



2024-25

# ANNUAL REPORT



City of  
Norwood  
Payneham  
& St Peters



## ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

*We acknowledge that the land upon which ERA Water conducts its operations and meets is the traditional land of the Kaurna People and that we respect their spiritual relationship with their country. We also acknowledge the Kaurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the Kaurna people today. We pay respect to the cultural authority of Aboriginal people visiting or attending from other areas of South Australia and Australia.*

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## INDEPENDENT CHAIRPERSON'S MESSAGE

2024–25 was the fifth full year of operation of the ERA Water scheme. It was another very dry year for Adelaide, leading to the second highest volume of water sales (281.4ML) by ERA Water. The highest volume has been 316.7ML in 2023-24 which was also a particularly dry year. Over the five years of full operation, ERA Water has provided almost 1.2 billion litres of harvested and treated stormwater for irrigation of public spaces in the eastern suburbs of Adelaide.

Reflecting the low rainfall during the financial year, the volume of treated stormwater injected into the aquifer for later extraction was 117ML which was the lowest over the five full years of operation.

With the Board's 2022-25 Strategic Plan expiring on 30 June 2025, an important outcome for ERA Water during the year was the development of a draft 2025-28 Strategic Business Plan for consultation with the Constituent Councils around three focus areas of:

1. Improving supply capacity and pressure for existing irrigated sites and identifying and connecting additional sites to achieve financial sustainability.
2. Optimising our business and administrative processes.
3. Enhancing the security of supply of alternative water to potable water, recognising that harvested stormwater is only one part of a potential supply mix of alternative water for irrigation purposes.

The draft Strategic Business Plan also provided a partial response to a financial sustainability review during the year undertaken for the City of Burnside and Town of Walkerville.

As a Board we are pursuing growth in water sales to improve the financial performance of ERA Water. Achieving growth requires capital investment which is a challenge for ERA Water and its Constituent Councils. We are actively pursuing government funding to add to our own limited funds to enable that growth. From a public policy perspective, schemes like the one operated by ERA Water are an important component of the water mix for metropolitan Adelaide and becoming more important given population growth aspirations and projections.

With climate variability also comes the need for a wider supply mix of water for ERA Water which could include groundwater entitlements and treated wastewater.

Our General Manager, Andrew Aitken, departed in September 2024 and we thank him for his enthusiastic contribution to ERA Water in the 18 months he was with us. Instead of appointing a new General Manager the other members of the Board, with the approval of the Constituent Councils, have delegated the duties of General Manager to me with the arrangement to be reviewed after 12 months.

I take this opportunity to thank our three Constituent Councils as well as the other members of the Board, the Audit & Risk Committee members, our principal contractor Mark Millington, contract Finance Lead Mike Carey and other advisors for their ongoing commitment and contribution to ERA Water.

**Jeff Tate**  
Independent Chairperson, ERA Water



*Mary P Harris Reserve, Walkerville*

## ABOUT ERA WATER

ERA Water is a regional subsidiary formed under Section 43 of the Local Government Act 1999 in 2015 by the Constituent Councils (City of Burnside, City of Norwood, Payneham & St Peters, and the Corporation of the Town of Walkerville).

## PURPOSE

Conceived at the time of the Millennium Drought (1996 to 2010), ERA Water was formed to implement the *Waterproofing Eastern Adelaide Project* that had been developed and approved by the Constituent Councils to harvest, treat, store, and distribute urban stormwater for irrigation of public spaces across Adelaide's eastern suburbs. In implementing the Project, ERA Water has an environmental, social, and economic focus by providing additional irrigation water security for public spaces and reducing demand on potable water from the River Murray and SA Water reservoirs as well as reducing the volume of polluted stormwater reaching Gulf St Vincent from the River Torrens.

## CHARTER

The Charter for ERA Water, approved by the Minister for Local Government in July 2015 at the request of the Constituent Councils and amended in November 2024, sets out the responsibilities of ERA Water including its governance, financials and responsibilities to the Constituent Councils.

The Charter sets the Objects and Purposes of ERA Water to:

- implement, oversee and manage the Project<sup>1</sup>
- develop, implement, oversee and manage practical solutions to provide water supply diversity within and outside the Region
- supply water to the Constituent Councils and other persons for irrigation purposes within and outside the Region except that priority shall be given to the supply of water for irrigation within the Region
- manage and oversee the distribution of water captured as part of the Project
- provide strategic direction for the Project
- fund, lease or own physical infrastructure required to undertake the Project
- meet all legislative requirements for the Subsidiary
- be responsible for the ongoing maintenance, replacement and other capital requirements of all physical infrastructure owned by the Subsidiary
- utilise proven water management planning principles and technologies
- manage, operate and control the necessary infrastructure for the Project
- maximise economic, environmental and social benefits to the community by developing and implementing innovative water management principles and techniques
- identify, develop and implement water recycling and supply opportunities for the Constituent Councils
- provide technical and other expert services and advice to the Constituent Councils in the area of water management and recycling including identifying emerging issues and opportunities
- represent the Constituent Councils and liaise with State government regarding the implementation or alteration of legislation in relation to water and licensing
- be financially self-sufficient as far as possible.

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<sup>1</sup> Charter clause 1.2.1.17: Project means the collaborative long term joint undertaking of the Constituent Councils to implement a stormwater capture, treatment and distribution system in eastern Adelaide through, amongst other things, the linking and aggregation of small aquifers and storages via a regional aquifer storage and recovery system and the development of a cross-catchment, cross-council stormwater supply pipeline around eastern Adelaide

## REGULATORY COMPLIANCE

ERA Water operates under licences and permits from:

- **EPA:** Aquifer recharge licence with continuous water quality monitoring.
- **ESCOSA:** Water Industry Licence with compliance obligations.
- **DEW:** Authorisation to extract water from Central Adelaide Prescribed Wells Area.
- **Green Adelaide:** Permits for infrastructure on Third and Fourth Creeks.

No breaches to regulatory conditions were reported in 2024–25.

## FREEDOM OF INFORMATION

No requests were received under the Freedom of Information Act 1991 during the 2024-25 financial year.

## FINANCIAL PERFORMANCE

The audited financial statements for 2024-25 are included with this Annual Report.

In considering Charter objective 1.8.15 (*To be financially self-sufficient as far as possible*), ERA Water pays particular attention to what is commonly referred to as EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation). EBITDA highlights the financial performance of an organisation's core business operations and provides a clearer picture of operational efficiency, separate from other financing decisions (in this case largely through borrowings) and the impact of depreciation and amortisation.

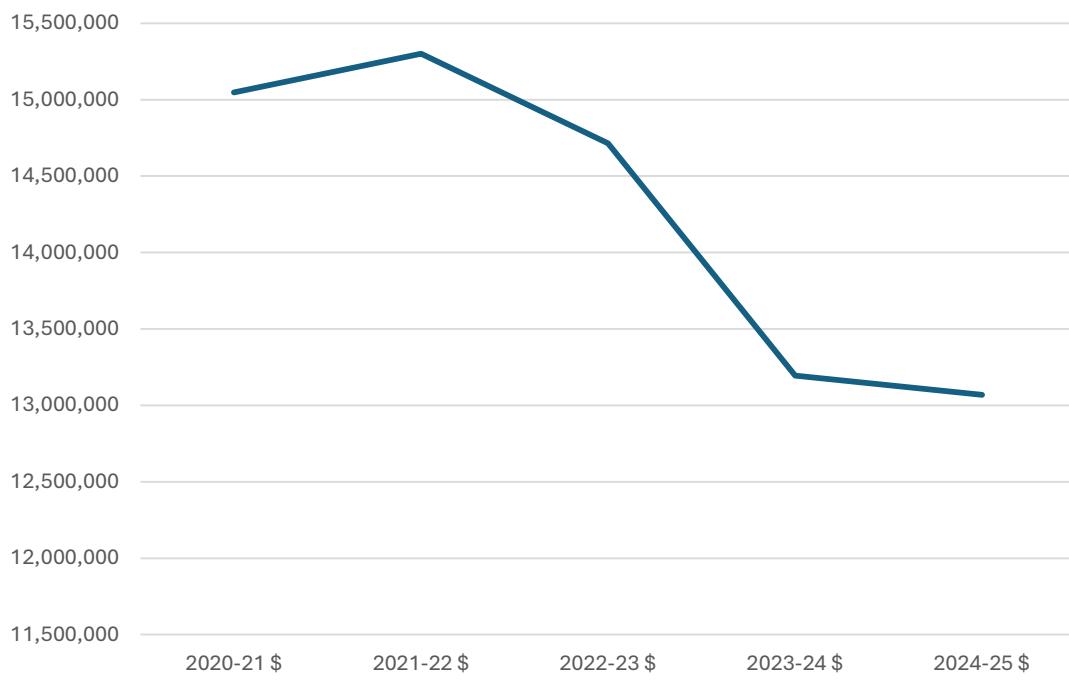
The following table and graphs show the improvement in financial outcomes over the five full years of operation. Assisting in achieving the improved results has been an increase in water sales, annual increases in water pricing, recapitalisation contributions from the Constituent Councils, and reduced operating costs. The improvements have also been achieved despite a large increase in interest on borrowings which went from a low of \$329k in 2021-22 to a high of \$680k in 2024-25.

	2020-21 \$	2021-22 \$	2022-23 \$	2023-24 \$	2024-25 \$
Trading Revenue	642,218	731,968	883,232	1,129,854	1,149,665
EBITDA					
Operating surplus / (deficit) before Interest, Taxes, Depreciation and Amortisation	(157,570)	155,277	255,024	398,082	512,722
Operating surplus / (deficit) after including Interest	(519,123)	(173,754)	(188,449)	(195,628)	(167,627)
Net Surplus/(Deficit) after including Interest, Depreciation and Amortisation	(981,605)	(642,528)	(658,658)	(623,784)	(585,102)
Net Cash provided by (or used in) Operating Activities	(634,431)	(137,731)	(171,562)	(141,641)	(134,635)
Borrowings	15,048,502	15,300,000	14,716,081	13,195,122	13,069,431

## Changes in financial outcomes 2020-21 to 2024-25



## Changes in Borrowings 2020-21 to 2024-25



## BOARD OF MANAGEMENT

ERA Water is governed by a Board of Management comprising an Independent Chairperson and a representative from each Constituent Council. The Board held seven (7) ordinary meetings and five (5) special meetings during the 2024-25 financial year.

### *Attendance*

Member	Role	Ordinary Meetings Attended	Special Meetings Attended	Total Meetings Attended
Jeff Tate	Independent Chair	7/7	4/5	11/12
Chris Cowley	City of Burnside CEO – board member until 17 September 2024	1/2	2/2	3/4
Cr Ted Jennings	City of Burnside Elected Member- board member from 18 September 2024	5/5	3/3	8/8
Cr Grant Piggott	City of Norwood, Payneham and St Peters Elected Member	4/7	5/5	9/12
Cr Anthony Vanstone	Town of Walkerville Elected Member	7/7	5/5	12/12

### *Confidentiality*

During the 2024-25 financial year, the Board considered reports of a confidential nature for seven (7) separate agenda items over six (6) meetings, for which it was necessary to exclude the public from discussion in accordance with Section 90(3) of the *Local Government Act 1999*.

The table below identifies the grounds on which the Board made these determinations.

Local Government Act Section	Description	Number of occasions
90(3)(d)	commercial information of a confidential nature (not being a trade secret) the disclosure of which— (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and (ii) would, on balance, be contrary to the public interest; as the information discussed includes details regarding possible supply and pricing required to be confidential under any subsequent contract.	7

## AUDIT AND RISK COMMITTEE

The Audit and Risk Committee (Committee) has three members, nominated separately but approved unanimously by the Constituent Councils. The Committee operates under Terms of Reference approved by the Board and consistent with provisions of the Local Government Act 1999.

There were 4 ordinary meetings of the Committee during the 2024-25 financial year.

### ***Attendance***

Member	Role	Total Meetings Attended
Michael Parkinson	Town of Walkerville Representative - Chairperson	4/4
Cr Harvey Jones	City of Burnside Representative	3/4
Sandra Di Blasio	City of Norwood, Payneham and St Peters Representative – Committee member until 19 February 2025	2/2

### ***Confidentiality***

During the 2024-25 financial year, the Audit and Risk Committee considered nil reports of a confidential nature.





# ERA Water Regional Subsidiary

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2025

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*The Corporation of the Town of Walkerville  
The City of Norwood Payneham and St Peters  
The City of Burnside*

# ERA Water Regional Subsidiary

## General Purpose Financial Statements for the year ended 30 June 2025

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## ERA Water Regional Subsidiary

General Purpose Financial Statements  
for the year ended 30 June 2025

### Certification of Financial Statements

We have been authorised by ERA Water Regional Subsidiary 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 ERA Water Regional Subsidiary's financial position at 30 June 2025 and the results of its operations and cash flows for the financial year,
- internal controls implemented by ERA Water Regional Subsidiary provide a reasonable assurance that ERA Water Regional Subsidiary's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect ERA Water Regional Subsidiary's accounting and other records.

Jeff Tate  
**Independent Chairperson**

Date: 18/9/2025

## ERA Water Regional Subsidiary

### Statement of Comprehensive Income for the year ended 30 June 2025

\$	Notes	2025	2024
<b>Income</b>			
User Charges	2a	1,149,666	1,129,854
Investment Income	2b	14	183
Other Income	2c	59,966	23,849
<b>Total Income</b>		<b>1,209,646</b>	<b>1,153,886</b>
<b>Expenses</b>			
Employee Costs	3a	20,724	115,617
Materials, Contracts & Other Expenses	3b	676,199	640,187
Depreciation, Amortisation & Impairment	3c	417,475	415,533
Finance Costs	3d	680,349	593,710
<b>Total Expenses</b>		<b>1,794,747</b>	<b>1,765,047</b>
<b>Operating Surplus / (Deficit)</b>		<b>(585,102)</b>	<b>(611,161)</b>
Asset Disposal & Fair Value Adjustments	4	-	(12,623)
Amounts Received Specifically for New or Upgraded Assets		-	-
<b>Net Surplus / (Deficit)</b>		<b>(585,102)</b>	<b>(623,784)</b>
<b>Other Comprehensive Income</b>			
Changes in Revaluation Surplus - I,PP&E	8a	-	2,498,332
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>2,498,332</b>
<b>Total Comprehensive Income</b>		<b>(585,102)</b>	<b>1,874,548</b>

# ERA Water Regional Subsidiary

## Statement of Financial Position for the year ended 30 June 2025

\$	Notes	2025	2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5a	26,869	88,752
Trade & Other Receivables	5b	21,488	41,528
Prepayments		23,392	8,624
<b>Subtotal</b>		<b>71,749</b>	<b>138,904</b>
<b>Total Current Assets</b>		<b>71,749</b>	<b>138,904</b>
<b>Non-Current Assets</b>			
Other Non-Current Assets	6	21,393,684	21,809,602
<b>Total Non-Current Assets</b>		<b>21,393,684</b>	<b>21,809,602</b>
<b>TOTAL ASSETS</b>		<b>21,465,433</b>	<b>21,948,506</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7a	255,364	214,976
Provisions	7c	-	12,668
<b>Subtotal</b>		<b>255,364</b>	<b>227,644</b>
<b>Total Current Liabilities</b>		<b>255,364</b>	<b>227,644</b>
<b>Non-Current Liabilities</b>			
Borrowings	7b	13,069,431	13,195,122
<b>Total Non-Current Liabilities</b>		<b>13,069,431</b>	<b>13,195,122</b>
<b>TOTAL LIABILITIES</b>		<b>13,324,795</b>	<b>13,422,766</b>
<b>Net Assets</b>		<b>8,140,638</b>	<b>8,525,740</b>
<b>EQUITY</b>			
Accumulated Surplus		3,042,306	3,627,408
Asset Revaluation Reserves		2,498,332	2,498,332
Capital Contributed - Constituent Councils	8a	2,600,000	2,400,000
<b>Total Council Equity</b>		<b>8,140,638</b>	<b>8,525,740</b>

## ERA Water Regional Subsidiary

### Statement of Changes in Equity for the year ended 30 June 2025

		Notes	Accumulated Surplus	Asset Revaluation Reserve	Capital Contributed	Other Reserves	Total Equity
<b>2025</b>							
<b>Balance at the end of previous reporting period</b>			3,627,408	2,498,332	2,400,000	-	8,525,740
<b>Restated Opening Balance</b>			<b>3,627,408</b>	<b>2,498,332</b>	<b>2,400,000</b>	-	<b>8,525,740</b>
<b>Contributed / (Reduction) in Equity</b>			-	-	200,000	-	200,000
a. Net Surplus / (Deficit) for Year			(585,102)	-	-	-	(585,102)
b. Other Comprehensive Income	8a		-	-	-	-	-
Other Comprehensive Income			-	-	-	-	-
<b>Total Comprehensive Income</b>			<b>(585,102)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(585,102)</b>
<b>Balance at the end of period</b>			<b>3,042,306</b>	<b>2,498,332</b>	<b>2,600,000</b>	-	<b>8,140,638</b>
<b>2024</b>							
<b>Balance at the end of previous reporting period</b>			4,251,192	-	600,000	-	1,141,342
<b>Restated Opening Balance</b>			<b>4,251,192</b>	-	<b>600,000</b>	-	<b>1,141,342</b>
<b>Contributed / (Reduction) in Equity</b>			-	-	1,800,000	-	1,800,000
a. Net Surplus / (Deficit) for Year			(623,784)	-	-	-	(623,784)
b. Other Comprehensive Income	8a		-	2,498,332	-	-	2,498,332
Other Comprehensive Income			-	<b>2,498,332</b>	-	-	<b>2,498,332</b>
<b>Total Comprehensive Income</b>			<b>(658,658)</b>	<b>2,498,332</b>	-	-	<b>1,874,548</b>
<b>Balance at the end of period</b>			<b>3,627,408</b>	<b>2,498,332</b>	<b>2,400,000</b>	-	<b>8,525,740</b>

## ERA Water Regional Subsidiary

### Statement of Cash Flows for the year ended 30 June 2025

\$	Notes	2025	2024
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
User Charges		1,169,234	1,170,852
Investment Receipts		31,026	24,032
Other Receipts		28,954	-
<b>Payments</b>			
Payments to Employees		(33,392)	(105,450)
Payments for Materials, Contracts & Other Expenses		(650,108)	(637,365)
Finance Payments		(680,349)	(593,710)
<b>Net Cash provided by (or used in) Operating Activities</b>	9	<b>(134,635)</b>	<b>(141,641)</b>
<b>Cash Flows from Investing Activities</b>			
<b>Receipts</b>			
Amounts Received Specifically for New/Upgraded Assets			
<b>Payments</b>			
Expenditure on New/Upgraded Assets		(1,557)	(52,931)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(1,557)</b>	<b>(52,931)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Receipts</b>			
Proceeds from Borrowings		-	-
Contributions from Constituent Councils		200,000	1,800,000
<b>Payments</b>			
Repayments of Borrowings		(125,691)	(1,520,960)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>74,309</b>	<b>279,040</b>
<b>Net Increase (Decrease) in Cash Held</b>		<b>(61,883)</b>	<b>84,468</b>
plus: <b>Cash &amp; Cash Equivalents at beginning of period</b>	9	88,752	4,284
<b>Cash &amp; Cash Equivalents at end of period</b>	9	<b>26,869</b>	<b>88,752</b>
<b>Total Cash, Cash Equivalents &amp; Investments</b>	9	<b>26,869</b>	<b>88,752</b>

# ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2025

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# ERA Water Regional Subsidiary

## Notes to and forming part of the Financial Statements for the year ended 30 June 2025

### Note 1. Summary of Significant Accounting Policies

ERA Water is a Local Government Authority Section 43 Regional Subsidiary under the control of the Corporation of the Town of Walkerville, the City of Norwood, Payneham & St Peters and the City of Burnside. The principal accounting policies adopted by ERA Water Regional Subsidiary (ERA Water) in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

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 financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

##### 1.2 Going Concern Basis

The Authority has an operating loss for FY2025 and the 10-year Long Term Financial Plan indicates that its operations are financially unsustainable without the support of its Constituent Councils.

The board of management notes that the Authority has borrowings that it will continue to manage. The Authority has a statutory guarantee from its Constituent Councils to meet all of its financial obligations and accordingly has prepared their financials on a going concern basis.

##### 1.3 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

##### 1.4 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying ERA Water's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

##### 1.5 Economic Dependency

Per Section 5.2 of the Authority's Charter, there may be a requirement for additional financial contributions to be made by Constituent Councils if there is insufficient working capital available to meet ERA Water's financial obligations into the future. The Authority may be reliant on this additional financial support being provided to enable it to continue to operate on a going concern basis.

##### 1.6 Rounding

All amounts in the financial statements have been rounded to the nearest Dollar.

#### 2 The Local Government Reporting Entity

ERA Water is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 175 The Parade, Norwood SA 5067.

#### 3 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when ERA Water obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes.

#### 4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at ERA Water's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 10.

# ERA Water Regional Subsidiary

## Notes to and forming part of the Financial Statements for the year ended 30 June 2025

### Note 1. Summary of Significant Accounting Policies (continued)

#### 5 Infrastructure, Property, Plant & Equipment

##### 5.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by ERA Water includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

##### 5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. No capitalisation threshold is applied to the acquisition of land or interests in land.

##### 5.3 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of ERA Water, best reflects the consumption of the service potential embodied in those assets.

##### 5.4 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

##### 5.4 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided below.

The Board sought an independent valuation to be applied as at 1st July 2023, of ERA Water. The Board recognises that the ERA has unique infrastructure. The Board sought the advice of Tonkin Consulting Pty Ltd, 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. In accordance with Accounting Standard (AASB)13 Fair Value Measurement, the valuation was undertaken as at 1 July 2023 and recorded as a level 3 restricted asset valuation. The next Valuation is scheduled to be undertaken in 2028/2029. 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 entities, 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 straight line depreciation method adopted by the Authority. 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.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

##### 5.5 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

##### 5.6 Connection Costs

In previous reporting periods, expenditure relating to direct connections to a number of reserves was expensed on the basis that the infrastructure for the most part sits on customer land. Despite connection infrastructure sitting on customer land, ERA Water has certain responsibilities in relation to the future upkeep, maintenance and renewal of connection infrastructure. Accordingly, there is an

# ERA Water Regional Subsidiary

## Notes to and forming part of the Financial Statements for the year ended 30 June 2025

### Note 1. Summary of Significant Accounting Policies (continued)

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argument that costs which were expensed in previous reporting periods should have been capitalised.

#### 6 Payables

##### 6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

##### 6.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to ERA Water assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

#### 7 Borrowings

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of "Payables".

In line with AASB 101, the disclosure of all CAD facility loan balances in the current financial year and comparative figures were reclassified from current liabilities to non-current liabilities as there is no expectation these facilities will be repaid in the next 12 months.

#### 8 Provisions for Reinstatement, Restoration and Rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Significant uncertainty exists in the estimation of the future restoration and/or closure costs and accordingly, no provisions for such costs have been made at this time.

#### 9 Construction Contracts

Construction works undertaken by ERA Water for third parties are generally on an agency basis where the third party reimburses ERA Water for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed. Reimbursements not received are recognised as receivables and reimbursements received in advance are recognised as "payments received in advance".

#### 10 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

#### 11 New accounting standards and UIG interpretations

In the current year, ERA Water reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period and have found none requiring adoption. ERA Water has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

#### 12 Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

#### 13 Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

## ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2025

### Note 2. Income

\$	Notes	2025	2024
<b>(a). User Charges</b>			
Water Sales including annual supply charges		1,149,666	1,129,854
<b>Total User Charges</b>		<b>1,149,666</b>	<b>1,129,854</b>
<b>(b). Investment Income</b>			
Interest Income		14	183
<b>Total Investment Income</b>		<b>14</b>	<b>183</b>
<b>(c). Other Income</b>			
Insurance Claim		28,615	-
Special Distribution (Including LGFA)		31,351	23,849
<b>Total Other Income</b>		<b>59,966</b>	<b>23,849</b>

### Note 3. Expenses

<b>(a). Employee Costs</b>			
Salaries and Wages		18,448	95,000
Movement in Leave Provision		-	10,167
Superannuation		2,276	10,450
<b>Total Operating Employee Costs</b>		<b>20,724</b>	<b>115,617</b>
<b>(b). Materials, Contracts and Other Expenses</b>			
Auditor's Remuneration		21,752	-
- Auditing the Financial Reports		148,267	177,990
Electricity		57,316	55,800
Insurance		247,895	266,089
Maintenance and Repairs		135,500	63,354
Professional Services		65,469	76,954
Other		676,199	640,187
<b>Total Materials, Contracts and Other Expenses</b>			
<b>(c). Depreciation, Amortisation and Impairment</b>			
Depreciation		417,475	415,533
<b>Total Depreciation, Amortisation and Impairment</b>		<b>417,475</b>	<b>415,533</b>
<b>(d). Finance Costs</b>			
Interest Expense		680,349	593,710
<b>Total Finance Costs</b>		<b>680,349</b>	<b>593,710</b>

## ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2025

### Note 4. Asset Disposal & Fair Value Adjustments

\$ '000	Notes	2025	2024
<b>Infrastructure, Property, Plant &amp; Equipment</b>			
<b>(i) Assets Renewed or Directly Replaced</b>			
Proceeds from Disposal		-	-
Less: Carrying Amount of Assets Sold		-	(12,623)
<b>Gain (Loss) on Disposal</b>		-	(12,623)
<b>Net Gain (Loss) on Disposal or Revaluation of Assets</b>		-	(12,623)

### Note 5. Current Assets

#### (a). Cash & Cash Equivalents

Cash at Bank	26,806	88,716
Local Government Finance Authority	63	36
<b>Total Cash &amp; Cash Equivalents</b>	<b>26,869</b>	<b>88,752</b>

#### (b). Trade & Other Receivables

Trade debtors	9,568	31,688
GST Receivable	11,920	9,840
<b>Subtotal</b>	<b>21,488</b>	<b>41,528</b>
<b>Total Trade &amp; Other Receivables</b>		
	21,488	41,528

## ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2025

### Note 6. Non-Current Assets

\$	as at 30/6/2024				Asset Movements during the Reporting Period			WDV of Asset Disposals	Revaluation Increments to Equity (ARR) (note 9)	as at 30/6/2025			
	Fair Value	Cost	Acc. Dep'n	Written Down Value	Asset Additions	Renewals	Depreciation			Fair Value	Cost	Acc. Dep'n	Written Down Value
System Infrastructure Assets													
IT - Computer Hardware	24,241,010	52,931	2,181,330	21,809,602				417,106		24,241,010	52,931	2,001,144	21,362,197
	-	-	-	-	1,557	-	-	370	-	-	1,557	370	1,187
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>	<b>24,241,010</b>	<b>52,931</b>	<b>2,484,339</b>	<b>21,809,602</b>				<b>417,475</b>		<b>24,241,010</b>	<b>54,488</b>	<b>2,901,814</b>	<b>21,393,684</b>
<b>Comparatives</b>	<b>-</b>	<b>21,810,688</b>	<b>2,124,194</b>	<b>19,886,494</b>				<b>415,533</b>	<b>(12,623)</b>	<b>24,241,010</b>	<b>52,931</b>	<b>2,484,339</b>	<b>21,809,602</b>

#### 5.1 Valuation of infrastructure, property, plant and equipment

During FY2024, ERA Water undertook its first review of the fair value of its asset base and accordingly assets were revalued.

Date of Valuation: 1-Jul-23  
Valuer Tonkin

Depreciated Replacement Cost - comprised by gross replacement cost (based on estimated unit costs for which a substitute asset with similar service potential, physical characteristics, dimensions, depth and environmental parameters could be constructed) and accumulated depreciation (estimated total and remaining useful lives informed by the condition assessment of the asset, and the planned asset management strategy applicable to the asset).

Basis of valuation:

## ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2025

### Note 7. Liabilities

\$	Notes	2025 Current	2025 Non Current	2024 Current	2024 Non Current
<b>(a). Trade and Other Payables</b>					
Trade and Other Payables		61,358	-	66,100	-
Accrued Expenses - Finance Costs		168,447	-	145,906	-
Accrued Expenses - Other		25,559	-	-	-
Accrued Expenses - Employment liabilities		-	-	2,970	-
<b>Total Trade and Other Payables</b>		<b>255,364</b>	<b>-</b>	<b>214,976</b>	<b>-</b>
<b>(b). Borrowings</b>					
Loans		-	13,069,431	-	13,195,122
<b>Total Borrowings</b>		<b>-</b>	<b>13,069,431</b>	<b>-</b>	<b>13,195,122</b>

Unrestricted access was available at balance date to the following lines of credit:

		2025	2024
LGFA Cash Advance Debenture Facility		13,069,431	13,195,122
Undrawn balance		2,230,560	2,104,878

ERA's Maturity Date on current CAD facilities held is as follows:

Deal	Settlement	End Date
ERA Water CA 2 Cash Advance	1,000,000	15/03/2033
ERA 3 CAD	2,300,000	17/06/2034
ERA CAD	12,000,000	15/12/2031

Note: ERA Water has agreed to a recapitalisation proposal which has resulted in an equity injection of \$2,600,000 from Constituent Councils to ensure that ERA Water has sufficient capital to meet its future liabilities, at least for a further 12 months.

### (c). Provisions

Employee Entitlements	-	-	12,668	-
<b>Total Provisions</b>	<b>-</b>	<b>-</b>	<b>12,668</b>	<b>-</b>

### Note 8. Reserves

\$ '000	1/7/2024	Increments (Decrements)	Transfers	Impairments	30/06/2025
<b>(a). Asset Revaluation Reserve</b>					
Infrastructure	2,498,332	-	-	-	2,498,332
<b>Total Asset Revaluation Reserve</b>	<b>2,498,332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,498,332</b>
<b>Comparatives</b>					

#### PURPOSES OF RESERVES

##### Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

## ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2025

### Note 9. Reconciliation to Statement of Cash Flows

\$	2025	2024
<b>(a). Reconciliation of Cash</b>		
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:		
Total Cash & Equivalent Assets	26,869	88,752
<b>Balances per Statement of Cash Flows</b>	<b>26,869</b>	<b>88,752</b>
<b>(b). Reconciliation of Change in Net Assets to Cash from Investing Activities</b>		
Net Surplus/(Deficit)	(585,102)	(623,784)
Non-Cash Items in Income Statements		
Fair Value Adjustments	-	12,623
Depreciation, Amortisation & Impairment	417,475	415,533
Net increase (decrease) in unpaid employee benefits	(12,668)	10,168
	<b>(180,295)</b>	<b>(185,461)</b>
Add (Less): Changes in Net Current Assets		
Net (Increase)/Decrease in Receivables	20,040	40,997
Net (Increase)/Decrease in Other Current Assets	(14,768)	(6,962)
Net Increase/(Decrease) in Trade & Other Payables	40,388	9,785
<b>Net Cash provided by (or used in) operations</b>	<b>(134,635)</b>	<b>(141,641)</b>

## ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2025

### Note 10. Financial Instruments

#### Recognised Financial instruments

Bank, Deposits at Call, Short Term Deposits	<p><b>Accounting Policy:</b> Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.</p> <p><b>Rates:</b> All deposits are at call earning rates of between 4.15% and 4.65% as at 30 June 2025 (4.30% and 4.55% as at 30 June 2024).</p> <p><b>Carrying Amount:</b> Approximates fair value due to the short term to maturity.</p>
Receivables	<p><b>Accounting Policy:</b> Initially recognised at fair value and subsequently measured at amortised cost.</p> <p><b>Terms &amp; Conditions:</b> Unsecured, and do not bear interest. At the balance date, ERA Water is not materially exposed to any individual debtor.</p> <p><b>Carrying Amount:</b> Approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to ERA Water.</p> <p><b>Terms &amp; Conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying Amount:</b> Approximates fair value.</p>
Liabilities - Interest Bearing Borrowings	<p><b>Accounting Policy</b> Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.</p> <p><b>Terms and conditions</b> Interest is charged at a range of both fixed and variable rates ranging from 2.9% to 6.15% as at 30 June 2025 (2.90% to 6.15% as at 30 June 2024)</p> <p><b>Carrying Amount:</b> Approximates fair value.</p>

## ERA Water Regional Subsidiary

### Notes to and forming part of the Financial Statements for the year ended 30 June 2025

#### Note 10. Financial Instruments

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2025</b>					
<b>Financial Assets</b>					
Cash & Equivalents	26,869	-	-	26,869	26,869
Receivables	21,488	-	-	21,488	21,488
<b>Total Financial Assets</b>	<b>48,357</b>	<b>-</b>	<b>-</b>	<b>48,357</b>	<b>48,357</b>
<b>Financial Liabilities</b>					
Trade and other payables	255,364	-	-	255,364	255,364
Non-Current Borrowings	-	-	13,069,431	13,069,431	13,069,431
<b>Total Financial Liabilities</b>	<b>255,364</b>	<b>-</b>	<b>13,069,431</b>	<b>13,324,794</b>	<b>13,324,794</b>
\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>2024</b>					
<b>Financial Assets</b>					
Cash & Equivalents	88,752	-	-	88,752	88,752
Receivables	41,528	-	-	41,528	41,528
<b>Total Financial Assets</b>	<b>130,280</b>	<b>-</b>	<b>-</b>	<b>130,280</b>	<b>130,280</b>
<b>Financial Liabilities</b>					
Payables	214,976	-	-	214,976	214,976
Non-Current Borrowings	-	-	13,195,122	13,195,122	13,195,122
<b>Total Financial Liabilities</b>	<b>214,976</b>	<b>-</b>	<b>13,195,122</b>	<b>13,410,098</b>	<b>15,472,124</b>

The following interest rates were applicable to Council's Borrowings at balance date:

	30 June 2025	30 June 2024
	Weighted Avg Interest Rate	Weighted Avg Interest Rate
Other Variable Rates	5.16%	4.41%
	<u>13,069,431</u>	<u>13,195,122</u>
	<u>13,069,431</u>	<u>13,195,122</u>

#### Financial Liabilities

Financial liabilities do not include employee benefits such as wages payable, superannuation payable, or income tax withheld.

#### Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the ERA Water.

#### Risk Exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of ERA Water is the carrying amount, net of any allowance for doubtful debts. All ERA Water investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government.

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of ERA Water's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

**Liquidity Risk** is the risk that ERA Water will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. ERA Water also has available a borrowing facility that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. At the balance date, ERA Water has a combination of variable and fixed rate facilities of varying maturities.

## ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2025

### Note 11. Uniform Presentation of Finances

	\$	2025	2024
The following is a high level summary of both operating and capital investment activities of ERA Water prepared on a simplified Uniform Presentation Framework basis. All Councils and Subsidiaries in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.			
<b>Income</b>			
User Charges	1,149,666	1,129,854	
Investment Income	31,026	24,032	
Other Income	28,954	-	
	<hr/> 1,209,645	<hr/> 1,153,866	
<b>Expenses</b>			
Employee Costs	20,724	115,617	
Materials, Contracts & Other Expenses	676,198	640,187	
Depreciation, Amortisation & Impairment	417,475	415,533	
Finance Costs	680,349	593,710	
	<hr/> 1,794,747	<hr/> 1,765,047	
<b>Operating Surplus / (Deficit)</b>	<b>(585,102)</b>	<b>(611,161)</b>	
<b>less Net Outlays on Existing Assets</b>			
Capital Expenditure on Renewal and Replacement of Existing Assets	-	(19,551)	
Add back Depreciation, Amortisation and Impairment	117,175	415,533	
Proceeds from Sale of Replaced Assets	-	-	
<b>Subtotal</b>	<b>417,475</b>	<b>395,982</b>	
<b>less Net Outlays on New and Upgraded Assets</b>			
Capital Expenditure on New and Upgraded Assets	(1,557)	(33,380)	
Amounts Received Specifically for New and Upgraded Assets	-	-	
Proceeds from Sale of Surplus Assets	-	-	
<b>Subtotal</b>	<b>(1,557)</b>	<b>(33,380)</b>	
<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(169,184)</b>	<b>(248,560)</b>	

### Note 12. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

#### POTENTIAL INSURANCE LOSSES

ERA Water insures against known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance. ERA Water is not aware of any such insurance claims at the reporting date. Other potential claims not reported to ERA Water may have existed at reporting date.

#### PIPE REMEDIATION OR DAMAGE

ERA Water owns a network of pressurised underground pipes which could result in damage to public or private infrastructure in the event of failure. Further more, there may be long term remediation liabilities attached to some of ERA Water's pipeline assets. The cost of these potential liabilities cannot be reliably estimated and have not been included in these financial statements.

### Note 13. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2025, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

ERA Water has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the authorised for issue date is

ERA Water is unaware of any material or significant "non adjusting events" that should be disclosed.

## ERA Water Regional Subsidiary

Notes to and forming part of the Financial Statements  
for the year ended 30 June 2025

### Note 14. Expenditure Commitments

#### Capital Commitments

No known capital commitments exist at the balance date.

#### Other Expenditure Commitments

ERA Water has contracts in place with 3rd party contractors for business as usual operations and maintenance services.

### Note 15. Related Party Transactions

#### Key Management Personnel

##### Transactions with Key Management Personnel

At the Balance Date, the Key Management Personnel of the Authority include members of the ERA Water Board including:

- Jeff Tate (Chairperson, with delegated responsibilities from the Board for functions that would otherwise be undertaken by a General Manager from September 2024)
- Grant Piggott (Councillor - City of Norwood, Payneham and St Peters)
- Anthony Vanstone (Councillor - Corporation of the Town of Walkerville)
- Ted Jennings (Councillor - City of Burnside)

One KMP, being the Chairperson received fees for the role outlined above, totalling \$54,500 for the financial year.

Andrew Aitken who was employed as General Manager for the period July 2024 to September 2024 was also a Key Management Person for the period of employment.

Key Management Personal Remuneration General Manager (July to September 2024)	2025	2024
Salaries, allowances & other short term benefits	\$ 22,110	\$ 118,367
Post- employment benefits	\$ -	\$ -
Long-term benefits	\$ 11,324	\$ -
Termination benefits	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 33,434</b>	<b>\$ 118,367</b>

##### Transactions with related parties:

The related parties disclosed below are equity owners of the Authority and are referred to as Constituent Councils. Constituent Councils have representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No single Constituent Council individually has control of ERA Water.

##### Amounts received from related parties:

Town of Walkerville provided ERA Water with a location to hold ERA Water Board and Audit and Risk Committee meetings.

City of Norwood Payneham & St Peters provided furnished office accommodation for the ERA Water General Manager for the period July to September 2024 as well as Accounts Payable and IT Support for the whole financial year.

All three Councils provide administrative support to ERA Water from time to time throughout the financial year.

There are no invoices that remain payable by related parties outside of ordinary trading terms.

Related Party	Sale of Water	Outstanding from Related Parties	Description of Services Provided
Town of Walkerville	\$ 96,034	\$ 23	Water Sales
City of Norwood, Payneham and St Peters	\$ 269,038	\$ -	Water Sales
City of Burnside	\$ 370,802	\$ -	Water Sales
<b>TOTAL</b>	<b>\$ 735,874</b>	<b>\$ 23</b>	

## ERA Water Regional Subsidiary

### General Purpose Financial Statements for the year ended 30 June 2025

#### Statement by Auditor

I confirm that, for the audit of the financial statements of ERA Water Regional Subsidiary for the year ended 30 June 2025, 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*.



Tim Mulhousler  
Galpins, Accountants, Auditors & Business Advisors

Dated this 22<sup>nd</sup> day of September 2025.

## ERA Water Regional Subsidiary

### General Purpose Financial Statements for the year ended 30 June 2025

#### Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of ERA Water Regional Subsidiary for the year ended 30 June 2025, the Council's Auditor, Galpins 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*.

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Jeff Tate  
**Independent Chairperson**

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Michael Parkinson  
**Presiding Member, Audit & Risk Committee**