

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

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To the Presiding Member Stormwater Management Authority

Opinion

I have audited the financial report of the Stormwater Management Authority for the financial year ended 30 June 2026.

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 2026, 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 – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information 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 members of 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 members of 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*, I have audited the financial report of the Stormwater Management Authority for the financial year ended 30 June 2026.

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 Stormwater Management Authority'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 General Manager and members of the Board 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.



Daniel O'Donohue
Deputy Auditor-General

28 September 2026

Certification of the Financial Statements

We certify that the:

- financial statements of the Stormwater Management Authority:
 - a) are in accordance with the accounts and records of the Stormwater Management Authority;
 - b) comply with relevant Treasurer's Instructions;
 - c) comply with relevant accounting standards; and
 - d) 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.



Ms Belinda Skilton
General Manager

25 September 2026



Ms Shanti Ditter
Presiding Member

25 September 2026

Stormwater Management Authority
Statement of Comprehensive Income

for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
<u>Income</u>			
Intra-government transfers	3.1	6,393	6,237
Other income	3.2	648	744
Total income		7,041	6,981
<u>Expenses</u>			
Supplies and services	4.1	518	486
Grants and subsidies	4.2	8,935	5,974
Other expenses	4.3	11	11
Total expenses		9,464	6,471
Net result		(2,423)	510
Total comprehensive result		(2,423)	510

The accompanying notes form part of these financial statements. The net result and comprehensive result are attributable to the SA Government as owner.

Stormwater Management Authority**Statement of Financial Position***as at 30 June 2026*

	Note	2026 \$'000	2025 \$'000
<u>Current assets</u>			
Cash and cash equivalents	5.2	8,805	11,413
Receivables	5.3	46	39
Total current assets		8,851	11,452
Total assets		8,851	11,452
<u>Current liabilities</u>			
Payables	6.2	357	535
Total current liabilities		357	535
Total liabilities		357	535
Net assets		8,494	10,917
<u>Equity</u>			
Retained earnings		8,494	10,917
Total equity		8,494	10,917

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Stormwater Management Authority

Statement of Changes in Equity

for the year ended 30 June 2026

	Note	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2024		10,407	10,407
Net result from 2024-25		510	510
Total comprehensive result		510	510
Balance at 30 June 2025		10,917	10,917
Net result from 2025-26		(2,423)	(2,423)
Total comprehensive result		(2,423)	(2,423)
Balance at 30 June 2026		8,494	8,494

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Stormwater Management Authority**Statement of Cash Flows***for the year ended 30 June 2026*

	Note	2026 \$'000	2025 \$'000
<u>Cash flows from operating activities</u>			
<i><u>Cash inflows</u></i>			
Intra-government transfers		6,393	6,237
Interest received		608	712
Bonus distributions received		33	50
Cash generated from operations		7,034	6,999
<i><u>Cash outflows</u></i>			
Payments for supplies, services and other expenses		(522)	(561)
Payments of grants and subsidies		(9,120)	(5,631)
Cash used in operations		(9,642)	(6,192)
Net cash provided by/(used in) operating activities		(2,608)	807
Net increase/(decrease) in cash and cash equivalents		(2,608)	807
Cash and cash equivalents at the beginning of the period		11,413	10,606
Cash and cash equivalents at the end of the period	5.2	8,805	11,413

The accompanying notes form part of these financial statements.

1. About the Stormwater Management Authority

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.

1.1. Basis of preparation

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, applying simplified disclosures.

For the purposes of preparing the financial statements, the Authority is a not-for-profit entity. The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is identified in the notes to the financial statements.

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

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Cash flows include GST in the Statement of Cash Flows.

Assets that are to be sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which the department has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

1.2. Objectives and activities

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

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.

2. Board, committees and employees

2.1. Key management personnel

The Authority's key management personnel during 2025-26 includes:

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

Total compensation for the Authority's key management personnel was \$192,000 (2025: \$180,000).

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

Transactions with key management personnel and other related parties

One member of the Stormwater Management Authority Board is a staff member of the City of West Torrens, a constituent council of the Brown Hill Keswick Creek Stormwater Project; and one member is a visiting Fellow at the University of Adelaide.

During 2025-26, the Authority did not pay grant monies to University of Adelaide (2025: \$22,000) and paid out grant monies to the Brown Hill Keswick Creek Stormwater Project worth \$4,000,000 (2025: \$4,000,000). Refer to note 4.2.

2.2. Board members

Members during the 2025-26 financial year were:

- Ms Heather Barclay (term ended 8/8/2025)*
- Mr Paul Bennet*
- Ms Alison Collins (term ended 8/8/2025)*
- Mr Trevor Daniell
- Ms Shanti Ditter (Presiding Member) ***
- Ms Catherine (Cate) Hart
- Mr Walter (Wally) Iasiello
- Mr David Trebilcock*
- Ms Maggie Hine*
- Ms Kathryn Bellette (appointed 30/8/2025)**
- Ms Whendee Young (appointed 30/8/2025)**

*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.

**Ms Bellette and Ms Young received remuneration only for periods during which they were not employed by a public authority.

***Ms Ditter received remuneration prior to her term being renewed in August at which time she was appointed as an employee of a public authority.

Board and committee remuneration

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

	2026	2025
\$0	5	7
\$1 – \$19 999	6	3
\$20 000 – \$39 999	-	1
Total number of members	11	11

Remuneration of members reflects all costs of performing board member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax and retention allowance. The total remuneration received or receivable by members was \$55,000 (2025 : \$51,000).

3. Income

3.1. Intra-government transfers

	2026 \$'000	2025 \$'000
Intra-government transfers	6,393	6,237
Total intra-government transfers	6,393	6,237

Intra-government transfers are recognised as income on receipt.

Funding of \$6.393 million (\$6.237 million in 2025) was received from DEW for the preparation and approval of stormwater management plans and related works.

3.2. Other income

	2026 \$'000	2025 \$'000
Interest revenues from the Local Government Finance Authority	615	694
Bonus distributions from the Local Government Finance Authority	33	50
Total other income	648	744

4. Expenses

4.1. Supplies and services

	2026 \$'000	2025 \$'000
Reimbursement of employee benefits and associated costs to DEW	317	274
Corporate overhead charges to DEW	93	81
Board fees and associated costs	55	51
Other supplies and services	53	80
Total supplies and services	518	486

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
- Secondment of employees of DEW to act as Technical Adviser and Project Officer for 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.

4.2. Grants and subsidies

	2026	2025
	\$'000	\$'000
Brown Hill and Keswick Creeks Stormwater Board	4,000	4,000
City of Prospect	2,200	650
City of Playford	1,272	700
City of Charles Sturt	730	17
Copper Coast Council	260	240
City of Holdfast Bay	225	–
Port Augusta City Council	85	–
City of Mitcham	50	–
Gawler River Floodplain Management Authority	40	–
Mount Barker District Council	40	40
District Council of Loxton Waikerie	20	–
The District Council of Lower Eyre Peninsula	13	–
City of Victor Harbour	–	255
Renmark Paringa Council	–	30
University of Adelaide	–	22
City of Port Lincoln	–	20
Total grants and subsidies	8,935	5,974

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.

4.3. Other expenses

	2026	2025
	\$'000	\$'000
Other expenses	11	11
Total other expenses	11	11

Other expenses include audit fees paid/payable to the Audit Office of South Australia of \$11,500 (2025 : \$11,200) relating to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of South Australia.

5. Assets

5.1. Financial assets

	2026 Carrying amount \$'000	2025 Carrying amount \$'000
Financial assets at amortised cost		
Cash and cash equivalents	8,805	11,413
Receivables	46	39
Total financial assets	8,851	11,452

All financial assets are measured at amortised cost.

5.2. Cash and cash equivalents

	2026 \$'000	2025 \$'000
Deposits at call with the Local Government Finance Authority	8,805	11,413
Total cash and cash equivalents	8,805	11,413

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

5.3. Receivables

	2026 \$'000	2025 \$'000
Accrued interest	46	39
Total receivables	46	39

Receivables are for interest on deposits at call with the Local Government Finance Authority. They earn a floating interest rate, based on daily bank deposit rates.

6. Liabilities

6.1. Financial liabilities

	2026 Carrying amount \$'000	2025 Carrying amount \$'000
<u>Financial liabilities at amortised cost</u>		
Contractual payables	346	524
Total financial liabilities	346	524

All financial liabilities are measured at amortised cost.

6.2. Payables

	2026 \$'000	2025 \$'000
<u>Current</u>		
Contractual payables		
Accrued expenses	196	402
Administration costs payable to DEW	150	122
Statutory payables		
Accrued audit fee	11	11
Total current payables	357	535
Total payables	357	535

Payables and accrued expenses are recognised for all amounts owing but unpaid. All payables are non-interest bearing.

Contractual payables

Contractual payables are liabilities that arises from contracts. They include trade payables and accrued expenses. Accrued expenses are expenses incurred but not yet invoiced or paid. The balances are transferred to trade payables when invoices are received.

Contractual payables are normally settled within 15 days from the date the invoice is received.

Statutory payables

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents as well as statutory fees and charges.

Statutory payables are carried at cost. They are not financial liabilities.

7. Outlook

7.1. Unrecognised commitments

Commitments arising from contractual sources are disclosed at their nominal value and inclusive of non-recoverable GST.

Other contractual commitments

	2026 \$'000	2025 \$'000
Not later than one year	6,250	9,075
Later than one year but not later than five years	468	250
Total other contractual commitments	6,718	9,325

The Authority's expenditure commitments comprise approved and executed 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 Agreement on Stormwater Management between the State of South Australia and the Local Government Association of South Australia.

7.2. Contingent assets and liabilities

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

7.3. Events after the reporting period

The Authority is not aware of any events after the reporting period.