



**EASTERN WASTE MANAGEMENT
AUTHORITY**

AGENDA

SPECIAL MEETING OF THE BOARD OF MANAGEMENT

Meeting to be held pursuant to Clause 35.10.1 of the East Waste Charter involving the linking together by telephone (08 8347 5111) of Directors on Thursday 8 December 2016 commencing at 10.30am

1. PRESENT

2. APOLOGIES

Mr M Barone (and proxy Mr C Buzzetti)

3. CONFIRMATION OF THE MINUTES

RECOMMENDED: That the Minutes of the Eastern Waste Management Authority Board Meeting held on Thursday, 24 November 2016, be received, confirmed and adopted

4. GENERAL MANAGERS REPORT

Reports requiring Decisions

- 4.1 Metropolitan Council Business Case
- 4.2 Accountancy RFQ
- 4.3 Report on Financial Results 2015/2016
- 4.4 First Review of Budgets Report

5. OTHER BUSINESS

6. NEXT MEETING OF THE BOARD

The next Board Meeting to be held on Thursday, 9 February 2017 at the City of Norwood Payneham & St Peters at 5.30pm

7. CLOSURE OF MEETING



- Adelaide Hills Council ● City of Burnside ● Campbelltown City Council
- City of Mitcham ● City of Norwood, Payneham & St. Peters ● Corporation of the Town of Walkerville

**MINUTES OF THE ORDINARY BOARD MEETING OF THE
EASTERN WASTE MANAGEMENT AUTHORITY**

Held on Thursday 24 November 2016 at 4.27pm at East Waste, 1 Temple Court, Ottoway

1. PRESENT

Directors:

Mr B Cunningham	Independent Chairperson
Cr Linda Green	Adelaide Hills Council
Cr Karen Hockley	City of Mitcham
Mr P Deb	City of Burnside

In Attendance:

Mr Adam Faulkner	General Manager
Mr Shane Raymond	Business Improvement Manager (Corporate)
Miss Amy Quintrell	Office Administrator

2. APOLOGIES

Mr Mario Barone	City of Norwood, Payneham & St Peters
Mr C Buzzetti	City of Norwood, Payneham & St Peters (Proxy)
Mr P Di Iulio	Campbelltown City Council
Cr G Busato	Corporation of the Town of Walkerville

3. DECLARATIONS OF INTEREST

Nil

4. CONFIRMATION OF THE MINUTES

Moved Cr Hockley that the minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on 14 September 2016, be received, confirmed and adopted

Seconded Cr Green

Carried

Moved Cr Hockley that the minutes of the Eastern Waste Management Authority Audit and Risk Management Committee held on 21 November 2016, be noted

Seconded Cr Green

Carried

5. MATTERS ARISING FROM THE MINUTES

Nil

6. QUESTIONS WITHOUT NOTICE

Nil

7. GENERAL MANAGERS REPORT

REAPPOINTMENT OF DIRECTORS

Moved Cr Hockley that the General Manager provide a verbal update on any outstanding Director appointments

Seconded Mr Deb

Carried

REPORTS REQUIRING DECISIONS

The time being 4.37pm Cr Green left the room

The time being 4.40pm Cr Green returned to the room

7.1 FINANCIAL STATEMENTS FOR QUARTER 1 2015/2016 (BUDGET REVIEW 1)

Moved Cr Hockley that the General Manager instruct the accountants to make the necessary changes to the Budget in Budget Review 1, and circulate the First Review of Budgets Report under separate cover for consideration and endorsement, and;

That Member Council Collection Fees are reduced in Quarter 3 and 4 by the respective figures outlined in the Report

Seconded Mr Deb

Carried

7.2 AUDIT & RISK MANAGEMENT COMMITTEE NOMINATIONS

Moved Cr Green that two (2) Board Directors, and one (1) Independent Committee Member, being Cr Grant Piggott, Mr Mario Barone and Mr Tim Muhlhausler be appointed to the East Waste Audit and Risk Management Committee

Seconded Mr Deb

Carried

7.3 METROPOLITAN COUNCIL TENDER

Moved Cr Hockley that pursuant to Section 90 (2) and (3) of the Local Government Act 1999, an order be made by the East Waste Board that the public be excluded from attendance at the meeting to the extent (and only to the extent) that the Board considers it necessary and appropriate to act in a meeting closed to the public in order to receive, discuss and consider in confidence:

- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which 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 would, on balance, be contrary to the public interest;

That the Board is satisfied that, the principle that the meeting should be conducted in a safe place open to the public, has been outweighed by the need to keep the receipt, discussion and consideration of the information confidential.

That an order be made under the provisions of Section 91 (7) of the Local Government Act 1999, that the report and minutes of the subject matter, having been dealt with on a confidential basis under Section 90 (3) of the Act, should be kept confidential on the grounds that disclosure of information could confer

commercial information of a confidential nature (not being a trade secret) the disclosure of which 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 as contained in Section 90 (3) (b)(i) until the matter is finalised

Seconded Mr Deb

Carried

7.4 WASTE AND RECYCLING EDUCATION CAMPAIGN WHY WASTE IT? ROLLOUT

Moved Mr Deb that Members authorise the General Manager to commence the rollout of the Why Waste It? Waste and recycling education campaign, and bring forward any revision of the Budget in Budget Review Two

Seconded Cr Green

Carried

7.5 PURCHASE OF REAR-LOADER COLLECTION VEHICLE

Moved Mr Deb that the Board endorse the purchase of one (1) Rear-Loader Collection Vehicle at a cost of \$90,681 excl. GST and on road costs

Seconded Cr Hockley

Carried

7.5a OVERLOADING OF VEHICLES (LATE ITEM)

Moved Cr Green that the General Manager as a matter of priority bring forward a report on options for retrofitting accurate load weight technology, including any capital investment that may be required out of frequency, and

The General Manager seek legal advice on the existing load weight technology and pursue any opportunities identified in the legal review

Seconded Cr Hockley

Carried

REPORTS FOR INFORMATION

7.6 REPORT ON FINANCIAL RESULTS 2015/2016

Moved Mr Deb that the Report be received and noted, and the General Manager circulate under separate cover the Report on Financial Results for consideration

Seconded Cr Green

Carried

7.7 FIRST REVIEW OF BUDGETS REPORT

Moved Cr Hockley that the Report be received and noted, and the General Manager circulate under separate cover the First Review of Budgets for consideration and adoption

Seconded Mr Deb

Carried

7.8 ADELAIDE HILLS HARD WASTE TENDER

Moved Cr Hockley that the Report be received and noted, and the General Manager formally advise Adelaide Hills Council of its willingness to undertake the core service

Seconded Mr Deb

Carried

7.9 ANNUAL PLAN 16/17 PROGRESS

Moved Cr Hockley that the Report is received and noted
Seconded Cr Green **Carried**

7.10 OPERATIONS ASSISTANCE COMMITTEE

Moved Mr Deb that the Report be received and noted
Seconded Cr Hockley **Carried**

7.11 GISA INFRASTRUCTURE GRANT APPLICATION

Moved Cr Hockley that the Report be received and noted
Seconded Cr Green

8. BUSINESS IMPROVEMENT MANAGER REPORT

8.1 SURVEILLANCE DEVICES ACT (AMENDMENTS)

Moved Cr Hockley that the Report be received and noted
Seconded Cr Green **Carried**

8.2 CONFLICT OF INTEREST PROVISIONS (AMENDMENTS)

Moved Cr Green that the Report be received and noted
Seconded Mr Deb **Carried**

8.3 ACCOUNTANCY SERVICES RFQ

Moved Cr Hockley that the Report be received and noted, and the General Manager will circulate under separate cover the recommendation of the RFQ Evaluation Panel for the Boards consideration and endorsement (or otherwise)
Seconded Cr Green **Carried**

9. OTHER BUSINESS

9.1 GENERAL MANAGER PERFORMANCE APPRAISAL

Moved Cr Hockley that a subcommittee of the Board for the General Manager Performance Appraisal be formed; comprising of Independent Chairperson Mr Brian Cunningham, Cr Karen Hockley and Cr Linda Green; and report at the next Board Meeting
Seconded Cr Green **Carried**

10. NEXT MEETING OF THE BOARD

The next Board Meeting to be held on Thursday 9 February 2017 at 5.30pm at City of Norwood, Payneham & St Peters Council Chambers, Norwood

11. CLOSURE OF MEETING

There being no further business the meeting closed at 5.48pm

Confirmed

DATE: _____

CHAIRMAN: _____

Agenda Item 4.1

REPORT SUBJECT:	Metropolitan Council Non-Core Plan
REPORT AUTHOR:	General Manager
MEETING DATE:	Thursday 8 December 2016
ATTACHMENTS:	CONFIDENTIAL ATTACHMENT Non-core plan including commercial modelling

Purpose of the Report

To provide the Board with the preliminary costings and non-core plan relating to the City of Prospect Waste Collections Contract.

Background

The City of Prospect advertised for suitably qualified contractors to submit tenders relating to the provision of collection services across household waste, recycling, organics, hard waste in addition to street litter bin collection and servicing of depot and community centre bins. The General Manager received instruction from the Board on 24 November 2016 at an Ordinary Board Meeting to prepare commercial costings and a non-core plan.

Report

The attached non-core plan follows the structure set out in Clause 47 of the Charter. The plan covers off on all components required by Clause 47, however is succinct in nature due to the non-core activity being so closely aligned to East Waste's core activities.

In order to prepare costings for the commercial costings, the General Manager sought market prices for supply and delivery of cab chassis, compactor bodies, bin supply, organics processing, recyclables processing, and sub-contractor rates for hooklift bins. The assumptions used in developing the commercial pricing are outlined in the non-core plan.

The General Manager is now seeking instruction from the Board as to whether to proceed with completing the tender costings and schedules and submitting a tender by the closing date (4:00pm Monday 12 December 2016). Specifically, instruction is required as to whether to submit;

- (a) A conforming "Client Council" tender
- (b) A non-conforming "Member Council" submission
- (c) Both a conforming and a non-conforming tender submission
- (d) No tender submission

Should a tender be conforming "Client Council" tender be submitted it will be qualified with the statement that the tender is submitted under the condition that it must be approved by the absolute majority of Member Council's and the Board. This may or may not make it a non-conforming tender.

Should a non-conforming "Member Council" tender be submitted inviting City of Prospect to become a Member Council, it will be qualified with a statement that Council will be charged at cost as per the East Waste Charter, and GPS Common Fleet Costing methodology, and all pricing points provided are indicative only.

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• City of Campbelltown • Corporation of The Town of Walkerville • City of Mitcham**

RECOMMENDATION

In regards to the CONFIDENTIAL attachment;

That pursuant to Section 90(2) and (3) of the Local Government Act 1999, an order be made by the East Waste Board that the public be excluded from attendance at the meeting to the extent (and only to the extent) that the Board considers it necessary and appropriate to act in a meeting closed to the public in order to receive, discuss and consider in confidence:

(k) tenders for the supply of goods, the provision of services or the carrying out of works; and

that the East Waste Board is satisfied that, the principle that the meeting should be conducted in a safe place open to the public, has been outweighed by the need to keep the receipt, discussion and consideration of the information confidential.

And;

That the Board resolve to instruct the General Manager to complete the tender submission and submit a conforming tender subject to absolute Member Council approval, and a non-conforming tender inviting City of Prospect to become a Member Council.

Agenda Item 4.1 - Confidential extract removed



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Agenda Item 4.2

REPORT SUBJECT:	Accountancy RFQ
REPORT AUTHOR:	General Manager
MEETING DATE:	Thursday 8 December 2016
ATTACHMENTS:	Confidential Evaluation Report

Purpose of the Report

To provide the Board with a report on the procurement process to engage an accountancy firm to provide specified accountancy services to East Waste.

Background

To assist in managing and presenting its finances, East Waste engages an external accountancy firm to assist in managing specified services. East Waste's current engagement is in its third year therefore it is open to East Waste to approach and test the market.

East Waste resolved to exercise this option and approach the market by way of a Request for Quotation (RFQ) process. East Waste's current accountancy contractor was advised of this decision and invited to provide a quotation.

Consistent with this decision East Waste's General Manager led a RFQ process seeking quotations from suitably qualified accountancy firms to provide specified accountancy services to East Waste. The contract term will be three (3) years commencing on 3 January 2017 ("transition period"), with a full scope of services commencing 1 July 2017. There will be an option to extend for a further two (2) at the complete discretion of East Waste.

The transition period has been set to assist the successful respondent in understanding the requirements of the Subsidiary Model and East Waste Charter requirements. The successful respondent would act as an observer to East Waste's current accountancy services provider until 1 July 2017, when the full scope of services would commence. It is expected that East Waste would pay the successful respondent 30% of the agreed "full scope fee" during the transition period.

Report

In accordance with East Waste's Goods and Services Policy a RFQ process was undertaken. The RFQ process was chaired by the General Manager and followed a developed Probity and Evaluation Plan. An Evaluation Report has been produced which documents the RFQ Evaluation Group, the evaluation process and resultant recommendations (refer confidential attachment).

The RFQ Evaluation Group determined that the quotation received that demonstrated the closest fit with the RFQ requirements and scored highest when rated on relevant experience, capability, performance and price was Dean Newbery & Partners.

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The RFQ Evaluation Group was able to identify Dean Newbery & Partners as the preferred candidate based on the following:

- Dean Newbery & Partners experience and performance in providing accounting services to regional waste subsidiaries is significant. Dean Newbery & Partners currently provide accounting services to the Northern Adelaide Waste Management Authority (NAWMA) and Southern Region Waste Resource Authority (SRWRA), in addition to the provision of external audit services to East Waste. For the past two years East Waste has experienced first-hand Dean Newbery & Partners competence and knowledge of working within the local government waste subsidiary framework; and
- The quoted price from Dean Newbery & Partners for the required scope of works is significantly lower than all quoted prices received from competing submissions. UHY (2nd preferred candidate) offered an annual price of \$42,000 (ex. GST) compared with an annual price of \$29,700 (ex. GST) offered by Dean Newbery & Partners.

Based on experience, capability, cultural fit and value for money the evaluation group unanimously identified Dean Newbery & Partners as the preferred candidate.

Should members endorse the decision of the evaluation group then it should be noted that Dean Newbery & Partners is East Waste's current external auditor, therefore an offer of acceptance will require Dean Newbery & Partners to resign immediately as external auditors to East Waste.

A separate Request for Quotation process would then commence to replace the external audit function.

RECOMMENDATION

In regards to the CONFIDENTIAL attachment;

That pursuant to Section 90(2) and (3) of the Local Government Act 1999, an order be made by the East Waste Board that the public be excluded from attendance at the meeting to the extent (and only to the extent) that the Board considers it necessary and appropriate to act in a meeting closed to the public in order to receive, discuss and consider in confidence:

(k) tenders for the supply of goods, the provision of services or the carrying out of works; and

that the East Waste Board is satisfied that, the principle that the meeting should be conducted in a safe place open to the public, has been outweighed by the need to keep the receipt, discussion and consideration of the information confidential.

And,

That the General Manager advise Dean Newberry & Partners of their successful submission, and award as per the scope of works and in accordance with the proposed contract terms.

Agenda Item 4.2 - Confidential extract removed

Agenda Item 4.3

REPORT SUBJECT: Report on Financial Performance

REPORT AUTHOR: General Manager

MEETING DATE: Thursday 8 December 2016

ATTACHMENTS: Report on Financial Performance

Purpose of the Report

To provide the Board with Report on the previous financial year performance against budget as required by Section 10 of the Local Government (Financial Management) Regulations 2011.

Report

In accordance with Section 10 of the regulations the attached Report is provided for the Board to review and consider prior to 31 December 2016.

In relation to some of the more significant variances, I can provide the following commentary;

Statement of Financial Position

- Trade and other receivables significantly higher than the original budget
 - This consists mainly of fees payable by councils for the months of May and June 2016
- Trade and other payables much higher than the original budget
 - This is a result of the accrual of the \$1,252,036 rebate to member councils
 - This is also the main reason as to why there is such a significant decrease in Net Current Assets/Current Liabilities of \$790,649
- Provisions for Leave
 - Current provisions are higher than the original budget, due to the reconciling of previous administrative error that the Board is aware of
 - Non-current provisions are lower than the original budget
- Equipment much lower than originally budgeted
 - Large amount of vehicles purchased at the beginning of 2017 Financial Year, rather than during the 2016 Financial Year as budgeted
 - This is a mainly a timing issue
- Borrowings much lower than originally budgeted
 - Direct link to timing issue of vehicles, where no equipment leases were entered into during the 2016 financial year
- Statement of Cash Flows
 - Each of the increases and decreases above are also reflected in the cash flow statement variations

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RECOMMENDATION

That the Report be received and noted.

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**Report on Financial Results
For the year ended 30 June 2016**

In accordance with regulation 10 of the *Local Government (Financial Management) Regulations 2011*:

- 1. A council, council subsidiary or regional subsidiary must, by no later than 31 December in each year, prepare and consider a report showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statements of the council, council subsidiary or regional subsidiary (as the case may be) for the previous financial year compared with the estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements.*

The following statements have been prepared in accordance to the above stated regulations.

EAST WASTE MANAGEMENT AUTHORITY INC
BUDGETED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2016

AUDITED ACTUAL 2014/15 \$		ADOPTED BUDGET 2015/16 \$	BUDGET REVIEW SEPTEMBER \$	BUDGET REVIEW DECEMBER \$	REVISED BUDGET 2015/16 \$	AUDITED ACTUAL 2015/16 \$	VARIATION VS ADOPTED BUDGET \$	VARIATION VS ADOPTED BUDGET %
INCOME								
13,086,802	Collection Charges	12,389,552	1,023,834	5,597	13,418,983	12,573,410	183,858	1%
42,728	Investment income	40,329	-	-	40,329	36,129	(4,200)	(10%)
878,601	Other income	530,094	-	-	530,094	381,540	(148,554)	(28%)
14,008,131	TOTAL INCOME	12,959,975	1,023,834	5,597	13,989,406	12,991,079	31,104	0%
EXPENSES								
4,837,731	Employee costs	4,938,159	75,759	(209,000)	4,804,918	4,803,231	(134,928)	(3%)
6,879,259	Materials, contracts & other expenses	5,911,188	943,372	50,000	6,904,560	6,267,459	356,271	6%
1,754,292	Depreciation, amortisation & impairment	1,807,982	4,703	-	1,812,685	1,595,423	(212,559)	(12%)
405,851	Finance costs	404,332	-	-	404,332	334,865	(69,467)	(17%)
13,877,133	TOTAL EXPENSES	13,061,661	1,023,834	(159,000)	13,926,495	13,000,978	(60,683)	(0%)
130,998	OPERATING SURPLUS/(DEFICIT)	(101,686)	-	164,597	62,911	(9,899)	91,787	(90%)
7,002	Net gain (loss) on disposal of assets	45,000	-	-	45,000	37,882	(7,118)	(16%)
(4,574)	Income tax equivalent charge	-	-	-	-	-	-	-
133,426	NET SURPLUS	(56,686)	-	164,597	107,911	27,984	84,670	(149%)
-	Other Comprehensive Income							
133,426	Total Comprehensive Income	(56,686)	-	164,597	107,911	27,984	84,670	(149%)

EAST WASTE MANAGEMENT AUTHORITY INC
STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2016

AUDITED ACTUAL 2014/15 \$		ADOPTED BUDGET 2015/16 \$	BUDGET REVIEW SEPTEMBER \$	BUDGET REVIEW DECEMBER \$	REVISED BUDGET 2015/16 \$	AUDITED ACTUAL 2015/16 \$	VARIATION VS ADOPTED BUDGET \$	VARIATION VS ADOPTED BUDGET %
CASH FLOWS FROM OPERATING ACTIVITIES								
	<u>Receipts</u>							
14,092,717	Operating Receipts	14,394,776	1,097,509	(93,276)	15,399,009	13,720,757	(674,019)	(5%)
42,728	Investment Receipts	40,329	-	-	40,329	36,129	(4,200)	(10%)
	<u>Payments</u>							
(11,662,367)	Operating Payments to Suppliers & Employees	(11,984,785)	(1,093,469)	(2,778)	(13,081,032)	(10,937,720)	1,047,065	(9%)
(405,851)	Finance Payments	(404,356)	-	-	(404,356)	(390,947)	13,409	(3%)
-	Other Payments	-	-	-	-	(62,503)	(62,503)	N/A
2,067,227	Net Cash Provided/(Used) by Operating Activities	2,045,964	4,040	(96,054)	1,953,950	2,365,717	319,753	16%
CASH FLOWS FROM FINANCING ACTIVITIES								
1,743,400	Loans Received	1,700,000	-	-	1,700,000	-	(1,700,000)	(100%)
(1,677,205)	Loan Repayments	(1,728,088)	-	-	(1,728,088)	(1,412,598)	315,490	(18%)
66,195	Net Cash Provided/(Used) by Financing Activities	(28,088)	-	-	(28,088)	(1,412,598)	(1,384,510)	4,929%
CASH FLOWS FROM INVESTING ACTIVITIES								
	<u>Receipts</u>							
71,455	Sale of Replaced Assets	49,500	-	-	49,500	105,490	55,990	113%
122,018	Capital Contributed by Members	122,018	-	-	122,018	122,018	-	-
	<u>Payments</u>							
(1,992,154)	Expenditure on renewal / replacements of assets	(1,870,000)	-	-	(1,870,000)	(202,487)	1,667,513	(89%)
(4,574)	Distribution to Member Councils	(4,574)	-	-	(4,574)	(276,764)	(272,190)	5,951%
(1,803,255)	Net Cash Provided/(Used) by Investing Activities	(1,703,056)	-	-	(1,703,056)	(251,743)	1,451,313	(85%)
330,167	NET INCREASE (DECREASE) IN CASH HELD	314,821	4,040	(96,054)	222,807	701,376	386,555	123%
1,766,027	CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	2,096,194	2,096,194	2,096,194	2,096,194	2,096,194	-	-
2,096,194	CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	2,411,015	4,040	(96,054)	2,319,001	2,797,570	386,555	16%

EAST WASTE MANAGEMENT AUTHORITY INC
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDING 30 JUNE 2016

AUDITED ACTUAL 2014/15 \$		ADOPTED BUDGET 2015/16 \$	BUDGET REVIEW SEPTEMBER \$	BUDGET REVIEW DECEMBER \$	REVISED BUDGET 2015/16 \$	AUDITED ACTUAL 2015/16 \$	VARIATION VS ADOPTED BUDGET \$	VARIATION VS ADOPTED BUDGET %
CURRENT ASSETS								
2,096,194	Cash and Cash Equivalents	2,411,015	4,040	(96,054)	2,319,001	2,797,570	386,555	16%
248,589	Trade & Other Receivables	24,212	28,708	513	53,434	358,583	334,371	1,381%
-	Other	166,280	(2,644)	(56,685)	106,951	-	(166,280)	(100%)
2,344,783	TOTAL CURRENT ASSETS	2,601,508	30,104	(152,226)	2,479,386	3,156,153	554,645	21%
CURRENT LIABILITIES								
1,163,066	Trade & Other Payables	828,235	25,402	(1,110)	852,527	1,869,862	1,041,627	126%
439,025	Provisions	300,836	-	(160,108)	140,728	608,909	308,073	102%
1,099,894	Borrowings	1,372,192	-	-	1,372,192	1,416,593	44,401	3%
-	Other	48,808	-	8,992	57,800	-	(48,808)	(100%)
2,701,985	TOTAL CURRENT LIABILITIES	2,550,070	25,402	(152,226)	2,423,247	3,895,364	1,345,294	53%
(357,202)	NET CURRENT ASSETS/(CURRENT LIABILITIES)	51,438	4,702	-	56,140	(739,211)	(790,649)	(1,537%)
NON-CURRENT ASSETS								
6,793,005	Equipment	6,685,024	(4,702)	-	6,680,322	5,332,461	(1,352,563)	(20%)
6,793,005	TOTAL NON-CURRENT ASSETS	6,685,024	(4,702)	-	6,680,322	5,332,461	(1,352,563)	(20%)
NON-CURRENT LIABILITIES								
55,891	Provisions	534,917	-	-	534,917	69,398	(465,519)	(87%)
6,103,149	Borrowings	5,802,764	-	-	5,802,764	4,373,852	(1,428,912)	(25%)
6,159,040	TOTAL NON-CURRENT LIABILITIES	6,337,681	-	-	6,337,681	4,443,250	(1,894,431)	(30%)
276,763	NET ASSETS	398,781	-	-	398,781	150,000	(248,781)	(62%)
EQUITY								
276,763	Accumulated Surplus/(Deficit)	398,781	-	-	398,781	150,000	(248,781)	(62%)
276,763	TOTAL EQUITY	398,781	-	-	398,781	150,000	(248,781)	(62%)

EAST WASTE MANAGEMENT AUTHORITY INC
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2016

AUDITED ACTUAL 2014/15 \$		ADOPTED BUDGET 2015/16 \$	BUDGET REVIEW SEPTEMBER \$	BUDGET REVIEW DECEMBER \$	REVISED BUDGET 2015/16 \$	AUDITED ACTUAL 2015/16 \$	VARIATION VS ADOPTED BUDGET \$	VARIATION VS ADOPTED BUDGET %
ACCUMULATED SURPLUS								
21,319	Balance at beginning of period	276,763	-	-	276,763	276,763	-	-
133,426	Net Surplus/(Deficit)	(56,686)	-	164,597	107,911	27,984	84,670	(149%)
-	Contributed Equity	-	-	-	-	122,018	122,018	N/A
122,018	Distribution to Constituent Councils	178,704	-	(164,597)	14,107	(276,765)	(455,469)	(255%)
276,763	Balance at end of period	398,781	-	-	398,781	150,000	(248,781)	(62%)
276,763	TOTAL EQUITY	398,781	-	-	398,781	150,000	(248,781)	(62%)



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• City of Campbelltown • Corporation of The Town of Walkerville • City of Mitcham

Agenda Item 4.4

REPORT SUBJECT: First Review of Budgets
REPORT AUTHOR: General Manager
MEETING DATE: Thursday 8 December 2016
ATTACHMENTS: Report on First Review of Budgets

Purpose of the Report

To provide the Board with Report on the First Review of Budgets as required by Section 9 of the Local Government (Financial Management) Regulations 2011.

Report

At the 24 November 2016 Board Meeting, Directors resolved to vary the budget after review of Budget Review 1, namely;

1. A reduction in Member Council collection fees of \$232,948 broken down in line with the current and extrapolated Common Fleet variances
2. A reduction in Maintenance: Trucks Contract expenditure of \$48,000 to \$156,000
3. An increase in Disposal Fees – Hard of \$45,000 to \$199,844

Attached in the formal report as required by Regulations for the Board to review and consider.

RECOMMENDATION

That the Report be received and noted

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Local Government Regulations..... Page 1

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First Review of Budgets For the year ended 30 June 2017

In accordance with regulation 9 of the *Local Government (Financial Management) Regulations 2011*:

1. *A council, council subsidiary or regional subsidiary must prepare and consider the following reports:*
 - a. *at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year (where at least 1 report must be considered before the consideration of the report under sub regulation (1)(b), and at least 1 report must be considered after consideration of the report under sub regulation (1)(b))—a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;*
 - b. *between 30 November and 15 March (both dates inclusive) in the relevant financial year—a report showing a revised forecast of each item shown in its budgeted financial statements for the relevant financial year compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.*

The following statements have been prepared in accordance to the above stated regulations.

EAST WASTE MANAGEMENT AUTHORITY INC
STATEMENT OF OPERATING & CAPITAL INVESTMENT ACTIVITIES FOR THE YEAR ENDING 30 JUNE 2017

	ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
Total Income	13,566,422	(486,714)	13,079,708
Less Expenses	13,591,422	(486,714)	13,104,708
Operating Surplus/(Deficit)	(25,000)	-	(25,000)
Net Outlay on Assets			
Capital expenditure on renewal & replacement of existing assets	1,926,100	603,900	2,530,000
Depreciation, amortisation & impairment	(1,868,453)	-	(1,868,453)
Proceeds from sale of replaced assets	(27,500)	-	(27,500)
Less Net Outlay on Assets	30,147	603,900	634,047
Net Lending/(Borrowing) for Financial Year	(55,147)	(603,900)	(659,047)

EAST WASTE MANAGEMENT AUTHORITY INC
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2017

AUDITED ACTUAL 2015/16 \$		ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
INCOME				
12,573,410	Collection Charges	12,925,838	(232,948)	12,692,890
36,129	Investment income	47,841	-	47,841
381,540	Other income	592,743	(253,766)	338,977
12,991,079	TOTAL INCOME	13,566,422	(486,714)	13,079,708
EXPENSES				
4,803,231	Employee costs	4,946,987	-	4,946,987
6,267,459	Materials, contracts & other expenses	6,412,916	(486,714)	5,926,202
1,595,423	Depreciation, amortisation & impairment	1,868,453	-	1,868,453
334,865	Finance costs	363,066	-	363,066
13,000,978	TOTAL EXPENSES	13,591,422	(486,714)	13,104,708
(9,899)	OPERATING SURPLUS/(DEFICIT)	(25,000)	-	(25,000)
37,882	Net gain (loss) on disposal of assets	25,000	-	25,000
27,984	NET SURPLUS	-	-	-
-	Other Comprehensive Income	-	-	-
27,984	Total Comprehensive Income	-	-	-

EAST WASTE MANAGEMENT AUTHORITY INC
STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE 2017

AUDITED ACTUAL 2015/16 \$		ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
	<u>Receipts</u>			
13,720,757	Operating Receipts	15,588,280	(475,501)	15,112,778
36,129	Investment Receipts	47,841	-	47,841
	<u>Payments</u>			
(10,937,720)	Operating Payments to Suppliers & Employees	(13,139,730)	502,053	(12,637,677)
(390,947)	Finance Payments	(363,066)	363,066	-
(62,503)	Other Payments	-	-	-
(276,764)	Distribution to Member Councils	(779,064)	(339,585)	(1,118,649)
2,088,953	Net Cash Provided/(Used) by Operating Activities	1,354,261	50,033	1,404,294
CASH FLOWS FROM FINANCING ACTIVITIES				
-	Loans Received	1,751,000	779,000	2,530,000
(1,412,598)	Loan Repayments	(1,515,045)	300,249	(1,214,796)
(1,412,598)	Net Cash Provided/(Used) by Financing Activities	235,955	1,079,249	1,315,204
CASH FLOWS FROM INVESTING ACTIVITIES				
	<u>Receipts</u>			
105,490	Sale of Replaced Assets	27,500	-	27,500
122,018	Capital Contributed by Members	122,018	-	122,018
	<u>Payments</u>			
(202,487)	Expenditure on renewal / replacements of assets	(1,926,100)	(603,900)	(2,530,000)
	Expenditure on new / upgraded assets	-	-	-
25,021	Net Cash Provided/(Used) by Investing Activities	(1,776,582)	(603,900)	(2,380,482)
701,376	NET INCREASE (DECREASE) IN CASH HELD	(186,366)	525,382	339,016
2,096,194	CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	2,861,782	(64,212)	2,797,570
2,797,570	CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	2,675,415	461,170	3,136,586

EAST WASTE MANAGEMENT AUTHORITY INC
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDING 30 JUNE 2017

AUDITED ACTUAL 2015/16 \$		ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
CURRENT ASSETS				
2,797,570	Cash and Cash Equivalents	2,675,415	461,170	3,136,586
358,583	Trade & Other Receivables	114,594	269,172	383,766
3,156,153	TOTAL CURRENT ASSETS	2,790,009	730,342	3,520,351
CURRENT LIABILITIES				
1,869,862	Trade & Other Payables	883,391	(3,271)	880,120
608,909	Provisions	172,661	380,128	552,789
1,416,593	Borrowings	1,622,419	(120,935)	1,501,484
3,895,364	TOTAL CURRENT LIABILITIES	2,678,470	255,922	2,934,393
(739,211)	NET CURRENT ASSETS/(CURRENT LIABILITIES)	111,539	474,420	585,958
NON-CURRENT ASSETS				
5,332,461	Equipment	6,741,522	(977,514)	5,764,008
5,332,461	TOTAL NON-CURRENT ASSETS	6,741,522	(977,514)	5,764,008
NON-CURRENT LIABILITIES				
69,398	Provisions	536,237	(425,519)	110,718
4,373,852	Borrowings	5,796,025	171,206	5,967,231
4,443,250	TOTAL NON-CURRENT LIABILITIES	6,332,262	(254,313)	6,077,949
150,000	NET ASSETS	520,799	(248,781)	272,018
EQUITY				
150,000	Accumulated Surplus/(Deficit)	520,799	(248,781)	272,018
150,000	TOTAL EQUITY	520,799	(248,781)	272,018

**EAST WASTE MANAGEMENT AUTHORITY INC
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE 2017**

AUDITED ACTUAL 2015/16 \$		ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
ACCUMULATED SURPLUS				
276,763	Balance at beginning of period	398,781	(248,781)	150,000
27,984	Net Surplus/(Deficit)	-	-	-
-	Transfers from Reserves	-	-	-
122,018	Contributed Equity	122,018	-	122,018
(276,765)	Distribution to Constituent Councils	-	-	-
150,000	Balance at end of period	520,799	(248,781)	272,018
150,000	TOTAL EQUITY	520,799	(248,781)	272,018