered the requirements of AASB 136 'Impairment of Assets' when assessing the impairment of assets and in ensuring that no assets are stated in excess of its recoverable amount.
  11. We have assessed the recoverability of all receivables, and confirm that adequate allowance has been made for any receivables which may not be collected.
  12. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.
  13. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial report.
  14. There are no known actual or possible litigation and claims whose effects should be considered when preparing the financial reporting framework.
  15. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards.
  16. You have not advised us of any financial report misstatements requiring correction, or uncorrected misstatements, that you detected during the audit
  17. All events occurring subsequent to the date of the financial report and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
  18. If any matter which may materially affect the financial report arises during the period from the date of the auditor's report to the date the financial report is issued, we will inform you.

### ***Information Provided***

19. We have provided you with:
  - (a) Access to all information of which we are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters;
  - (b) All financial records and related data and other information, explanations and assistance necessary for the conduct of the audit;
  - (c) Minutes of all meetings of members, Board, and committees of Board.
  - (d) Additional information, explanations and assistance that you have requested from us for the purposes of the audit; and
  - (e) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
20. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
21. There has been no fraud, or suspected fraud that affects the entity and involves:
  - (a) Management;
  - (b) Employees who have significant roles in internal control; or



(c) Others where the fraud could have a material effect on the financial report.

22. There have been no allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, regulators or others.
23. There have been no instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
24. There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that whose effects should be considered when preparing the financial report.
25. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

**Other Matters**

26. We have assessed the ability of the entity to continue as a going concern and are satisfied that it will so continue. We have no knowledge of events or conditions and related business risks beyond the period of this assessment that may cast significant doubt on the entity's ability to continue as a going concern.
27. There have been no non-audit services performed by HLB Mann Judd.

We understand that your examination was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report taken as a whole, and that your tests of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours faithfully



David E Hitchcock Executive Officer

Date 15/8/19