



**EASTERN WASTE MANAGEMENT**  
**AUTHORITY**

**AGENDA**

**ORDINARY MEETING OF THE BOARD OF MANAGEMENT**

Meeting to be held on Thursday 24 November 2016 commencing at **4:00pm**,  
at East Waste, 1 Temple Court Ottoway

Directors are invited to attend the East Waste Depot at **3:30pm** to meet staff, view the  
new collection vehicles, and inspect the workshop.

Board Meeting will commence at **4:00pm**

**1. PRESENT**

**2. APOLOGIES**

Mr Mario Barone (and proxy Mr Carlos Buzzetti)

**3. DECLARATIONS OF INTEREST**

**4. CONFIRMATION OF THE MINUTES**

**RECOMMENDED:**

That the Minutes of the Eastern Waste Management Authority Board Meeting held  
on Wednesday 14 September 2016, be received, confirmed and adopted

That the Minutes of the Eastern Waste Management Authority Audit and Risk  
Management Committee held on 21 November 2016, be noted (**Minutes will be  
tabled in hard copy at the 24 November 2016 Board Meeting**)

**5. MATTERS ARISING FROM THE MINUTES**

**6. QUESTIONS WITHOUT NOTICE**

**7. GENERAL MANAGER REPORT**

**Reappointment of Directors**

**Reports requiring Decisions**

- 7.1 Financial Statements for Quarter 1 2016/2016 (Budget Review 1)
- 7.2 Audit and Risk Management Committee Nominations
- 7.3 Metropolitan Council Tender
- 7.4 Waste and Recycling Education Campaign *Why Waste It?* rollout
- 7.5 Purchase of Rear Loader Compactor

**Reports for Information**

- 7.6 Report on Financial Results 2015/2016
- 7.7 First Review of Budgets Report
- 7.8 Adelaide Hills Hard Waste
- 7.9 Annual Plan 16/17 Progress
- 7.10 Operations Assistance Committee
- 7.11 GISA Infrastructure Grant Application

**8. BUSINESS IMPROVEMENT MANAGER (CORPORATE) REPORT**

- 8.1 Surveillance Devices Act (amendments)
- 8.2 Conflict of Interest Provisions (amendments)
- 8.3 Accountancy Services RFQ

**9. OTHER BUSINESS**

**10. NEXT MEETING OF THE BOARD**

The next Board Meeting to be held on Thursday, 09 February 2016, at City of Norwood Payneham & St Peters, The Parade Norwood at 5.30pm

**11. CLOSURE OF MEETING**



Member Councils: ● 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 Wednesday 14 September, commencing at 5.34pm at the City of Norwood Payneham & St Peters, 175 The Parade, Norwood

**1. PRESENT**

**Directors:**

Mr B Cunningham	Independent Chairperson
Cr Graham Webster	Corporation of Walkerville
Cr Linda Green	Adelaide Hills Council
Mr Paul Di Iulio	City of Campbelltown
Cr Karen Hockley	City of Mitcham

**In Attendance:**

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

**2. APOLOGIES**

Mr Mario Barone	City of Norwood Payneham & St Peters
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**ABSENT**

Mr Paul Deb	City of Burnside
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**3. DECLARATIONS OF INTEREST**

General Manager declared Board Member of KESAB, relating to Agenda Item 8.1

**4. CONFIRMATION OF THE MINUTES**

Moved Cr Webster that the minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on Thursday 30<sup>th</sup> June 2016, be received, confirmed and adopted  
Seconded Mr Di Iulio **Carried**

Moved Cr Webster that the minutes of the Eastern Waste Management Authority Audit and Risk Management Committee held on Thursday 8<sup>th</sup> September 2016, be noted  
Seconded Cr Hockley **Carried**

**5. MATTERS ARISING FROM THE MINUTES**

The Chairman confirmed that he has provided written consent to the General Manager, as per Clause 10.1 of the GM employment agreement

## 6. QUESTIONS WITHOUT NOTICE

- 5.1 Annual Leave Review – Mr Di Iulio raised the Annual Leave report and asked for a progress update. General Manager confirmed the report has been actioned and generally well received by East Waste employees. Copy of legal advice from Thomson Geer tabled

## 7. GENERAL MANAGERS REPORT

### REPORTS REQUIRING DECISIONS

The time being 5.44pm Cr Green attended the meeting

#### 7.1 FINANCIAL STATEMENTS FOR YEAR ENDING 30 JUNE 2016

Moved Mr Di Iulio that the Independent Chairman and General Manager be authorised to sign the Financial Statements as presented and forward to Member Councils

Seconded Cr Webster

**Carried**

#### 7.2 SOLID WASTE LEVY

Moved Cr Webster that the Independent Chairman and General Manager write to the State Government and Opposition outlining the disappointment with the increase to the Solid Waste Levy and request a staged approach to future increases

Seconded Cr Hockley

**Carried**

### REPORTS FOR INFORMATION

#### 7.3 WASTE EDUCATION CAMPAIGN *Why Waste It?*

Moved Cr Green that the Report is received and noted

Seconded Cr Hockley

**Carried**

#### 7.4 WASTE AID

Moved Cr Green that the Report is received and noted

Seconded Cr Hockley

**Carried**

#### 7.5 OPERATIONAL PERFORMANCE REPORT

Moved Cr Webster that the Report is received and noted

Seconded Cr Hockley

**Carried**

#### 7.6 ANNUAL PLAN 16/17 PROGRESS

Moved Cr Hockley that the Report is received and noted

Seconded Mr Di Iulio

**Carried**

## **8. BUSINESS IMPROVEMENT MANAGER REPORT**

**The time being 6.13pm the General Manager left the room due to a perceived conflict**

### **8.1 KESAB SERVICE LEVEL AGREEMENT**

Moved Cr Webster 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 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 Cr Hockley

**Carried**

**The time being 6.23pm the General Manager returned to the meeting**

## **9. OTHER BUSINESS**

### **9.1 POTENTIAL INCOMING MEMBER COUNCIL**

### **9.2 CONFLICT OF INTEREST PROVISIONS**

### **9.3 BOARD DIRECTOR TERMS EXPIRING**

## **10. NEXT MEETING OF THE BOARD**

The next Board Meeting to be held on Thursday, 24 November 2016 at East Waste Boardroom, 1 Temple Court Ottoway at 3.30pm

## **11. CLOSURE OF MEETING**

There being no further business the meeting closed at 6.32pm

**Confirmed**

**DATE:** \_\_\_\_\_

**CHAIRMAN:** \_\_\_\_\_



**Member Councils • Adelaide Hills Council • City of Burnside • City of Norwood, Payneham & St Peters  
• City of Campbelltown • Corporation of The Town of Walkerville • City of Mitcham**

**REPORT SUBJECT:** Reappointment of Directors

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 24<sup>th</sup> November 2016

### **Purpose of the Report**

To provide the Board with an update on the reappointment of Board Directors

### **Background**

At the 14 September 2016 East Waste Board Meeting, the expiration of Board Directors terms was discussed. All Member Council Board Directors terms will expire in the final quarter of 2016. All Member Councils were contacted by the General Manager via letter, seeking a Director be appointed in accordance with Clause 21.1.1.

### **Report**

Following correspondence from the General Manager on Thursday 20 October 2016 to each Member Council, to date, the General Manager can provide the following information:

#### **Adelaide Hills Council**

Anticipated Director appointment at Council Meeting of Tuesday 22 November 2016

#### **City of Burnside Council**

Cr Grant Piggott appointed as Director and Mr Paul Deb appointed as Deputy Director for a term of one (1) year, commencing 1 January 2017 and expiring 31 December 2017

#### **Campbelltown City Council**

Mr Paul Di Iulio reappointed for two (2) years as its Board Director, and appoint Mr Andrian Wiguna as a skills-based representative to attend meetings in the absence of Mr Di Iulio

#### **City of Mitcham Council**

Cr Karen Hockley reappointed as Director and Cr Stephen Fisher appointed as Deputy Director for a term of two (2) years, both expiring 25 November 2016

#### **City of Norwood, Payneham & St Peters Council**

The position of Chief Executive Officer be appointed as Director for a term of two (2) years

#### **Corporation of the Town of Walkerville**

Anticipated that Director appointment will be made at Council Meeting of Monday 21 November 2016

### **Recommendation**

**That the General Manager provide a verbal update on any outstanding Director appointments**



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

## Agenda Item 7.1

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<b>REPORT SUBJECT:</b>	<b>East Waste Financial Statements Quarter 1 2016/2017</b>
<b>REPORT AUTHOR:</b>	<b>General Manager</b>
<b>MEETING DATE:</b>	<b>Thursday 24 November 2016</b>
<b>ATTACHMENTS:</b>	<b>Financial Statements;</b> -Statement of Financial Position -Statement of Changes in Equity -Cash Flow -Income and Expense Quarter 1 -Income and Expense Extrapolated Full Year -Common Fleet Costing

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### **Purpose of the Report**

To provide the Board with an opportunity to review the prepared Financial Statements for Quarter 1 (July – September 2016).

### **Report**

The attached Financial Statements for Quarter 1 have been prepared by East Waste's appointed accountancy firm Hood Sweeney.

The following commentary is provided for the Board;

#### **Statement of Financial Position**

- Other Current Assets – Increased significantly due to LGA Workers Compensation Scheme and LGA Asset Mutual Fund Prepayments (rebates for 15/16)
- Significant increase in trade payables

#### **Statement of Changes in Equity**

- Opening balance \$150,000 as retained earnings as per Board Resolution
- Prepaid Equity Loan (\$122,018) treated as capital contribution

#### **Cash Flow**

- Large positive cash flow from change in Trade Payables
- Large negative cash flow from change in Infrastructure, Plant & Equipment due to purchase of new trucks

#### **Income & Expense Budget Analysis**

- Wages overrun mainly due to entitlement payout (\$38k) to a staff member made redundant during restructure
- Casual Wages (budget reduced from \$700k in 15/16) overrun due to heavy reliance on casual drivers due to sick leave coverage, an additional operations supervisor for coverage during restructure prior to recruitment
- Disposal Fees – Hard overrun due to a processing facility raising its gate fees without notice on 1 October 2016



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- Annual leave accrued quite high in comparison to budget due to upfront accrual at beginning of financial year attributed to legacy correction
- Long service leave has no actual accrual figure in the MYOB file, resulting in nil amount against budget. Reconciled in end of year
- Legal fees overrun due to probity assistance provided during discussions with potential Incoming Council, and significant changes to Conflict of Interest Provisions and Surveillance Devices Act (GPS tracking implications)
- Maintenance: Trucks Contract negative variance due to the new collection trucks not being delivered until September 2016, hence the scheduled contract maintenance commenced in October (a saving of three months)
- Recycling rebate to councils much lower than budget, may be due to being 'one rebate behind'
- Interest expenses all much lower than budget due to accruals from 2016 financial year. This will be offset by the 2017 year end accruals to be bought in at year end
- Overall operating surplus of \$248,401

### Extrapolated Income & Expense Budget Analysis

- Extrapolation has been performed using known fluctuations and estimations based on historical performance. This is a move away from the straight line extrapolation provided in the past.
- The extrapolated profit and loss indicates a conservative end of year operating surplus of \$146,698 against a budgeted surplus of \$66,816

### Common Fleet costing

- All member Councils are in positive variance against budget
- The East Waste Board will be asked to consider a reduction in Member Council fees for Quarter 3 and Quarter 4, to avoid an accumulation of surplus at end of year, per Table 1;

**Table 1: Quarter 1 Common Fleet Costings, variance, and Extrapolated (Full Year) Variance**

	Budget %	Total Costs per budget %	Budget	Variance	Extrapolated
<b>Adelaide Hills</b>	25.35%	\$ 595,360.97	\$ 610,124.00	\$ 14,763.03	\$ 59,052.10
<b>Burnside</b>	18.12%	\$ 425,559.80	\$ 436,112.00	\$ 10,552.20	\$ 42,208.81
<b>Campbelltown</b>	20.76%	\$ 487,561.89	\$ 499,652.00	\$ 12,090.11	\$ 48,360.45
<b>Mitcham</b>	15.81%	\$ 371,307.97	\$ 380,515.00	\$ 9,207.03	\$ 36,828.13
<b>Norwood</b>	16.51%	\$ 387,747.92	\$ 397,363.00	\$ 9,615.08	\$ 38,460.33
<b>Walkerville</b>	3.45%	\$ 81,025.46	\$ 83,035.00	\$ 2,009.54	\$ 8,038.17
	<b>100.00%</b>	<b>\$ 2,348,564.00</b>	<b>\$ 2,406,801.00</b>	<b>\$ 58,237.00</b>	<b>\$232,948.00</b>

The General Manager seeks to vary the budget in Budget Review 1, being;

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

### RECOMMENDATION

**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;**

## **EAST WASTE**

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

# Statement of Financial Position

September 2016 Quarter	Q1 2016/2017	Q4 2015/2016	Variance %
<b>Assets</b>			
Cash & Equivalents	\$2,517,741	\$2,797,571	-10.0%
Trade Receivable	\$407,069	\$357,593	13.8%
Other Current Assets	\$295,125	\$990	29,710.6%
<b>Total Current Assets</b>	<b>\$3,219,935</b>	<b>\$3,156,154</b>	<b>2.0%</b>
Infrastructure, Plant & Equipment	\$5,705,914	\$5,332,460	7.0%
<b>Total Non-Current Assets</b>	<b>\$5,705,914</b>	<b>\$5,332,460</b>	<b>7.0%</b>
<b>Total Assets</b>	<b>\$8,925,849</b>	<b>\$8,488,614</b>	<b>5.2%</b>
<b>Liabilities</b>			
Short Term Borrowings	\$502,749	\$566,971	-11.3%
Trade Payable	\$1,169,143	\$635,341	84.0%
GST Liability	-\$128,182	-\$119,050	-7.7%
Other Current Liabilities	\$1,478,531	\$1,524,834	-3.0%
<b>Total Current Liabilities</b>	<b>\$3,022,240</b>	<b>\$2,608,095</b>	<b>15.9%</b>
Long Term Borrowings	\$4,812,705	\$5,223,474	-7.9%
Other Non-Current Liabilities	\$507,044	\$507,044	0%
<b>Total Non-Current Liabilities</b>	<b>\$5,319,749</b>	<b>\$5,730,518</b>	<b>-7.2%</b>
<b>Total Liabilities</b>	<b>\$8,341,989</b>	<b>\$8,338,614</b>	<b>0.04%</b>
<b>Equity</b>			
Retained Earnings	\$304,746	\$276,764	10.1%
Current Earnings	\$311,842	\$27,982	1,014.4%
Other Equity	-\$32,728	-\$154,746	78.9%
<b>Total Equity</b>	<b>\$583,860</b>	<b>\$150,000</b>	<b>289.2%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$8,925,849</b>	<b>\$8,488,614</b>	<b>5.2%</b>

## Statement of Changes in Equity

September 2016 Quarter	Q1 2016/2017	Q4 2015/2016	Variance
Balance at End of Previous Reporting Period	\$150,000	\$881,480	(\$731,480)
Adjustments Due to Compliance	\$0	\$0	\$0
Other Adjustments	(\$0)	\$0	(\$0)
<b>Restated Opening Balance</b>	<b>\$150,000</b>	<b>\$881,480</b>	<b>(\$731,480)</b>
Net Surplus / (Deficit)	\$311,842	(\$731,480)	(\$94,893)
Gain on Revaluation of Property, Plant & Equipment	\$0	\$0	\$0
Transfers Between Reserves	\$0	\$0	\$0
Capital Contributed by Members	\$122,018	\$0	\$122,018
Distributions to Members	\$0	\$0	\$1,138,215
<b>Balance at End of Current Reporting Period</b>	<b>\$583,860</b>	<b>\$150,000</b>	<b>\$433,860</b>

# Cash Flow

## Operating Cash Flow

# \$874,773

Operating cash flow is simply the cash generated by the operating activities of the business. Operating activities include the production, sales and delivery of the company's product and/or services as well as collecting payment from its customers and making payments to suppliers.

## Free Cash Flow

# \$80,947

Free cash flow is the cash generated by the business, after paying its expenses and investing for future growth. It is the cash left after subtracting capital expenditure from operating cash flow. The term "free cash flow" is used because this cash is free to be paid back to the suppliers of capital.

## Net Cash Flow

# \$195,162

Net cash flow is the cash left after subtracting expenditures from financing activities from the free cash flow. This includes the cash impact from financing activities. Financing activities include the inflow of cash from investors such as banks or shareholders, as well as the outflow of cash to shareholders as dividends.

September 2016 Quarter	Q1 2016/2017	Q4 2015/2016	Variance
<b>Operating Cash Flow</b>			
Total Income	\$3,619,275	\$3,405,669	\$213,606
Total Cost Of Operations	(\$2,380,333)	(\$2,118,498)	(\$261,836)
Total Expenses Less Depreciation	(\$516,718)	(\$1,544,873)	\$1,028,155
Total Other Income	\$21,137	\$39,453	(\$18,316)
Cash Tax Paid	(\$12,476)	(\$37,084)	\$24,608
Change In Trade Payable	\$533,802	(\$75,057)	\$608,859
Change In Other Current Liabilities	(\$46,304)	\$1,242,840	(\$1,289,144)
Change In Trade Receivable	(\$49,476)	\$31,873	(\$81,348)
Change In Other Current Assets	(\$294,135)	\$86,824	(\$380,959)
<b>Operating Cash Flow Total</b>	<b>\$874,773</b>	<b>\$1,031,147</b>	<b>(\$156,374)</b>
<b>Free Cash Flow</b>			
Change In Infrastructure, Plant & Equipment Less Depreciation	(\$793,826)	(\$40,930)	(\$752,896)
Change in Other Non-Current Assets	\$0	(\$8,435)	\$8,435
<b>Free Cash Flow Total</b>	<b>\$80,947</b>	<b>\$981,782</b>	<b>(\$900,835)</b>
<b>Net Cash Flow</b>			
Net Interest (after Tax)	(\$7,803)	(\$86,219)	\$78,416
Change in Other Non-Current Liabilities	\$0	(\$82,684)	\$82,684
Change in Retained Earnings & Other Equity	\$122,018	\$0	\$122,018
Adjustments	\$0	\$0	\$0
<b>Net Cash Flow Total</b>	<b>\$195,162</b>	<b>\$812,879</b>	<b>(\$617,717)</b>
<b>Net Cash Flow Resulting From</b>			
Change In Cash On Hand	(\$279,829)	\$580,338	(\$860,167)
Change In Short Term Debt	\$64,222	\$118,245	(\$54,023)
Change In Long Term Debt	\$410,769	\$114,297	\$296,473
<b>Net Cash Flow Total</b>	<b>\$195,162</b>	<b>\$812,879</b>	<b>(\$617,717)</b>

# Income & Expense Budget Analysis

September 2016 Quarter	Q1 2016/2017	Budget	Variance
<b>Income</b>			
Collection Fees	\$3,555,834	\$3,532,622	\$23,212
<b>Total Income</b>	<b>\$3,555,834</b>	<b>\$3,532,622</b>	<b>\$23,212</b>
<b>Cost of Operations</b>			
Disposal Fees - G/O	\$265,620	\$256,487	(\$9,133)
Disposal Fees - HARD	\$51,730	\$38,711	(\$13,019)
Disposal Fees - Waste	\$202,008	\$198,750	(\$3,258)
Audit/Contamination	\$0	\$12,500	\$12,500
Fuel: Gas & Oil	\$232,543	\$251,691	\$19,148
Maintenance: Bins	\$46,055	\$51,017	\$4,962
Maintenance: Trucks	\$282,464	\$278,423	(\$4,041)
Regist'n & Insurance: Trucks	\$54,369	\$69,986	\$15,617
Superannuation	\$76,416	\$84,674	\$8,258
Wages & Salaries	\$949,202	\$891,308	(\$57,894)
Wages: Casual Agency	\$177,427	\$117,549	(\$59,878)
Workers Compensation	\$42,500	\$42,168	(\$332)
<b>Total Cost of Operations</b>	<b>\$2,380,333</b>	<b>\$2,293,265</b>	<b>(\$87,069)</b>
<b>Operating Surplus (Deficit)</b>	<b>\$1,175,501</b>	<b>\$1,239,357</b>	<b>(\$63,856)</b>
<b>Expenses</b>			
Account Fees	\$639	\$250	(\$389)
Accounting & Audit	\$7,400	\$9,039	\$1,639
Annual Leave Accrued	\$54,045	\$7,375	(\$46,670)
Bank Charges	\$563	\$516	(\$46)
Board Fees	\$6,100	\$6,375	\$275
Burnside 2nd Bin Reimbursement	\$69,130	\$51,000	(\$18,130)
Communications	\$9,092	\$28,962	\$19,870
Conference	\$5,988	\$4,000	(\$1,988)
Consulting	\$41,581	\$21,369	(\$20,213)
Depreciation	\$420,372	\$467,113	\$46,742
Education & Training	\$4,597	\$6,374	\$1,776
Equipment Hire	\$6,593	\$20,250	\$13,657
Fire / Security Service	\$3,278	\$4,750	\$1,472
GPS Monthly Tracking	\$15,506	\$11,451	(\$4,055)
Insurance	\$5,371	\$6,456	\$1,085
Kerbside Audits	\$633	\$3,833	\$3,200
Lease: Two-way Radio	\$2,505	\$1,257	(\$1,248)
Legal Fees	\$14,523	\$7,652	(\$6,871)
Licence Fees	\$0	\$604	\$604
LSL Accrued	\$0	\$41,320	\$41,320
Maintenance: Motor Vehicle	\$5,546	\$7,748	\$2,201
Other Items - Ottoway	\$12,619	\$13,119	\$500
Outgoings Ottoway Depot	\$11,760	\$11,621	(\$138)
Power	\$5,402	\$11,250	\$5,848
Print/Stationery/Post/Courier	\$8,903	\$10,750	\$1,847
Promotion & Advertising	\$0	\$12,851	\$12,851
Protective Clothing	\$2,317	\$1,500	(\$817)
Recycling Rebate to Councils	\$135,505	\$183,000	\$47,495
Rent - Ottoway	\$47,798	\$46,644	(\$1,154)
Risk Management Expenses	\$0	\$2,582	\$2,582

## Income & Expense Budget Analysis

Staff Amenities	\$13,408	\$11,595	(\$1,813)
Staff Medical	\$0	\$258	\$258
Sub Depot - Adelaide Hills	\$599	\$0	(\$599)
Subscriptions	\$545	\$1,627	\$1,082
Sundry Items	\$2,245	\$4,088	\$1,843
Telephone	\$7,216	\$11,040	\$3,824
Tools, Minor Equipment	\$15,309	\$13,750	(\$1,559)
<b>Total Expenses</b>	<b>\$937,090</b>	<b>\$1,043,370</b>	<b>\$106,280</b>
<b>Surplus (Deficit) After Overheads</b>	<b>\$238,411</b>	<b>\$195,987</b>	<b>\$42,424</b>
<b>Other Income</b>			
Sundry Income	\$732	\$2,582	(\$1,850)
Profit / Loss on Sale of Asset	\$20,405	\$6,250	\$14,155
<b>Total Other Income</b>	<b>\$21,137</b>	<b>\$8,832</b>	<b>\$12,305</b>
<b>Net Surplus (Deficit) Before Interest</b>	<b>\$295,548</b>	<b>\$204,819</b>	<b>\$54,729</b>
<b>Interest Income</b>			
Interest	\$10,251	\$11,960	(\$1,709)
<b>Total Interest Income</b>	<b>\$10,251</b>	<b>\$11,960</b>	<b>(\$1,709)</b>
<b>Interest Expenses</b>			
Interest Expense	\$32,252	\$134,446	\$102,193
Interest - AHC Bins	(\$404)	\$0	\$404
Interest - Equity Loan	(\$10,450)	\$0	\$10,450
<b>Total Interest Expenses</b>	<b>\$21,398</b>	<b>\$134,446</b>	<b>\$113,047</b>
<b>Total Comprehensive Income</b>	<b>\$248,401</b>	<b>\$82,333</b>	<b>\$166,067</b>

# Income & Expense Budget Analysis

Extrapolated 2017 Financial Year	Extrapolated 16/17	Budget	Variance
<b>Income</b>			
Collection Fees	\$14,050,250	\$13,986,485	\$63,765
<b>Total Income</b>	<b>\$14,050,250</b>	<b>\$13,986,485</b>	<b>\$63,765</b>
<b>Cost of Operations</b>			
Disposal Fees - G/O	\$1,035,083	\$1,025,950	(\$9,133)
Disposal Fees - HARD	\$206,920	\$154,844	(\$52,076)
Disposal Fees - Waste	\$808,031	\$795,000	(\$13,031)
Audit/Contamination	\$20,000	\$50,000	\$30,000
Fuel: Gas & Oil	\$930,170	\$1,006,762	\$76,592
Maintenance: Bins	\$184,220	\$204,069	\$19,849
Maintenance: Trucks	\$1,129,856	\$1,113,693	(\$16,163)
Regist'n & Insurance: Trucks	\$217,475	\$279,943	\$62,468
Superannuation	\$312,413	\$361,306	\$48,893
Wages & Salaries	\$3,827,963	\$3,803,224	(\$24,739)
Wages: Casual Agency	\$609,709	\$550,000	(\$59,709)
Workers Compensation	\$170,000	\$161,637	(\$8,363)
<b>Total Cost of Operations</b>	<b>\$9,451,839</b>	<b>\$9,506,428</b>	<b>\$54,589</b>
<b>Operating Surplus (Deficit)</b>	<b>\$4,598,411</b>	<b>\$4,480,057</b>	<b>\$118,354</b>
<b>Expenses</b>			
Account Fees	\$2,558	\$1,000	(\$1,558)
Accounting & Audit	\$29,600	\$36,155	\$6,555
Annual Leave Accrued	\$76,170	\$29,500	(\$46,670)
Bank Charges	\$2,251	\$2,066	(\$185)
Board Fees	\$24,400	\$25,500	\$1,100
Burnside 2nd Bin Reimbursement	\$82,807	\$60,000	(\$22,807)
Communications	\$115,850	\$115,850	\$0
Conference	\$16,000	\$16,000	\$0
Consulting	\$85,475	\$85,475	\$0
Depreciation	\$1,887,609	\$1,868,453	(\$19,156)
Education & Training	\$18,389	\$25,495	\$7,106
Equipment Hire	\$66,371	\$81,000	\$14,629
Fire / Security Service	\$13,112	\$19,000	\$5,888
GPS Monthly Tracking	\$62,022	\$45,803	(\$16,219)
Insurance	\$21,485	\$25,825	\$4,340
Kerbside Audits	\$15,330	\$15,330	\$0
Lease: Two-way Radio	\$10,022	\$5,028	(\$4,994)
Legal Fees	\$30,608	\$30,608	\$0
Licence Fees	\$0	\$2,417	\$2,417
LSL Accrued	\$40,000	\$41,320	\$1,320
Maintenance: Motor Vehicle	\$22,184	\$30,990	\$8,806
Maintenance: Trucks Contract	\$160,000	\$208,000	\$48,000
Other Items - Ottoway	\$50,475	\$52,476	\$2,001
Outgoings Ottoway Depot	\$47,038	\$46,485	(\$553)
Power	\$45,000	\$45,000	\$0
Print/Stationery/Post/Courier	\$35,611	\$43,000	\$7,389
Promotion & Advertising	\$50,000	\$51,403	\$1,403
Protective Clothing	\$25,825	\$25,825	\$0
Recycling Rebate to Councils	\$732,000	\$732,000	\$0
Rent - Ottoway	\$191,194	\$186,576	(\$4,618)



## Income & Expense Budget Analysis

Risk Management Expenses	\$0	\$10,330	\$10,330
Staff Amenities	\$53,634	\$46,381	(\$7,253)
Staff Medical	\$0	\$1,033	\$1,033
Sub Depot - Adelaide Hills	\$2,397	\$0	(\$2,397)
Subscriptions	\$2,180	\$6,508	\$4,328
Sundry Items	\$8,980	\$16,354	\$7,374
Telephone	\$44,160	\$44,160	\$0
Tools, Minor Equipment	\$61,237	\$55,000	(\$6,237)
<b>Total Expenses</b>	<b>\$4,131,974</b>	<b>\$4,133,346</b>	<b>\$1,372</b>
<b>Surplus (Deficit) After Overheads</b>	<b>\$466,437</b>	<b>\$346,711</b>	<b>\$119,725</b>
<b>Other Income</b>			
Sundry Income	\$2,928	\$10,330	(\$7,402)
Profit / Loss on Sale of Asset	\$25,000	\$25,000	\$0
<b>Total Other Income</b>	<b>\$27,928</b>	<b>\$35,330</b>	<b>(\$7,402)</b>
<b>Net Surplus (Deficit) Before Interest</b>	<b>\$494,365</b>	<b>\$382,041</b>	<b>\$112,323</b>
<b>Interest Income</b>			
Interest	\$41,005	\$47,841	(\$6,836)
<b>Total Interest Income</b>	<b>\$41,005</b>	<b>\$47,841</b>	<b>(\$6,836)</b>
<b>Interest Expenses</b>			
Interest Expense	\$363,066	\$363,066	\$0
Interest - AHC Bins	(\$1,615)	\$0	\$1,615
Interest - Equity Loan	\$27,221	\$0	(\$27,221)
<b>Total Interest Expenses</b>	<b>\$388,672</b>	<b>\$363,066</b>	<b>(\$25,606)</b>
<b>Total Comprehensive Income</b>	<b>\$146,698</b>	<b>\$66,816</b>	<b>\$79,882</b>

# Common Fleet Costing

September 2016 Quarter	Q1 2016/2017	Budget Q1 16/17
Total Expenses	\$3,338,821	\$3,471,080
Less:		
Disposal Fees - Waste	\$202,008	\$198,750
Disposal Fees - G/O	\$265,620	\$256,487
Interest - Equity Loan	(\$10,450)	\$0
Maintenance: Bins	\$46,055	\$51,017
Sundry Items	\$2,245	\$4,088
Burnside 2nd Bins	\$73,807	\$51,000
Recycling Rebate	\$135,505	\$183,000
Rebate to Member Councils	\$0	\$0
Fixed Admin (Revenue)	\$33,808	\$74,743
Hard Waste Expenses	\$117,647	\$90,592
Litter Expenses	\$58,582	\$75,013
Bins Expenses	\$9,548	\$16,145
Total Member Council Non-Collection Costs	\$934,375	\$1,000,835
Total Collection Costs	\$2,404,446	\$2,470,245

Overhead Allocation		Total Costs	Budget	Variance
Adelaide Hills	25.35%	\$609,527	\$626,207	\$16,680
Burnside	18.12%	\$435,686	\$447,608	\$11,923
Campbelltown	20.76%	\$499,163	\$512,823	\$13,660
Mitcham	15.81%	\$380,143	\$390,546	\$10,403
Norwood	16.51%	\$396,974	\$407,837	\$10,863
Walkerville	3.45%	\$82,953	\$85,223	\$2,270
Total	100%	\$2,404,446	\$2,470,245	\$65,799



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## Agenda Item 7.2

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**REPORT SUBJECT:** Audit and Risk Management Committee Nominations

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 24 November 2016

**ATTACHMENTS:** -

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### Purpose of the Report

To provide the Board with an update on the make up of the Audit and Risk Management Committee.

### Report

As per the East Waste Audit and Risk Management Committee terms of reference, the Committee membership comprises of three (3) Board Directors, one of which must be the Chair, and two (2) independent persons.

- All Board Directors are Committee Members for 12 months, and can be renominated.
- One Independent Committee Member is a Member for 12 months, and can be renominated.
- One Independent Committee member is a Member for 24 months, and can be renominated.

Table 1 below illustrates the current Membership of the Committee;

**Table 1: East Waste Audit and Risk Management Committee Membership Status**

Member	Type	Expiration	Action
Mr Brian Cunningham	Chairman	30 June 2017	No action required
Mr Mario Barone	Board	2016	New Board Director nominations will be sought at 24 November 2016 Board Meeting
Cr Grant Piggott	Board	2016	New Board Director nominations will be sought at 24 November 2016 Board Meeting
Mr Leigh Hall	Independent	30 June 2017	No action required
Mr Tim Muhlhausler	Independent	November 2016	Reappointment can be offered

The Committee must meet at least quarterly, and precede Board Meetings.

It is clear that the Board need to seek and appoint two (2) Board Director Committee Members at the 24 November 2016 Board Meeting. The Board must also resolve to either seek to reappoint Mr Tim Muhlhausler or advertise for a suitable skills based Independent Member.

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### **RECOMMENDATION**

**That the two (2) Board Directors, and one (1) Independent Committee Member are appointed to the East Waste Audit and Risk Management Committee,**



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### **Agenda Item 7.3**

---

**REPORT SUBJECT:** Metropolitan Council Waste Management Tender

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 24 November 2016

**ATTACHMENTS:** CONFIDENTIAL ATTACHMENT – preliminary analysis

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#### **Purpose of the Report**

To provide the Board with an update on a recently advertised Council waste collection tender.

#### **Report**

City of Prospect advertised their collection services on Tenders SA Website on Tuesday 15 November 2016. The tendered services include;

- Collection of kerbside waste, organics and recyclables
- Processing of organics and recyclables
- Collection of public place litter bins
- Collection of at-call hard waste
- Trials and Innovation

The term of the Contract is for seven (7) years with an extension option of three (3) years, with a commencement date of 1 July 2017.

The tender call period closes on 12 December. There are two entry points in respect to the East Waste Charter, an Incoming Council or Non-Core Activity ("client council"). Per the Charter;

#### **14. INCOMING CONSTITUENT COUNCILS**

*14.1 Any council may become a Constituent Council (an Incoming Constituent Council) if:*

*14.1.1 it makes written application (in a form approved by the Board) to become a Constituent Council and agrees to be bound by this Charter (noting that Shares will change);*

*14.1.2 its application is supported by a thorough, realistic, independent, and diligent Business Case analysis;*

*14.1.3 it pays any joining fee or other payment as may be required by the Board;*

*14.1.4 the Constituent Councils approve the application and revised Shares by Unanimous Decision; and*

*14.1.5 the Minister approves.*

*14.2 An Incoming Constituent Council:*

*14.2.1 is jointly and severally liable with the other Constituent Councils for the debts and liabilities of the Authority incurred before or after the date it becomes a Constituent Council, or as otherwise agreed;*

*14.2.2 is bound by a decision made or step taken by the Board in the affairs of the Authority before it became a Constituent Council to the extent such decision or step was recorded in minutes of the Board's meetings or otherwise notified to the Incoming Constituent Council before it made application to become a Constituent Council; and*

*14.2.3 upon becoming a Constituent Council has the Share agreed between the Incoming Constituent Council and the Constituent Councils.*

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In respect to a Client Council per the East Waste Charter, the non-core activity clauses prevail;

### PART 13—NON-CORE ACTIVITY

#### **44. ABOUT NON-CORE ACTIVITY**

44.1 Where before the date this Charter becomes effective the Authority has committed to a Non-core Activity:

44.1.1 a Non-core Plan for that Non-core Activity must be prepared by the Chief Executive Officer and approved by Board resolution no later than 30 June 2013, so far as that Non-core Activity at the time then remains to be performed; and

44.1.2 all the Constituent Councils are taken to be participants in that Non-core Activity with Non-core Shares equal to their Core Shares.

44.2 After the date this Charter becomes effective, the Authority must not tender for or commit to a Non-core Activity except in compliance with this Charter.

#### **45. NON-CORE ACTIVITY PROPOSALS**

The Chief Executive Officer, the Board or any Constituent Council may propose the Authority adopt a Non-core Plan.

#### **46. NON-CORE ACTIVITY CONSULTATION**

A proposer of a draft Non-core Plan must consult all the Constituent Councils in developing the draft.

#### **47. NON-CORE PLAN REQUIREMENTS**

A draft Non-core Plan must set out in reasonable detail in relation to the Non-core Activity it concerns:

47.1 the kind of service to which it relates;

47.2 its priority in relation to other existing or proposed Core Activity and Non-core Activity;

47.3 its expected duration;

47.4 a timetable for its full implementation;

47.5 its anticipated effect on the resources of the Authority (including financial, technological, physical and human resources) and in particular and without limiting the generality of the foregoing:

47.5.1 personnel requirements over time, and how those requirements are to be satisfied;

47.5.2 plant and equipment requirements over time, and how those requirements are to be satisfied;

47.5.3 fuel and other consumables requirements over time, and how those requirements are to be satisfied;

47.5.4 access to weigh-stations, recycling premises, and waste dump premises over time, and how those requirements are to be satisfied;

47.6 its anticipated expenditure, revenue and cash-flow outcomes over time (on a calendar monthly basis);

47.7 the sources of funds and when those funds need be sourced;

47.8 whether and if so what resources of a Constituent Council are required to be available to the Non-core Activity;

47.9 whether the Local Government Mutual Liability Scheme has forecast any peculiar liability issues for the Non-core Activity, and the advice given in relation to those liability issues;

47.10 whether the lawyers for the Authority have forecast any peculiar legal issues for the Non-core Activity, and the advice given in relation to those legal issues;

47.11 whether the auditors of the Authority have forecast any peculiar accounting or audit issues for the Non-core Activity;

47.12 governance issues, including whether and what delegations are required;

47.13 whether the Non-core Activity is a significant business activity and if so, how adherence to the National Competition Policy will be assured; and

47.14 how the Non-core Plan may change over time.

#### **48. CONDITIONS OF ADOPTION OF A NON-CORE PLAN**

A Non-core Plan is not effective unless and until all of the following are satisfied:

48.1 the Board resolves to adopt the Non-core Plan;

48.2 the Constituent Councils have each resolved to:

48.2.1 approve their Council's participation in the Non-core Activity; and

48.2.2 make any necessary consequential changes to their Council's strategic management plans, annual business plan and budget.

#### **49. NON-CORE PLANS AS PART OF THE BUSINESS PLAN**

A Non-core Plan adopted by the Authority forms part of the Business Plan.

#### **50. REVIEW OF A NON-CORE PLAN**

As part of a Business Plan, a Non-core Plan is subject to review by the Authority at the same times as the remainder of the Business Plan.

## **EAST WASTE**

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The General Manager has done some preliminary analysis on this opportunity which is contained in the Confidential Attachment.

### **RECOMMENDATION**

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 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 instruct the General Manager on the pursuit, or otherwise, of this opportunity.

**Agenda Item 7.3 Confidential extract removed**





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#### **Agenda Item 7.4**

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**REPORT SUBJECT:** Waste and Recycling Education Campaign *Why Waste It?* Rollout

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 24 November 2016

**ATTACHMENTS:** Campaign Rollout Plan

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#### **Purpose of the Report**

To provide the Board with an update regarding the rollout plan for the *Why Waste It?* Waste and Recycling Education Campaign.

#### **Report**

At the September 2016 Board Meeting Members were provided with an update regarding the development of resources for the waste minimisation and recycling education campaign *Why Waste It?* Campaign. All resources, including the development of the micro-site, have now been finalised and are ready for use.

Board Directors will recall retaining \$150,000 of the 15/16 operational surplus for the facilitation and coordination of a waste minimisation and recycling education program for Member Councils, in order to maximise landfill diversion and avoid increased waste levy stage government charges.

On 7 November 2016 this agenda item was tabled before the East Waste Operations Assistance Committee. Direction was sought from Committee Members in relation to the rollout of the campaign, specifically whether Member Council's wanted to manage their own rollout individually, or whether Member Council's wanted East Waste to manage the rollout collectively across all Member Councils. Unanimous support was provided for East Waste to manage the rollout.

The attached Campaign Rollout Plan provides Members with an indication of the staged rollout of the Campaign. The plan identifies:

- The campaign resource;
- When and where the resources will be utilised (Members will note the seasonal focus for recyclables and organics); and
- Resources that can be utilised on an on-going basis.

Whilst the plan has been produced to assist in the rollout, it is a guide only and can be subject to change dependent on the direction and input from Member Councils, any feedback received and/or the results of particular campaign messaging.

#### **RECOMMENDATION**

**That Members authorise the General Manager to commence the rollout of the *Why Waste It?* waste and recycling education campaign.**

Resource/Promotional message	Location	Start Time	End Time	
Avoid, Reduce and Re-use fliers and posters	Council Chambers - Customer Service area/ Community centres/ Libraries / Shopping Centre info displays / Local community events / Community gardening workshops	any time throughout the year to re-enforce waste avoidance and heirachy		East Waste can supply wording for articles to provide an education message and an introduction to the campaign.
Avoid, Reduce article using media banner/tile	Council Newsletter/Local Messenger/Website/Social Media			
Re-use article using media banner/tile	Council Newsletter/Local Messenger/Website/Social Media			
Recycle Media/Newsletter article using media banner/tile	Council Newsletter/Local Messenger/Website/Social Media	November	April	East Waste can supply wording for articles to provide an education message and an introduction to the campaign.
Recycle - Street Banner phase 1: "Why waste it? When you can recycle it."	Main arterial roads/ high traffic areas	November	January	
Recycle - Street Banner phase 2: "Why waste it? Well done (Council name) your recycling rate is XX%"	Main arterial roads/ high traffic areas	February	April	Details on your recycling rate will be supplied to you by East Waste.
Recycle fliers	Council Chambers - Customer Service area/ Community centers/ Libraries / Shopping Centre info displays / Local community events / Community gardening workshops	November	April	any time during this period to enhance/support street banner and other media messaging
Recycle pull-up banners and posters				
Recycle - Kerbside Bin Stickers				
No Junk Mail Sticker	Make available through customer service desk, libraries and community centres for residents to pick up, or mail out via a newsletter or rates notice.	anytime, suggested promotion in the lead up to the holiday season when junk mail is particularly high.		
Compost Media/Newsletter article using media banner/tile	Council Newsletter/Local Messenger/Website/Social Media	May	July	East Waste can supply wording for articles to provide an education message and an introduction to the campaign.
Compost - Street Banner phase 1: "Why waste it? When you can compost it."	Main arterial roads/ high traffic areas	May	July	
Compost - Street Banner Phase 2: "Why waste it? Well done (Council name) your composting rate is XX%"	Main arterial roads/ high traffic areas	August	October	Details on your composting rate will be supplied to you by East Waste.
Bus Shelter "Why Waste It? Thanks (Council name) for composting it"	Main aterial roads/ high traffic areas	May	October	any time during this period to enhance/support street banner and other media messaging
Compost fliers	Council Chambers - Customer Service area/ Community centers/ Libraries / Shopping Centre info displays / Local community events / Community gardening workshops	May	October	
Compost pull-up banners and posters				
Kitchen Caddy/ Bio Basket stickers				
Compost - Kerbside Bin Stickers				



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## Agenda Item 7.5

**REPORT SUBJECT:** Purchase of Rear-Loader Collection Vehicle

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 24 November 2016

**ATTACHMENTS:** Quotation

### Purpose of the Report

To provide the Board with a report on the procurement of one (1) Rear-Loader (Hard Waste) Collection Vehicle to meet current service demands.

### Background

Members will be aware of the 'At-call' Hard Waste service offering that East Waste provides to participating Member Councils. Over the past two years, with the support of the Board, East Waste has increased the number of Member Council's participating in this service offering. Adelaide Hills Council is the 5<sup>th</sup> Member Council to direct East Waste to provide an at-call hard waste collection service (refer Agenda Item 7.8).

The below matrix details East Waste's current commitment to the 'At-call' Hard Waste service to Member Councils:

Member Council	At Call Hard Waste
Adelaide Hills Council	x
City of Burnside	x
City of Campbelltown	x
City of Mitcham	x
City of Norwood Payneham & SP	Partial
Corp Town of Walkerville	x

Currently, East Waste services the 'At-call' service utilising one (1) designated Rear-Loader Collection Vehicle. Resident demand for the service is consistently high, whereby East Waste is getting close to acceptable waiting period thresholds (maximum of 4 weeks). The continued high demand together with the recent 'opt-in' of the service from the Town of Walkerville and Adelaide Hills Council has ensured that the one (1) designated rear-loader vehicle is working at maximum capacity.

East Waste's Annual Plan 2016/2017 provides for an option to purchase an additional rear-loader vehicle should utilisation justify the purchase (Clause 3.2.4 refers). This clause refers to the purchase of a 'new' rear-loader collection vehicle in accordance with the three (3) year truck supply Agreement with Bucher Municipal (RFT2015-04). The purchase of a new vehicle at this stage would be difficult to justify, and would require full (absolute) Member Council participation of the service to consider the 'new truck' option.

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Whilst the purchase of a new vehicle is not currently a prudent option, presently experienced utilisation levels of the at-call hard waste service do justify the purchase of a second rear-loader collection vehicle. A back-up second hand vehicle will also allow for the dedicated hard waste vehicle to come off the road for necessary scheduled servicing and maintenance.

Noting the urgency to meet current demand levels, East Waste's General Manager authorised the Operations Manager to source a vehicle for use in accordance with the procurement provisions of East Waste's Goods and Services Policy.

### **Report**

Consistent with the instructions of the General Manager, the Operations Manager commenced the sourcing of quotations for a suitable rear-loader collection vehicle.

The approach to the market provided the following lines of enquiry:

- Enact RFT2015 – 04 Rear Loader Option through Bucher Municipal
- An opportunity to lease a rear-loader collection vehicle through Bucher Municipal;
- Market testing of public auction sites for suitable vehicles;
- An opportunity to buy a second-hand rear-loader collection vehicle from a commercial waste provider; and
- An opportunity to buy a second-hand 28m<sup>3</sup> rear-loader collection vehicle through SA based North East Isuzu at a price of \$90,681 (ex. GST).

RFT2015-04 tender process allows the procurement of collection vehicles through Bucher Municipal for a period of three (3) years. This tender process contained an option to buy a new rear loader vehicle should demand warrant the investment. The purchase price is \$390,235 (excl GST). It was not considered prudent to enact this option in the Contract at this time. The lease option and the option to purchase through a competitor commercial waste provider failed to materialise. The Bucher Municipal vehicle was sold during the enquiry period and the commercial waste provider ultimately declined to sell their vehicle to East Waste. Market testing was undertaken over a period of 4-6 weeks to identify suitable vehicle available through public auction sites Australia wide. The following second hand vehicles were identified and investigated;

Make	Year	Odometer (km)	Asking Price (excl GST)
Iveco	2006	98,034	\$119,500
Iveco	2009	71,000	\$149,950
Hino	2010	84,000	\$121,750
Iveco	2010	68,000	\$130,000

The second hand vehicle for offer through North East Isuzu has the following specifics;

Make	Year	Odometer (km)	Asking Price (excl GST)
Iveco	2007	89,720	\$90,681

As a result East Waste pursued the potential opportunity with North East Isuzu.

In consideration of the offering from North East Isuzu, East Waste considered the following evaluation criteria:

- East Waste's Goods and Services Policy;
- Other current market information
- Value for Money; and
- Fit for Operational Purpose.

## **EAST WASTE**

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A mechanical assessment of the vehicle indicated that the vehicle was in exceptional working condition. The cab chassis has been maintained and serviced regularly, and the compactor body was free from any structural damage. In addition the vehicle has only performed 89,720 kms and is a 2007 model. The asking price for the vehicle was \$130,000 (ex. GST) however East Waste has been able to negotiate a purchase price of \$90,681 (ex. GST). East Waste also considered the depreciation of the vehicle over its estimated lifespan, which is approximated at four (4) years.

Given the urgency in meeting current service levels, and the quality of the vehicle offering at the discounted purchase price, the General Manager placed an order for the collection vehicle, subject to approval of the East Waste Board.

The Attachment outlines the quotation received from the supplier together with the vehicle specifications.

Irrespective of the approval already granted in adoption of the 2016/2017 East Waste Annual Plan, this report seeks ultimate approval to purchase the rear-loader collection vehicle in accordance with the provisions of East Wastes Goods and Services Policy.

### **RECOMMENDATION**

**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**

# North East Isuzu

**a:** Cnr Port Wakefield & Waterloo Corner Roads  
Burton South Australia 5110  
**p:** 08 8280 9899  
**f:** 08 8280 9566

**e:** email@neisuzu.com.au  
**w:** www.neisuzu.com.au  
**company:** Capem Pty Ltd  
**abn:** 42 008 000 664



## VEHICLE QUOTATION

**Customer:** Eastern Waste Management Authority  
**Attention:** Mr Ray Pawa  
**Address:** 1 Temple Court, Ottoway SA 5012  
**Contact #:** \_\_\_\_\_

**Date:** 16-November-2016

**Salesperson:** Darren Calvett  
**Contact #:** 0418 812 542

Thank you for giving North East Isuzu the opportunity to provide a quotation on the the following vehicle  
I therefore submit the following option for your consideration.

### ISUZU FVZ 1400 AUTO

Description	Amount
ISUZU FVZ 1400 AUTO Rear Loading compactor as per attached stock card REGO# ICUH978 STOCK# 557293	\$ 90,681.82
<b>Including:</b> Complete workshop service & safety inspection to pass full roadworthy standard Including all modifications as discussed	
Total Exc GST	\$ 90,681.82
GST	\$ 9,068.18
<b>TOTAL INC GST</b>	<b>\$ 99,750.00</b>
<b>Additional On Road Costs</b>	
12 Months Registration	\$ 2,100.00
Stamp Duty	Exempt
CTP Insurance	\$ -
<b>Total on Road Costs</b>	<b>\$ 2,100.00</b>
<b>TOTAL INCLUDING ON ROAD COSTS &amp; GST</b>	<b>\$ 101,850.00</b>

Should you have any further inquiries please do not hesitate to contact me on 08 82809899 or  
on my mobile (0418 812 542

Kind Regards

Darren Calvett  
Sales Manager

RELIABILITY IS EVERYTHING **ISUZU**

Quote Gen By: (Initials Only)

Quote Expiry Date: 30-November-2016

# North East Isuzu

**a:** Cnr Port Wakefield & Waterloo Corner Roads  
 Burton South Australia 5110  
**p:** 08 8280 9899  
**f:** 08 8280 9566

**e:** email@neisuzu.com.au  
**w:** www.neisuzu.com.au  
**company:** Capem Pty Ltd  
**abn:** 42 008 000 664



## ISUZU STOCK CARD

**Date:** 16-November-2016

**REGO# ICUH978**

**STOCK# 557293**

Make	ISUZU	UL	0	Odometre	89,720
Model	FVZ 1400 AUTO	GVM	24000	Colour	WHITE
Year	2007	GCM	36000	Vin/Chassis	JALFVZ23767000177
Body	COMPACTOR	Wheel Base	5300	Engine No	6SD1409747

### ***Vehicle Details:***

2007 ISUZU FVZ 1400 AUTO, REAR LOAD COMPACTOR, 28 CUBIC METRE MACDONALD JOHNSTON BODY, PINTLE HOOK TOW BAR, ELECTRIC TRAILER BRAKES, REVERSE CAMERA, AMBER BEACONS, AIR CON, POWER WINDOWS, 275 HORSEPOWER TURBO DIESEL, ALLISON AUTOMATIC, EX COUNCIL, ONLY 89,720 KMS.



**Quote Expiry Date:**



Member Councils • Adelaide Hills Council • City of Burnside • City of Norwood, Payneham & St Peters  
• City of Campbelltown • Corporation of The Town of Walkerville • City of Mitcham

## Agenda Item 7.6

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**REPORT SUBJECT:** Report on Financial Performance

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 24 November 2016

**ATTACHMENTS:** -

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### 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;

#### ***10—Report on financial results***

***(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.***

At the time of preparing this Agenda Item, the necessary Report was not available from East Wastes externally appointed accountancy firm. The Report will be circulated under separate cover for the Board to consider when available.

### RECOMMENDATION

**That the Report be received and noted, and the General Manager circulate under separate cover the Report on Financial Results for consideration.**





Member Councils • Adelaide Hills Council • City of Burnside • City of Norwood, Payneham & St Peters  
• City of Campbelltown • Corporation of The Town of Walkerville • City of Mitcham

## Agenda Item 7.7

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REPORT SUBJECT: First Review of Budgets

REPORT AUTHOR: General Manager

MEETING DATE: Thursday 24 November 2016

ATTACHMENTS: -

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### 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

In accordance with Section 9 of the regulations;

#### ***9—Review of budgets***

***(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 subregulation (1)(b), and at least 1 report must be considered after consideration of the report under subregulation (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.***

At the time of preparing this Agenda Item, the necessary Report was not available from East Wastes externally appointed accountancy firm. The Report will be circulated under separate cover for the Board to consider when available.

### RECOMMENDATION

That the Report be received and noted, and the General Manager circulate under separate cover the First Review of Budgets for consideration and adoption.



**Member Councils • Adelaide Hills Council • City of Burnside • City of Norwood, Payneham & St Peters  
• City of Campbelltown • Corporation of The Town of Walkerville • City of Mitcham**

## **Agenda Item 7.8**

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**REPORT SUBJECT:** Adelaide Hills Council Hard Waste Tender

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 24 November 2016

**ATTACHMENTS:** -

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### **Purpose of the Report**

To provide the Board with Report on Member Council Adelaide Hills Council provision of hard waste collection services.

### **Report**

Adelaide Hills Council recently advertised on Tenders SA Website for the provision of a limited (2 year) hard waste collection service.

East Waste submitted a two-tier tender, being (1) a conforming Client Council tender which was submitted subject to the non-core provisions of the Charter (ie absolute Member Council approval of non-core plan), and (2) the Member Council non-conforming tender which simply allowed Adelaide Hills Council to engage East Waste to perform the hard waste collection as a core service under the Charter.

Adelaide Hills Council formally advised East Waste on Friday 11 November 2016 that it will engage East Waste to provide the at-call hard waste collection services as a Member Council. Adelaide Hills Council now joins the following Member Councils in requesting East Waste provide an ongoing at-call hard waste service;

- City of Mitcham
- Campbelltown City Council
- City of Burnside, and
- Town of Walkerville

East Waste intends to utilise existing fleet and staff where possible to provide the service, however due to the popularity of the other existing at-call hard waste services, and the addition of Town of Walkerville and Adelaide Hills Council, it is now time to add a back-up vehicle to the fleet (refer Agenda Item 7.5) as approved in the 2016/2017 Annual plan. This back-up vehicle will provide coverage during elevated participation times (ie November – February), and also allow the dedicated frontline hard waste vehicle to be taken off the road for routine servicing. In keeping with prudent financial management, it is intended to introduce a second hand vehicle.

Adelaide Hills Council have provided a budget of \$100,000 for the service, and it is anticipated that the service will commence in the last week of November 2016. The additional expenditure and revenue will be isolated in Budget Review 2, scheduled for Board consideration in February 2017.

### **RECOMMENDATION**

**That the Report be received and noted, and the General Manager formally advise Adelaide Hills Council of its willingness to undertake the core service.**



Member Councils • Adelaide Hills Council • City of Burnside • City of Norwood, Payneham & St Peters  
• City of Campbelltown • Corporation of The Town of Walkerville • City of Mitcham

#### **Agenda Item 7.9**

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**REPORT SUBJECT:** 2016/2017 Annual Plan Progress Report

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 24 November 2016

**ATTACHMENTS:** Year to Date Annual Plan Matrix

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#### **Purpose of the Report**

To provide the Board with an update on the implementation of the activities endorsed in the 2016/2017 Annual Plan.

#### **Report**

The attached matrix provides an illustrative update as to the progress of the Annual Plan implementation.

This is a standing item on the Board Agenda.

#### **RECOMMENDATION**

**That the Report be received and noted.**

## Annual Plan 2016 - 2017

Activities	Annual Plan Reference	Commenced	Completed	Comments
Policies and Delegations	3.1.1	x		Business Improvement Manager has commenced review
Market Evaluation (abbreviated)	3.1.2			
Service Level Agreements	3.1.3	x		General Manager to raise at next Operations Assistance Committee
Preliminary Investigation into Gas Fleet	3.2.1	X		Preliminary Report has been completed, currently under review
Purchases of RACV	3.2.2	x	x	3 Year Supply Tender Complete
Recyclables Contract (auditing)	3.2.3			Scheduled for February 2017
Hard Waste Services	3.2.4	x		5th Member Council new instructed East Waste to provide service
Multi Unit Dwelling/Council Building Servicing	3.2.5	x		Commenced trial at a Council facility of a Member Council
Workshop Review	3.2.6	x		Procurement review and stock control review complete. Software solution purchased ready for implementation
Litter Collection Services	3.2.7	x		Servicing three (3) Member Councils. Another Member Council invited East Waste to provide costed business case as part of a service efficiency review. Business Case submitted
WH&S Progression to Standards 4 and 5	3.3.1	x		Continued implementation of Standards 4 and 5. Audit booked for December 1 and 2
Quarterly WH&S Committee Meetings	3.3.2	x		Two Meetings conducted
Independent Fleet Audit	3.3.3	x	x	Completed for 2017. All trucks are have independently assessed and signed off
Reversing Sensor Trial	3.3.4	x		Implemented on five (5) new vehicles as a safety initiative
Drug and Alcohol Policy	3.3.5	x		Review commenced
Refresh Branding	3.4.1	x	x	Completed
Operations Assistance Committee	3.4.2	x		Committee established and has had two meetings
Staff Satisfaction Survey (abbreviated)	3.4.3			Scheduled for March 2017
Customer Satisfaction Survey (abbreviated)	3.4.4			Scheduled for March 2017
New Website and Public Interface	3.4.5	x		Website updated, and micro site completed
Community Education	3.4.6	x		Why Waste It? campaign resources complete. Pending rollout
Treasury Management Policy	4.4.1	x		Draft commenced. Final draft to be forwarded to February 2017 Board Meeting



Member Councils • Adelaide Hills Council • City of Burnside • City of Norwood, Payneham & St Peters  
• City of Campbelltown • Corporation of The Town of Walkerville • City of Mitcham

#### **Agenda Item 7.10**

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**REPORT SUBJECT:** Operations Assistance Committee

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 24 November 2016

**ATTACHMENTS:** Agenda and Minutes

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#### **Purpose of the Report**

To provide the Board with Report on the meeting of the East Waste Operations Assistance Committee.

#### **Report**

East Waste convened a meeting of the Operations Assistance Committee, held at the City of Burnside on 7 November 2016.

The meeting was very fruitful in terms of discussion on common issues and improvements relating to the provision of waste and recycling services to Member Council communities.

Directors are referred to the attached agenda and minutes for information.

#### **RECOMMENDATION**

**That the Report be received and noted.**



## Agenda – East Waste Operations Assistance Committee

<b>Location:</b> City of Burnside	<b>Date:</b> 07 November 2016
<b>Project:</b> Operations Assistance Committee	<b>Time:</b> 1000

### Agenda Items

1. Present and Apologies
2. Opportunity for Member Councils to raise any operational matters **ALL**
3. **Why Waste It?**; Status of educational resources and microsite, and decision required on rollout (coordinated or individual) **MB, SR**
4. KESAB Service Level Agreement; Introduction of the SLA concept **SR**
5. Jeffries Contract Offer; Activating the 2 for 1 compost offer **AF**
6. Solid Waste Levy; Overview of efforts in opposing increase in SWL **AF**
7. Zero Waste SA Infrastructure Grants; East Waste Submission, plus update on future rounds (e.g. FOGO) **AF**
8. EPA Waste Reform Consultation; Overview, and seeking instruction on an East Waste Submission (closes 18 November 2016) **AF**
9. GISA SA Waste and Recycling Infrastructure Plan Consultation; Overview, and seeking instruction on an East Waste Submission (closes 25 November 2016) **AF**
10. Depot Waste; Discussion **AF**
11. Waste Disposal Contracts (MSW, hard waste, litter, street sweepings); Discussion **AF**
12. Commercial/Multi Unit Dwelling Services; Discussion **AF**
13. Other Business
14. Meeting close; set new date and Host Council



MINUTES OF THE OPERATIONS ASSISTANCE COMMITTEE MEETING HELD MONDAY 7<sup>th</sup> NOVEMBER  
2016 AT CITY OF BURNSIDE, 401 GREENHILL RD TUSMORE

1. Present
 

Mr A Faulkner	General Manager East Waste
Mr J McArthur	Adelaide Hills Council
Mr J Draper	City of Burnside
Mr B Seamark	City of Burnside
Ms R Hamilton	Campbelltown City Council
Mr D Deer	City of Mitcham
Ms M Siebert	City of Norwood, Payneham & St Peters
Mr R Gregory	City of Norwood, Payneham & St Peters
Ms M Bekesi	East Waste
Mr S Raymond	East Waste
Mr I Lampre	East Waste
Apologies	Mr J Bowen
	Corporation of the Town of Walkerville
2. Opportunity for Member Councils to raise any operational matters – Nil
3. Why Waste It? Status of educational resources and microsite, and decision required on rollout (coordinated or individual)
  - Megan B provide a brief presentation on the progress and near completion of the Why Waste It? resources. Other than the micro-site all resources have been developed and Megan advised that the micro-site was approximately one week away from “going live”. Further, Megan provided an outline of a draft roll-out of the campaign for members to consider.
  - Once finalised, Megan will make contact with Member Council regarding a tour of the micro-site and relevant Council login details.
  - Adam F then sought direction from Committee Members in relation to the roll-out of the campaign i.e. Do they want East Waste to manage and coordinate or does each individual Member Council want to manage on their own? General consensus was for East Waste to coordinate the roll-out in accordance with Megan’s briefing.
  - The decision regarding the roll-out of the campaign will be tabled before the 24 November East Waste Board meeting, therefore any comments or decisions regarding the roll-out approach will need to be communicated to Adam F prior to this meeting.
  - General discussion then held regarding communication mediums and the timing of certain messaging i.e. FOGO over the Christmas period. East Waste can work through requirements post Board endorsement on 24 November 2016.
4. KESAB Service Level Agreement
  - Shane R provided Members with information relating to the recent Board endorsed Service Level Agreement with KESAB, which provides Member Councils with access to school and community education programs, and Council support.
  - At this time each Member Council has been allocated \$5,000 (ex GST) to access (at their discretion) the services offered in the Agreement.

- Shane R to disseminate an email to Members outlining the services that can be accessed within the Agreement and a schedule of costs.
5. Jeffries Contract Offer; Activating the 2 for 1 compost offer
- Adam F detailed the clause of the Disposal Contract with Jeffries that provides residents of Member Councils with the ability to redeem a voucher for a 2 for 1 compost offer. Residents have three (3) ways to redeem the 2-for-1 compost offer, being;
    - Pick up at Jeffries at Wingfield (resident must provide a copy of their rates notice)
    - Order online through the Jeffries website 30L bagged compost (and add in East Waste second bag for free offer in the delivery details, and code on voucher at checkout)
    - Redeem a voucher at their local Jeffries stockist. If residents choose this option, we can email or send them a voucher.
  - Shane R will disseminate via email an electronic version of the voucher, and ordering online instructions, which can be utilised by Member Councils.
  - Shane R to clarify with Jeffries the number of vouchers available
6. Solid Waste Levy; Overview of efforts in opposing increase in SWL
- Adam F provided Members with an update in relation to his coordination of putting forward a position paper to the SA Government opposing the identified increases in the Solid Waste Levy. This was a coordinated response which included other subsidiaries and Councils.
  - Adam F advised that the position paper did not progress any further than the State Treasurer.
  - Notwithstanding the outcome, Members supported the submission of the position paper and the need to voice our opposition to the increase, in particular the timing of the unbudgeted September 2016 increase.
7. Zero Waste SA Infrastructure Grants; East Waste Submission, plus update on future rounds
- Adam F provided an update to Members indicating that East Waste had submitted a grant application to ZWSA seeking funding support for the installation of scales of three (3) of East Waste's Collection Vehicles. The scales will provide the ability to weigh individual kerbside bins upon collection. This data collected will in turn assist in educating residents with their disposal habits and minimising their disposal to their waste bin.
  - Adam F advised that the next round of grants to be made available by ZWSA will occur in Feb 2017 and will relate to FOGO.
8. EPA Waste Reform Consultation; Overview, and seeking instruction on an East Waste submission
- Adam F sought Members input as to whether there was an appetite for East Waste to provide a submission.
  - John M asked the question as to whether we had already done this, to which Adam F replied "yes, we provided a coordinated response in relation to the draft Bill." Adam F spoke further regarding the initial submission and the sensitivities surrounding the topic of proposed fortnightly collections of the waste bin.
  - Any submission made will be an East Waste submission. Adam F will consider further and communicate to Member Councils any further submission that may be drafted.
  - John D spoke to the Fleurieu Waste Management Authorities (FRWA) trialling of fortnightly collections of household waste and the potential for the Committee to obtain these results. Positive discussion ensued around this topic. Adam F then put forward that perhaps the Committee should invite FRWA's Executive Officer (Ms Marina Wagner) to the next Committee meeting. This proposal was endorsed by Members.



#### 9. GISA SA Waste and Recycling Infrastructure Plan Consultation

- Adam F sought instruction from Members as to their interest in providing a submission. No real appetite to do so at this time.

#### 10. Depot Waste; Discussion

- Adam F indicated to Members that he had an approach from a contractor within the industry to ascertain if there was any appetite for East Waste to go to market with one single contract for Member Councils Depot waste, C&D, street sweepings, metals and other wastes? Response from Members is that this is not a priority for all this at this time, but noted that potentially better disposal rate and streamlined administration was appealing.
- Adam F to raise at individual Member Council consultation sessions to be held on the East Waste Business Plan early in 2017

#### 11. Waste Disposal Contracts (MSW, hard waste, litter, street sweepings); discussion

- As a flow on from agenda item 10, Adam F referred to Action 8 of East Waste's 10 Year Business Plan - *East Waste to assess the disposal contract opportunity and provide a business case for Member Councils to consider by year 4 of the Business Plan and provide a waste disposal specification and tender to the market for Councils that choose to take up this option.*
- East Waste will be required to put forward a position on this Action item in the lead up to Year 4 of the 10 Year Business Plan.
- All Member Councils to provide commercial in confidence information on the expiration date of their kerbside waste disposal contracts and any possible extension clauses to Adam F

#### 12. Commercial/Multi Unit Dwelling Services; discussion

- Adam F spoke to East Waste's capabilities to service the collection of MUD's for Member Councils, particularly in the stream of recyclables, and FOGO, if within weight range.
- John M enquired as to who Member Councils can speak with at East Waste about servicing MUD's. Adam F advised that the EW Operations Team were well placed to handle these enquiries.
- Adam F indicated that East Waste is currently working with City of Burnside to identify the potential to service commercial properties subject to Councils Policy and East Wastes Charter. This requires a cautious approach given the domestic collection focus in the Charter. Any approach to servicing commercial properties would need individual Council and East Waste Board endorsement. Adam F indicated that the Board's focus appears to be on the servicing of household collections rather than focusing on commercial collections.

#### 13. Other business

- John D – question to Adam F: How is SKM going? Adam F provided a response. SKM have achieved planning approval on a site (near EW) to develop a recycling facility. SKM are paying monthly rebates which are in turn returned to Member Councils.
- Ben S – question to Adam F: City of Burnside is looking at putting recycling bins in some of their reserves and swimming centre. If this occurs, is this something that EW can service? Adam F provided response – Yes, EW is currently servicing some trial recyclable bins for the City of Mitcham which are serviced by our kerbside trucks. David D indicated that the bins were working well. Contamination levels are OK. EW can service for City of Burnside. Ian L in conjunction with Gemma Chambers from City of Mitcham will provide Ben S with some further information regarding the service EW can provide here.

14. The next meeting of the Operations Assistance Committee Meeting will be held in early February 2017 and will be hosted by Adelaide Hills Council. John M will confirm date and time, and will advise.

Meeting closed at 11.00am.



**Member Councils** • Adelaide Hills Council • City of Burnside • City of Norwood, Payneham & St Peters  
• City of Campbelltown • Corporation of The Town of Walkerville • City of Mitcham

#### **Agenda Item 7.11**

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**REPORT SUBJECT:** Green Industries SA Infrastructure Grant Program

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 24 November 2016

**ATTACHMENTS:** Grant Application

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#### **Purpose of the Report**

To provide the Board with Report on the recent resource recovery infrastructure grant funding round from Green Industries SA.

#### **Report**

The Office of Green Industries SA announced a funding round as part of their reinvestment of the waste levy. This was a contestable round based on a business case submission, with funding available up to 50% of the project costs. The aim of the grant funding was to improve the recovery of recyclables from the waste stream.

The information and grant funding guidelines was distributed to Member Council Officers by East Wastes General manager on 5 October 2016 along with any offer to assist with the preparation of any forthcoming grant application.

In the interim, East Waste worked up a grant application for the purchase and integration of bin scales on three (3) collection vehicles that will assist with monitoring the real-time weights of bins presented to the kerbside. The intention is to then measure the actual behaviour change following a recycling education campaign, with the ultimate goal of sending less material to landfill. If successful, this project would also allow Member Councils to directly access the waste levy fund for the first time.

Directors are referred to the attached application form for information. No other grant application was submitted from Member Councils.

A secondary funding round will be rolled out early in 2017 based on improving resource recovery of food and garden organics.

#### **RECOMMENDATION**

**That the Report be received and noted.**



Adam Faulkner  
General Manager, East Waste  
1 Temple Crt Ottoway SA 5013  
P: +61 8 8347 5111 | M: 0409 255 421  
E: adam@eastwaste.com

Justin Lang  
Program Manager, Local Government  
Office of Green Industries SA (supporting Zero Waste SA)  
Level 4, 81-95 Waymouth Street, Adelaide SA

4 November 2016

Dear Justin,

I am writing in response to the call for submissions to the Office of Green Industries SA (GISA) 2016-17 Infrastructure Grants Program. East Waste would like to formally apply for an infrastructure grant to assist with the implementation of an individual bin weighing and tracking system. We believe the implementation of this innovative technology would produce a range of benefits and opportunities for the state, and these align with the eligibility criteria within the Grants Program.

The bin weighing and tracking system will work with our GPS and RFID tracking capabilities to provide the ability to measure, in real time, bin weights at a household level during kerbside collection. This technology is the first of its kind in South Australia and has the potential to significantly change how waste companies track and understand waste and recycling performance at a household level. It is also significant due to enabling messaging go be tailored based on household performance to encourage behaviour change, and the impact of these initiatives can be tracked and improved to maximise waste reduction and landfill diversion.

As this is a new technology in South Australia, and whilst has been proven overseas, this system needs to be tested and trialled prior to large-scale implementation. East Waste would test this new system, and if GISA provides financial support for this project we propose to outline the findings (raw data and formatted report) to GISA that can be publicly shared. This would encourage other Councils and broader industry to consider the benefits of this type of infrastructure and potential impact of targeted household initiatives.

Potential benefits include reducing waste generation, increasing landfill diversion, generation of jobs through increased recycling and the development of new infrastructure to cater for the additional diversion. It also demonstrates South Australia's innovative approach to the waste and sustainability area and helps move Adelaide towards a carbon neutral city.



Below is our response to the GISA Infrastructure Grants 2016-17 Guidelines and Application document. Please feel free to contact me should you need to clarify anything.

We look forward to your response.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'A. Faulkner'.

Adam Faulkner

# Application Form

## 1. General Information

<b>Name of Organisation</b>			
Eastern Waste Management Authority (East Waste)			
<b>Please provide your Australian Business Number (ABN) if one has been allocated to you.</b>			
15 972 100 754			
<b>Contact Details</b>			
Name:	Adam Faulkner	Position:	General Manager
Tel:	(08) 8347 5111	Mobile:	0409 255 421
Email:	<a href="mailto:Adam@eastwaste.com">Adam@eastwaste.com</a>	Web:	<a href="http://www.eastwaste.com.au/">http://www.eastwaste.com.au/</a>
Address:	1 Temple Court, OTTOWAY SA 5013		
<b>Project Title</b>			
Installation of a kerbside collection vehicle bin weighing and tracking system			
<b>Project Summary (please give a short description of the project, maximum 100 words)</b>			
<p>East Waste is looking to install a bin weighing system on three (3) selected waste collection trucks used to pick up municipal bins across a Trial Council Area within the East Waste Member Council Local Government Boundary. This would allow bin weights and distributions of materials into waste, recycling and green/food bins to be tracked at a household level for the first time in SA. Once installed, East Waste would trial weighing individual bins at the point of collection on a pilot group within the Council, and the data would be used to provide individual feedback to households, to assess the influence on behaviour. The aim is to increase landfill diversion and decrease waste generation.</p>			
<b>Proposed project start date: 1 December 2016</b>		<b>Proposed project commissioning date:</b>	
<b>Budget Summary (totals from section 3)</b>			
<b>Funding sought</b>	<b>Applicant Contribution</b>	<b>Other Funding sources</b>	<b>TOTAL COST</b>
\$58,500	\$138,500	\$0	\$197,000
<b>Please give a description of the project, why the project is needed and a summary of its objectives.</b>			
<p>Funding provided by GISA would assist East Waste to install the required technology to capture waste and recycling disposal behavioural data at a household level. This is an important step to allow the assessment of material disposal at a household level, as specific feedback can then be provided to households based on performance. However, as this is the first of its kind in South Australia, the new system needs to be tested and trialled in a sample area prior to large-scale implementation.</p> <p>Before larger scale roll out, the costs and benefits need to be quantified and the technology needs to be proven. This project has several aims, including:</p> <ul style="list-style-type: none"> <li>• Assess the robustness/reliability of the technology of weighing on a sidearm vehicle</li> <li>• Test the data capture of weights of each of the three bins (general waste, recycling and organics)</li> <li>• Better understand the impact of feedback and behaviour change initiatives targeted at individuals based on bin weights</li> </ul>			

- Increase diversion from the general waste bin to the comingled and organics recycling bins
- Decrease waste generation rates
- Better understand potential issues that may arise when implementing such a project, as well as key actions required to successfully implement such a program
- Assess the potential for wider rollout.

It is estimated that the installation of this technology on just three (3) trucks has the potential to divert an additional 10% of municipal general waste currently picked up by these trucks. This would equate to approximately 600 tonnes per annum diverted from landfill to the comingled and organics recycling streams. A reduction in the generation of waste, which is higher on the waste hierarchy, is also anticipated at approximately 2%. This is not included in our figures on the following pages, but would equate to approximately 280 tonnes per annum in waste reduction. The figures within this document only consider the impact across three trucks. Greater volumes of waste reduction and increased landfill diversion would be possible with the implementation of this technology across an entire fleet.

The state is progressing towards its waste generation and landfill diversion targets. However, more must be done to reach these. The proposed project seeks to further reduce waste generation and increase landfill diversion at a household level. Real time, accurate data at a household level is a critical first step to better understand current performance and the impact of initiatives on individual behaviour. This project would also help South Australia remain a leader in waste and recycling across Australia and the world.

This technology has been successfully implemented in other countries, and making it available would allow an easier transition to the save-as-you-throw initiative that is identified in the Draft State Waste Reform<sup>1</sup> recently released by the SA EPA.

#### **Where is your project located?**

Collection of materials would be from a Metropolitan Municipality located within the East Waste Local Government Boundary Area, with the processing of materials in South Australia and Victoria.

#### **Is your organisation (tick one):**

<input type="checkbox"/> The lead organisation of a consortium or partnership	<input checked="" type="checkbox"/> The sole applicant?
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**If you are applying as the lead partner in this application, please provide the names of the other organisations in the project.**

<sup>1</sup> [http://www.epa.sa.gov.au/environmental\\_info/waste\\_management/reforming-waste-management-2015](http://www.epa.sa.gov.au/environmental_info/waste_management/reforming-waste-management-2015)

## Essential Criteria Check List

To be eligible for funding the project must meet all essential criteria below		
<b>1. Does the proposed infrastructure project address at least one of the following funding priorities:</b> <ul style="list-style-type: none"> <li>Improve efficiency of recycling facilities by increasing processing capacity, removing contamination and reducing residual waste to landfill.</li> <li>Improve the recycling of materials banned from landfill under the Environment Protection (Waste to Resources) Policy 2010.</li> </ul>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<b>2. Does the project target commercial and industrial or municipal solid waste streams</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>3. Planning and environmental approvals need to be in place and equipment commissioned within two years of receiving the grant offer.</b> <b>Will the project be delivered within the required timescale?</b> <b>Does the project have clear milestones for implementation?</b> (note: milestones should be listed in section 8)	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
<b>4. Will the project be carried out within South Australia?</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>5. Is the grant contribution requested from Zero Waste SA 50% or less of the total eligible project costs, with no more than 50% from the SA government overall?</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## 2. Current activity and expected outcomes from this grant

	Mixed C&I tonnes	Mixed MSW tonnes	Source separated tonnes	Total tonnes
Current quantity of material received per annum <sup>2</sup>		14174		14174
Current processing throughput of material per annum		14174		14174
Current quantity of material diverted from landfill per annum		8151		8151
Current quantity of waste disposed to landfill per annum		6023		6023
Expected additional quantity of material received per annum		0		0
Expected additional throughput of material per annum		0		0
Expected additional quantity of material diverted from landfill per annum		602		602
Expected quantity of waste disposed to landfill per annum		5421		5421
Who do you expect to source the additional material from?		Households		

<b>Existing employees (FTE):</b>	50
<b>Additional employees expected as a result of this project (FTE):</b>	51
<b>Additional financial turnover (per annum) as a result of this project:</b>	<b>\$72, 276</b>

<sup>2</sup> See Appendix One for an overview of costs



### 3. Preliminary Budget (exclusive of GST)

Please provide a description of all the items required for the project (excluding in kind contributions). Funding from Zero Waste SA can be sought for up to 50% of eligible items (refer to page 4 of guideline) up to a maximum of \$300,000. Please add additional lines if required. Quotes for capital items should be attached.

Expenditure item (examples below, please amend as required)	Date	GISA funding sought*	Applicant contribution	Other funding sources (please specify)	Total cost
Description					
Design					
Budget approval					
Community consultation					
Prepare planning report					
Agency consultation (DAC)					
Development approval					
Preliminary site works					
Footings					
Services					
Framing / construction					
Slab					
Hardstand / vehicle access					
Retaining					
Storm water					
Signage					
Bays / skips					
Specialised vehicle equipment: <i>Botek Weighing System (\$36,000 per unit, plus \$3,000 per unit for installation and integration with GPS, 3 units)</i>	Dec 2016	\$ 58,500	\$ 58,500		\$ 117,000
Baling and vehicle equipment: <i>Other equipment and systems required, including software and integration</i>	Dec 2016	\$ -	\$ 40,000		\$ 40,000
Other / Commissioning					
<i>Project management and data capture</i>	Mar 2017	\$ -	\$ 10,000		\$ 10,000
<i>Roll out of behaviour change initiative and assessment of impact</i>	Apr 2017	\$ -	\$ 20,000		\$ 20,000
<i>Report summarising findings</i>	May 2017	\$ -	\$ 10,000		\$ 10,000
<b>Totals:</b>		\$ 58,500	\$ 138,500	\$ -	\$ 197,000
Zero Waste SA funding as % of total funding**:			30%		

\*Note: maximum funding available is \$150,000 per site, unless you are assessed as a major project (\$300,000 limit) where serving three or more council areas, with support indicated from each (or significant capital expenditure with demonstrated benefits to the local economy).

\*\*Note: this should be no more than 50% of total funding.

#### 4. Other Funding Sources

**If the project is funded through other sources please provide details (for multiple funders please list all funders separately):**

1. Name of funding body:
2. Contact details for funding body:
3. Funding amount: \$
4. Please provide date this funding was approved or expected notification date:
5. Name and contact details for funding program:

**Please provide a breakdown of any in kind contributions**

Project element	Organisation providing in kind contribution	Value of in-kind contribution
		\$
		\$
		\$
		\$
	<b>Total value of in-kind contribution</b>	\$
	<b>Total project budget<sup>3</sup></b>	\$

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<sup>3</sup> Total project budget is the total cost of the project plus in kind contributions.

## 5. Project Details / Assessment criteria

### Infrastructure requirements

**1. Provide brief details of the type of infrastructure requested, including capacity, predicted lifespan, where it is made and type of energy used.**

The type of infrastructure requested is a Botek bin lift scale. The bin lift scale is mounted between the bin lifter and bin grip and has a capacity of 600kg and accuracy of  $\pm 0.5\text{kg}$  for weight less than 300kg (or  $\pm 1\text{kg}$  for weight between 300 and 600kg). There is a load cell that measures the weight of the bin before and after handling, and provides real net weight of the content. This connects to the RFID and GPS data which is currently being tracked by East Waste, to enable data to be tracked at a household level. As such, when installed, East Waste will track data on individual bin weights and distributions of materials into waste, recycling and green/food bins at a household level.

The bin lift scale is made in Sweden and the analogue loadcell has a lifespan of 10 years. Energy consumption is sourced by the waste truck battery.

**2. Please outline the key reasons for choosing a particular piece of infrastructure and why the infrastructure will meet your needs.**

The Botek bin lift scale differentiates itself through:

- Automatically recording all collections
- Alignment with other East Waste systems such as 3-Logix (GPS and RFID)
- Displaying the vehicle's position during service of bins
- Data on executed tasks and any exceptions are in real time
- Supporting administration and customer service
- Reliable systems with long life and low investment cost
- Complies to EN 14803:2006.

### **Product and Sustainability Benefits**

**Describe the extent to which the project leads to high value end use (from an economic *and* environmental perspective) of waste materials and processes and leads to improved markets for recycled product.**

There are numerous benefits to this project including:

- The ability to collect real-time data on household waste and recycling performance.
- The ability to measure and report waste performance at a household level for each waste and recycling stream (waste, recycling and green/food).
- Potential to target education and behaviour change initiatives and subsequent effects at an individual, street or suburb level in an efficient manner.
- Potential for households to see online performance or quarterly report, which may influence behaviour
- Positive environmental outcomes - potential to increase landfill diversion and to reduce waste generation, reducing greenhouse gas emissions, saving energy and reducing water consumption.
- Further our understanding of potential issues that may arise when implementing such a project, as well as key actions required to successfully implement such a program.
- Economic outcomes - additional jobs for South Australians through increased landfill diversion (it is estimated that for every 10,000 tonnes of waste recycled creates 3 times as many jobs<sup>4</sup>). Jobs that research the impact of waste and recycling feedback on human behaviour would also be created. This also has the potential to reduce costs for the South Australian waste industry and government due to reduced landfill levy fees and raw material purchases.
- Social outcomes – through providing additional employment opportunities, unemployment rate decreases, and the reduction in CO<sub>2</sub> in the atmosphere can contribute towards better health outcomes for the state.
- Additional data on municipal waste generation and disposal would be provided to GISA.
- Reduce greenhouse gas emissions through increased recover of recyclables and organics from landfill where they would have produced greenhouse gases.
- Potential to link to save-as-you-throw initiative that is identified in the Draft State Waste Reform<sup>5</sup> recently released by the SA EPA.

### **Innovation**

**Describe the extent to which the project is innovative, not necessarily involving new technology, but rather tackling new waste streams, overcoming existing barriers, improvements to efficiency and targets new market segments.**

This project brings current technology successfully implemented in other countries and applies it in South Australia to enable tracking of waste and recycling behaviour at a household level. This allows behaviour change initiatives to be tailored based on individual performance very cost effectively and efficiently. The current method for this is to walk to each household, check bins and provide feedback via a bin tag or verbally to the household member. This is labour intensive, time consuming, risky and expensive.

The project proposed by East Waste would be very efficient, as the technology would be connected to a truck that is already collecting waste and recycling at households, and the data is fed into the current tracking system used by East Waste. At the very least this allows information on behaviour at a household level. However, this has the potential to enable connections to feedback mechanisms provided to households, such as 'apps', emails or post. Providing feedback based on individual waste performance has been shown to influence behaviour<sup>6</sup>. This project allows research to be utilised and applied in South Australia, and then further refined to improve household waste and recycling performance based on the results.

<sup>4</sup> Office of Green Industries SA, 2015-20 Waste Strategy Infographic ([www.zerowaste.sa.gov.au](http://www.zerowaste.sa.gov.au))

<sup>5</sup> [http://www.epa.sa.gov.au/environmental\\_info/waste\\_management/reforming-waste-management-2015](http://www.epa.sa.gov.au/environmental_info/waste_management/reforming-waste-management-2015)

<sup>6</sup> Schulz, P (1999). *Changing Behavior With Normative Feedback Interventions: A Field Experiment on Curbside Recycling*. Basic and Applied Social Psychology, 21, pp 25-36

### **Local Benefits**

**Describe how the project will benefit the local area, particularly in terms of employment, developing local industry, creation/stabilisation (or diversity) of markets?**

As East Waste would share the results of the project to government and industry in South Australia, this project provides the opportunity to implement a new technology, learn from the pilot program and further the state's knowledge and ability to influence waste and recycling behaviour at a household level. If successful, this technology could be implemented across East Waste's fleet, but also other waste contractors. The information collected also enables ongoing improvements and a feedback loop to waste educators and strategies aimed at increasing diversion and reducing waste generation. Further jobs will be created through additional landfill diversion by increased recycling, and there would also be cost savings to industry and government through lower landfill fees.

### **Deliverables**

**1. Describe the extent to which the project will lead to a reduction of waste to landfill and/or targeting of products which are banned from landfill under the Waste EPP**

There are several ways to influence waste and recycling behaviour. This includes providing feedback on performance and comparing that to others<sup>7</sup>, group member influence and attitudes of others<sup>8</sup>, increasing convenience, and providing financial incentives<sup>9</sup>.

The impact of these methods varies from study to study. As such, for our project, the impact the initiative will have on behaviour is unknown. In Schulz's (1999) study, individual and group feedback increased participation in recycling by 7% and 8% respectively overall. Those who had low recycling rates to begin with (the bottom 33%) increased by 19% when they received individual feedback. We therefore estimate a 10% increase in landfill diversion through feedback provision and 2% reduction in waste generation after refining the initial findings in our project.

**2. If the project will lead to an increase in product value please provide details (e.g product quality, amount of value added in \$)**

By diverting materials from landfill, materials that were costing government/industry/the environment are now of value as a recyclable. The value shifts from approximately negative \$120 p/t (when items are sent to landfill), to positive \$30 - \$100 per tonne depending on the commodity.

<sup>7</sup> Schulz, P (1999). *Changing Behavior With Normative Feedback Interventions: A Field Experiment on Curbside Recycling*. Basic and Applied Social Psychology, 21, pp 25-36

<sup>8</sup> Schwab, N., Harton, H., & Cullum, J. (2014). *The effects of emergent norms and attitudes on recycling behaviour*. Environment and Behavior, 46, pp 403-422.

<sup>9</sup> Park, S., & Berry, F. (2013). *Analyzing effective municipal solid waste recycling programs: the case of county-level MSW recycling performance in Florida, USA*, Waste Management and Research, 31, pp 896-901.

**3. Please list end markets or users for the recovered material and the location.**

The general waste currently collected at kerbside in the East Waste Trial Council area is transported to a South Australian landfill. Comingled recyclables are transported to Victoria. However, the company that currently processes the materials is planning to construct a MRF in South Australia in the near future. Organics is transported to Jeffries in Wingfield and then processed in Buckland park.

These materials are recovered and sent to a variety of sources. This includes the development of compost which is re-sold to residents and businesses (including horticulture, agricultural and landscaping uses) in South Australia. Comingled recycling goes to a range of markets in Australia. Some is returned to South Australia, e.g. glass manufacturing in Gawler.

**4. What assumptions are being made, if any in terms of market demand for products? Please provide any evidence or data analysis to support the assumptions.**

It is assumed the market demand for the end products (comingled recyclables and organics) will remain stable. There is strong demand for recycled products, both organics and comingled, and long-term contractual arrangements have been entered for both streams.

**5. What is the long-term viability of the project? How can it be sustained?**

This technology enables ongoing household data to be collected and feedback to be provided. The information collected enables ongoing improvements and a feedback loop to waste educators and strategies aimed at increasing diversion and reducing waste generation. Improvements and further refinement over time are therefore possible, helping the state move towards state targets for waste reduction and increases in landfill diversion.

This infrastructure and technology has the potential to be a "game changer" in municipal collection systems.

### **Environmental Policies and Practices**

**Please answer all questions below and provide details where appropriate:**

- 1. Have you had any compliance issues with environmental regulators within Australia and/or work health and safety breaches within the past five years? No**

**If yes, please provide details:**

- 2. Has your organisation adopted any targets for reducing the environmental impacts and resource consumption of its operations? Yes**

**If yes, please provide details:**

**East Waste is targeting a 2% in reduction in diesel fuel use through more efficient collection of recyclables, and wastes, through better understanding of community behaviour. This 2% fuel reduction will have associated reduction in diesel particulate emissions.**

### **Financial Viability of the Company and of the Project**

**Demonstrate an objective assessment on the financial viability for the company and the product has occurred. Provide a summary of the expected short and long term costs and benefits of the project (this can form a separate attachment). Changes to commodity stock prices should be considered if relevant to the viability of the project.**

East Waste is the regional subsidiary for its six Member Councils with the primary purpose of the collection and disposal of waste. East Waste is not a profit-making business, and operating surplus is returned to Member Councils as a dividend. East Waste is still operating successfully since its inception in 1928, and the membership model is calculated based on numerous factors such as the number of Member Councils, the number of residents, waste and recycling collection and processing contracts (note that East Waste has recently negotiated long-term contracts), etc. As such, changes to commodity stock prices can be considered when calculating the membership model for its Member Councils, and are less likely to have a high impact on the continued operation of East Waste.

For this project, short term costs to East Waste (and therefore the Member Councils) include capital investment to purchase and install the technology (and ensure that it aligns with technology currently used by East Waste, such as GPS and RFID). There will also be costs to run initiatives that provide feedback to households based on their waste and recycling performance.

Long term costs include ongoing maintenance of the equipment, and further refinement of initiatives targeted at households. If this is successful, there is also the potential to apply this technology across the entire fleet, which would incur additional costs.

We believe the benefits far outweigh the costs of this project. These are highlighted earlier in Section 5 of this document. Short term benefits include a greater understanding of how the technology works and how best to incorporate it into South Australian waste collection infrastructure, real-time data on individual household waste and recycling performance within a local council, and a better understanding of the success of the initiatives targeted towards changing household disposal behaviour based on their waste and recycling performance. Long term benefits include reducing waste collection costs, increased recycling rates, reducing waste generation, and access to real-time state-wide data on municipal solid waste performance etc.

In addition to the above, this project has a payback period of less than 3 years, with an investment of \$197,000 the estimated savings are \$72, 276 per annum (through additional recycling of 602 tonnes of materials), which would take 2.73 years to payback. This is a sound investment.

## 6. Project support

<b>Key People Involved in the Project</b>	
Name:	Adam Faulkner
Position:	General Manager, East Waste
Role in this project:	Project Director
Relevant Experience/Expertise:	As General Manager of East Waste, Adam is responsible for leadership, governance and managing the day-to-day operations. His unique set of skills include tertiary qualifications in science, environmental engineering and business management along with extensive hands-on experience in both the public and private sector. Adam is also a sitting Committee Member of South Australian branch of the Waste Management Association of Australia (WMAA), and a National WMAA Board Member– the peak industry body that plays a major role in driving change and increasing efficiency within the sector
Name:	Shane Raymond
Position:	Business Improvement Manager, East Waste
Role in this project:	Project Manager, Implementation and Quality
Relevant Experience/Expertise:	Shane is currently overseeing numerous business improvement projects that are adding significant value for East Waste, and driving efficiencies in operations and cost reductions for Member Councils. He currently analyses East Waste's GPS and RFID technologies in order to make decisions about the household waste, recycling and organics collection services that residents receive. Shane is also custodian of East Waste's bespoke education campaign <b>Why Waste It?</b> Shane will have day to day project management and systems integration duties to ensure that this technology provides the results expected.
Name:	Mark Rawson
Position:	Managing Director and Principal Consultant, Rawtec
Role in this project:	Data analysis, development of feedback to provide households
Relevant Experience/Expertise:	Mark Rawson provides specialist advice on waste, recycling and resource management to manufacturing and service businesses, government (Local, State and Federal) and the waste and recycling industry. Mark holds a specialist knowledge in waste and recycling, which is derived from more than fifteen years of experience in the industry and high-level management positions, coupled with qualifications in Chemical Engineering and a Masters in Business Administration. His skills, knowledge and personal approach to consultancy have helped advance Rawtec to become an invaluable consultancy to their client base. Mark has been SA/NT Branch President of the Waste Management Association Australia (WMAA) since 2014.

## 7. Planning and Environmental Approvals

<b>You will need to check with all relevant organisations as to the permits and/or approvals required for the project works. If already obtained, please attach a copy to this application.</b>	<b>Yes</b>	<b>No</b>
Is a planning approval required for the project?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is an environment approval (including new approvals and/or revisions to existing approvals) required for the project?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If yes to either, have you lodged relevant applications?	<input type="checkbox"/>	<input type="checkbox"/>



Please provide details of dates lodged or estimated timeframe for submission	Date: NA	
Is the activity currently undertaken on this site licensed by the EPA? If yes, please provide a copy of the licence as supporting information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is this site and/or proponent currently subject to any permits/notices from authorities such as WorkCover? If yes, please attach details.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

### Proposed Project Milestones

Please add any additional milestones or amend where appropriate

Action	Estimated Completion Date
Equipment delivered and installed on three (3) waste collection vehicles	13 January 2017
Baseline data collected	3 April 2017
Pilot behaviour change initiative completed	29 May 2017
Follow-up data collected	26 June 2017
Results analysed and report completed	04 September 2017
Further refinement undertaken if required	02 October 2017

## 8. Performance Measurement

The applicant must demonstrate that deliverables that have been established for the project are based on sound metrics, are realistic and measurable. For estimated outcomes please provide a baseline and identify measurable values or targets

Product Value and Local Benefits		
<b>Key performance indicators</b> e.g. product value, sales value, environmental impacts	Environmental impacts (CO <sub>2</sub> )	
	Value of material	
<b>Estimated outcome/target</b> Reduction in CO <sub>2</sub>  Increase in value of material	<b>Baseline</b> Current recycling rates  Value of material not currently recycled per tonne = -\$120 (i.e. cost)	<b>Targets</b> Additional tonnes recycled is estimated at 602 tonnes which equates to a reduction of 518 tonnes of CO <sub>2</sub>  Target saving is \$72,276 per annum. Achieved through: Increase in value of comingled recyclables = \$150 per tonne (301 tonnes of materials) Increase in value of organics = \$90 per tonne (301 tonnes of materials)
<b>How will the indicators be measured?</b>	Based on landfill diversion rates and waste reduction, emissions savings can be calculated for every additional tonne of recycled material, compared to creating products from virgin materials.  Cost savings from diversion of materials will be calculated.	
<b>When will the indicators be measured?</b>	After baseline measures assessed, and remaining data analysis to be conducted after feedback and final pickups have taken place.	

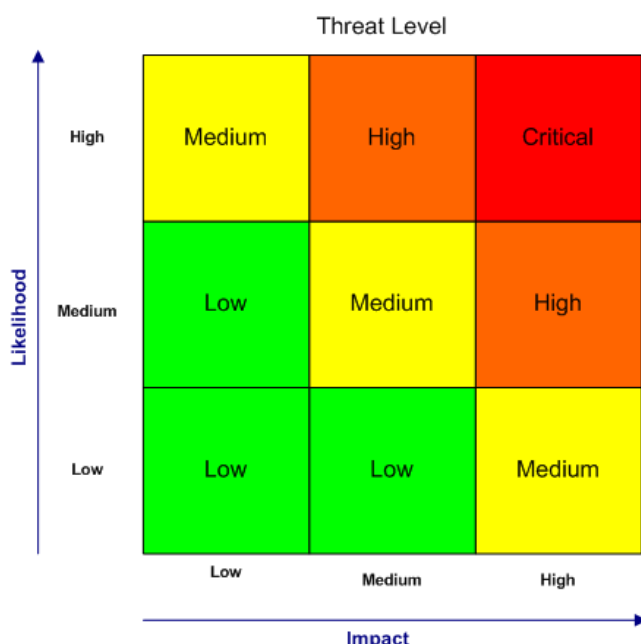
Reduction of Waste to Landfill and/or targeting of products with are banned from landfill under the Waste EPP (for multiple products please list all)		
<b>Key performance indicators</b> e.g annual tonnage of waste diverted, number of T.Vs received or processed.	Landfill diversion.	
<b>Estimated outcome/target</b> Increase landfill diversion rate	<b>Baseline</b> Current rate is 57%	<b>Targets</b> 62%
<b>How will the indicators be measured?</b>	The technology would track this data and the independent waste and recycling consultancy would collate and analyse the data.	
<b>When will the indicators be measured?</b>	During pick up, and then analysed later.	

Processing Efficiency and Value Adding		
<b>Key performance indicators</b> e.g processing capacity or improved product quality		
<b>Estimated Outcome</b> Time to check bins and provide feedback to households	<b>Baseline</b>	<b>Targets</b>
<b>How will the indicators be measured?</b>		
<b>When will the indicators be measured?</b>		

## 9. Risk Management

Applicants must identify potential risks to the project's achievements using the risk matrix below. The outcomes listed must be assessed as a minimum. Add extra lines which are specific to the project if appropriate.

Outcome	Likelihood (High/Med/Low)	Impact (High/Med/Low)	Risk (Critical/High/Med/Low)
Delays in planning and environmental approvals	Low	Low	Low
Delays in shipment of equipment	Low	Low	Low
Overrun of budget	Low	Medium	Low
Lack of market	Low	Medium	Low
Equipment performance does not meet expectations	Low	Medium	Low



**For risks identified as medium, high and critical please describe actions or strategies to minimise these risks.**

We have identified 'equipment performance does not meet expectations' as a medium level risk. Part of this process is to assess the accuracy of the equipment initially and over time and as such, this could occur during the project. This risk is minimised through first conducting a pilot on only three (3) trucks (rather than the entire fleet). We would not install the technology onto additional trucks if the equipment did not meet expectations. We have also conducted research on the technology and the findings have provided confidence in its performance.

'Lack of market' was also identified as a medium risk. This is minimised through negotiating long-term contracts with waste collection and processing companies, and considering interstate service providers to increase competition and reduce costs. The East Waste model can also accommodate for changes in market demand, as the financial contribution of Member Councils adjusts to align with commodity prices and demand for the product.

## 10. Supporting Information

Please provide the information below with your application where appropriate.

Information Supplied	Yes	No	N/A	Appendix Number
Site layout plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	One
Planning and environmental approvals	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Quotes for capital items	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Insurance details (including public liability, workers compensation and personal accident)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other (Cost calculations)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Two
Pictures of site, proposed infrastructure, feedstock and products	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Three
Objective assessment on financial viability of project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Four
Support letter from the Independent Chairman and General Manager	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

## 11. Declaration

- I/we have read and understood the Guidelines and obtained clarification where needed.
- I/we declare that the information provided in this application including attachments is true and correct and discloses all required and relevant details. I/we understand that if information supplied as part of the application is false or misleading in a material particular, the application will not be considered OR, if the grant is made and it is discovered that information supplied was false or misleading in a material particular, the grant will be revoked and funds, plus interest, must be repaid. An assessment regarding possible fraud will also be undertaken and appropriate legal action initiated if warranted.
- I/we authorise the Office of Green Industries SA to seek any additional relevant information required to process this application, and I/we hereby request and authorise any parties to supply such information as requested.
- I/we understand that if the project is approved for funding, information about the project may be publicised by the Office of Green Industries SA or provided as required or permitted by law.
- If the project is approved for funding, I/we will obtain all necessary and appropriate clearances from the relevant Commonwealth, state or local governments before executing the grant agreement and undertake to manage the proposed project in accordance with relevant laws and regulations.
- If I/we accept an offer of funding then I/we accept (jointly and severally in the case of a group application) responsibility for administering grant funds and liability in the event grant funds are to be repaid.



Signed

Name

Adam Faulkner

Position

General Manager

Date

04 November 2016

**The Chief Executive, or Chief Executive's delegate of your organisation must sign the application form. It should not be signed by the contact person unless the contact person is the Chief Executive or delegate.**

## Appendix One – Quote for Capital Items

Quotation as per RFT, from Bucher Municipal.

Year 1 of Agreement – commencing 1 July 2016

In accordance with the aforementioned specifications, the Request for Tender 2015/04 (appended), and as per the tender received from the Supplier (inclusive of information presented and provided post tender closing date), the Supplier is to deliver the following to East Waste:

Product Type	Required No. of Units	Prices – 1 <sup>st</sup> Year of Agreement (excl. GST)
Cab Chassis*	5 x Iveco Acco F2350G Automatic Dual Control (Euro 5) Cab Chassis (to suit 2 x 22m <sup>3</sup> and 3 x 29m <sup>3</sup> Robotic Arm Collection Vehicle Compactor)	
Compactors**	2 x 22m <sup>3</sup> Sport Gen V Series II Robotic Arm Collection Vehicle compactors 3 x 29m <sup>3</sup> Sport Gen V Series II Robotic Arm Collection Vehicle compactors	
Optional Inclusions	3 x Botek Weighing System for Side Loader (to suit 1 x 22m <sup>3</sup> and 2 x 29m <sup>3</sup> RACV compactors) fitted to the RACV prior to delivery	3 x \$36,000 = \$108,000 (Indicative only. Exact number TBA by East Waste)
Total Price		
Contract Maintenance	As per the Compactor/Cab Chassis Maintenance Agreement (appended)	

## Appendix Two - Diversion calculations

Truck	Stream	Current tonnes per annum	Tonnes per annum, 10% diversion	Difference in weight (tonnes)
Truck 1	GW	6023	5421	-602
Truck 2	Comingled Rec	3381	3682	301
Truck 3	Organics	4770	5071	301
<b>All trucks</b>	<b>Overall weight</b>	<b>14174</b>	<b>14174</b>	<b>-</b>

### Appendix Three - Pictures of proposed infrastructure and products



**Figure One – Botek Bin Lift Scale**



## Appendix Four – Support letter from the Independent Chair and General Manager, East Waste



04 November 2016

Mr Justin Lang  
Program Manager Local Government  
Office of Green Industries SA

**Re: East Wastes Grant Application for Bin Weighing Technology; Real Time Monitoring and Collection of Resource Recovery Data at the Household Level**

East Waste is a regional subsidiary of six (6) local metropolitan councils in South Australia. Our core business is to responsibly collect household waste, recyclables and organics from approximately 180,000 households in the eastern suburbs of Adelaide. With leading edge technology such as GPS tracking, RFID scanning, and bio-diesel fuel and Adblue diesel particulate reduction additive, East Waste prides itself on best practice waste management practices which drives efficiency and decarbonises our operations.

Aligned with this innovative approach is our investigation into individual bin weighing technology. East Waste proposes to install scales into the bin lifting arm of three (3) collection vehicles operating within our fleet. This bin weigh technology, working concurrently with our GPS and RFID tracking capabilities, will have the potential to measure, in real time, the weight of each household bin presented for collection. To cover the entire suite of household bin streams, we will install a bin weigh scale on a waste collection vehicle, a recycling collection vehicle, and an organics collection vehicle.

The ability to capture real time data at the point of collection is a momentous shift towards encouraging, or incentivising, behaviour change at the household level. During the first 12 months of rolling out the technology, East Waste is committed to implementing our bespoke **Why Waste It?** waste minimisation and recycling promotion campaign. This campaign will inspire residents to recover more food scraps from the waste stream into the organics bin, while emboldening residents to maximise the recyclables into the recycling bin.

Our real time bin weigh technology will be functional before, during, and after the behaviour change campaign, to deliver for the first time in South Australia a data set showing the actual diversion potential of a targeted education campaign.

East Wastes final commitment, should we be successful in our Grant Application, is to share the data set (in the form of raw data, and a formatted report) with the Office of Green Industries SA.

1 Temple Court, Ottoway SA 5013  
PO Box 26, Mansfield Park SA 5012

t. 08 8347 5105  
f. 08 8240 3244

# EastWaste

It is with genuine enthusiasm that we commend this Grant Application to the Office of Green Industries SA.

Yours sincerely



Mr Brian Cunningham  
**Independent Chairman**  
East Waste



Mr Adam Faulkner  
**General Manager**  
East Waste

1 Temple Court, Ottoway SA 5013  
PO Box 26, Mansfield Park SA 5012

t. 08 8347 5105  
f. 08 8240 3244

## Appendix Five – Insurance Schedules

<b>MEMBER</b>	Eastern Waste Management Authority				
<b>ABN AND ITC DETAILS</b>	ABN: To Be Advised ITC: 0.00%				
<b>PERIOD OF PROTECTION</b>	<p>From: 30 June 2016 at 4 PM Local Time (SA).</p> <p>To: 30 June 2017 at 4 PM Local Time (SA).</p> <p>and any further period for which the Insurer(s) agrees to provide cover.</p>				
<b>DESIGNATED STATE OR TERRITORY</b>	South Australia				
<b>SCOPE OF COVER</b>	Legal Liability to employees in accordance with South Australian Return to Work Act, 2014				
<b>CONTACT PERSON</b>	Fund Manager Tony Gray				
<b>DISCLOSURE NOTICE</b>	<p>The LGA Workers' Compensation Scheme (LGAWCS) is a Mutual Risk Product as defined by ASIC is neither authorised under, nor subject to, the Provisions of the Insurance Act 1973. The LGAWCS is not a product regulated by APRA. The LGAWCS estimates its future liabilities based upon procedures which are supported by both independent legal and actuarial experts. The LGAWCS also maintains specific financial provisions for Late Reported Claims (IBNR) and future claim developments plus a Prudential Risk Margin. These provisions are amounts in addition to specific claim estimates.</p> <p>The LGAWCS &amp; the Scheme Manager have established financial targets to ensure that adequate financial resources are available to discharge future liabilities and make future payments. This is achieved via a combination of financial management strategies which may include purchasing reinsurance, developing risk margins and retaining surplus funds. The LGAWCS Board review the operating financial statements at regular intervals and an independent audit occurs annually with its findings reported to members.</p>				
<b>CONTRIBUTION</b>	<p>Contribution is based on estimated remuneration provided to the Scheme.</p> <table> <tr> <td>Estimated Wages</td><td>\$4,000,000</td></tr> <tr> <td>Contribution Rate</td><td>4.25%</td></tr> </table>	Estimated Wages	\$4,000,000	Contribution Rate	4.25%
Estimated Wages	\$4,000,000				
Contribution Rate	4.25%				

<b>MEMBER</b>	Eastern Waste Management Authority Inc.
<b>ABN AND ITC DETAILS</b>	ABN: To Be Advised ITC: 0.00%
<b>PERIOD OF COVER</b>	From: 30 June 2016 at 4 PM Local Time (SA). To: 30 June 2017 at 4 PM Local Time (SA).
<b>GEOGRAPHICAL SCOPE</b>	Worldwide
<b>JURISDICTIONAL SCOPE</b>	Australia
<b>GOVERNING LAW OF CONTRACT</b>	Australian
<b>SCOPE OF COVER</b>	All sums which the Insured shall be legally liable to pay to third parties by reason of Civil Liabilities arising from and in connection with the Local Government business.
<b>LIMITS OF LIABILITY</b>	Unlimited (subject to the terms of the SA Government Treasurer's Indemnity).
<b>DEDUCTIBLE/EXCESSES</b>	Standard \$3,750 any one claim
<b>CONTACT PERSON</b>	Scheme Manager, Robyn Daly
<b>DISCLOSURE NOTICE</b>	<p>The LGA Mutual Liability Scheme (LGAMLS) is a Mutual Risk Product as defined by ASIC is neither authorised under, nor subject to, the Provisions of the Insurance Act 1973.</p> <p>The LGAMLS is not a product regulated by APRA.</p> <p>The LGAMLS is an indemnity scheme established pursuant to Schedule 1, Pt. 1 2 (1) (a) of the Local Government Act 1999 (the Act) and provides unlimited civil liability cover. For the purpose of S142 of the Act (Duty to Insure against Liability) membership of the LGAMLS constitutes "insurance". The LGAMLS operates in accordance with a set of Rules, subject to the discretion of the LGAMLS Board that operates with the delegated authority of the LGA.</p> <p>The LGAMLS estimates its future liabilities based upon procedures which are supported by both independent legal and actuarial experts. The LGAMLS also maintains specific financial provisions for Late Reported Claims (IBNR) and future claim developments plus a Prudential Risk Margin. These provisions are amounts in addition to specific claim estimates.</p> <p>The LGAMLS &amp; the Scheme Manager have established financial targets to ensure that adequate financial resources are available to discharge future liabilities and make future payments. This is achieved via a combination of financial management strategies which may include purchasing reinsurance, developing risk margins and retaining surplus funds. The LGAMLS Board review the operating financial statements at regular intervals and an independent audit occurs annually with its findings reported to members.</p>
<b>CONTRIBUTION</b>	Calculations based on Member's total annual revenue, adjusted to reflect the business risk profile including claims experience



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## Agenda Item 8.1

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**REPORT SUBJECT:** Surveillance Devices Act (amendments)

**REPORT AUTHOR:** Business Improvement Manager (Corporate)

**MEETING DATE:** Thursday 24 November 2016

**ATTACHMENTS:** Nil

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### Purpose of the Report

To provide the Board with an update regarding the introduction of the *Surveillance Devices Act 2016* and its relevance to East Waste Operations.

### Background

East Waste utilises GPS and fleet management technology for its maintenance and operation of all its collection vehicles. This technology provides for:

- Staff (driver) safety;
- Vehicle security;
- Fleet maintenance; and
- Operational performance and compliance.

Prior to starting a collection vehicle on each and every occasion, an East Waste driver must declare that they are fit for duty. This declaration appears on the GPS touchscreen located inside the cab, and a driver must touch the 'agree' button on the screen before the vehicle and/or GPS is activated.

On 16 February 2016 the *Surveillance Devices Act 2016* (the Act) come into effect in South Australia. The introduction of this Act saw the repeal of the *Listening and Surveillance Devices Act 1972*. Noting the relevance of the Act to East Waste's operations, East Waste's General Manager sought legal advice regarding the use and application of GPS technology in accordance with the Act.

### Report

Legal advice has since been provided, particularly in relation to Section 7 of the Act, which provides for the use and application of tracking devices. Section 7 (1) provides:

*"(1) Subject to this section, a person must not knowingly install, use or maintain a tracking device to determine the geographical location of –*

- (a) a person without the express or implied consent of that person; or*
- (b) a vehicle or thing without the express or implied consent of the owner, or a person in lawful possession or lawful control, of that vehicle or thing."*

Advice provided with respect to the use of tracking devices on vehicles, Section 7(1)(b) is clear. East Waste owns the vehicles therefore the use of tracking devices on these vehicles is lawful.

Section 7(1)(a) does however have some relevance to East Waste's use of GPS technology. The view is held that given that there is a GPS device on board each time they start the vehicle, then there is express or implied consent of the driver to the use of the GPS. Therefore, as a matter of law, the view is that Section 7(1)(a) is not being breached.

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What has been raised however is East Waste's use of GPS technology for operational performance and compliance. From time to time data obtained from East Waste's GPS system is used to speak with a driver(s) about performance levels and/or conduct. Dependent on the circumstances these discussions may result in a disciplinary outcome.

Advice received indicates a driver under these circumstances may challenge the use of the GPS on this basis given they had no option but to agree to the use of the GPS given the declaration required of them prior to starting the vehicle. Whilst it has not occurred, there may be a challenge as to whether the drivers consent was "informed". Informed consent is not required as per the Act however what this example has identified is consideration of best practice and transparency in the use of the GPS system i.e. East Waste employees need to be made aware of every potential use of the GPS system.

### **Current practice – use of GPS technology at East Waste**

- As part of the induction process new employees are briefed on the use of GPS technology; and
- Drivers of collection vehicles are required to agree with an e-declaration on a touch screen prior to starting the vehicle.

### **Future practice – use of GPS technology at East Waste**

- The induction process will be enhanced to ensure the new employee is clear on all uses of the GPS system at East Waste;
- East Waste employees are regularly reminded and briefed on the uses of the GPS system. Will occur at scheduled toolbox meetings;
- A GPS usage policy will be developed and communicated to all East Waste employees. The policy will clearly define the use of GPS technology at East Waste; and
- The e-declaration will continue in its current format.

Members can note that work has commenced on the future enhancements identified.

### **RECOMMENDATION**

**That the Report be received and noted.**



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## **Agenda Item 8.2**

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**REPORT SUBJECT:** Conflict of Interest Provisions (amendments)

**REPORT AUTHOR:** Business Improvement Manager (Corporate)

**MEETING DATE:** Thursday 24 November 2016

**ATTACHMENTS:** Nil

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### **Purpose of the Report**

To provide the Board with an update regarding amendments to the Conflict of Interest provisions and their application to Regional Subsidiaries.

### **Background**

Members will recall the introduction of the *Local Government (Accountability and Governance) Amendment Act 2015* earlier this year. The introduction of this Act affected the application of the Conflict of Interest requirements detailed in the *Local Government Act 1999* (the LG Act). The Conflict of Interest provisions introduced, referred to elected members under the LG Act however also extended to a regional subsidiary as if the regional subsidiary were a Council.

The three new categories of conflict of interest introduced were:

- Material conflict of interest;
- Actual conflict of interest; and
- Perceived conflict of interest.

The introduction of the new conflict of interest provisions had considerable affect relating to the governance of elected members, and regional subsidiaries or committees established by Councils. The new provisions effectively prevented regional subsidiaries from operating in accordance with the purpose for which they were established.

Noting the consequences of the introduction of the new provisions, Local Government lobbied the State Government seeking for the provisions to be repealed and/or amended.

### **Report**

On 27 October 2016 the *Local Government (General) Variation Regulations 2016* (the Variation Regulations) were gazetted in the South Australian Government Gazette. These gazetted Regulations amended the *Local Government (General) Regulations 2013* (LG Regulations), which will commence operation on 24 November 2016.

The amendments to the regulations provide for a positive impact on the operation and governance of regional subsidiaries. Effective 24 November 2016, the amendments are as follows:

### **Conflict of interest (material, actual and perceived)**

Sections 74 and 75 of the LG Act set out the requirements for an elected member to undertake if a conflict of interest has been identified. These requirements however do not apply to a matter of ordinary business of a Council, and further, do not apply to a matter of ordinary business of a subsidiary or committee.



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Regulation 8AAB (b) of the LG Regulations prescribes the following as the matters of ordinary business of a regional subsidiary for purposes of s.74 and s.75:

*“a matter to be discussed, or in relation to which a recommendation or decision is to be made, at a meeting of a Regional Subsidiary if:*

- (i) the discussion, recommendation or decision relates to the purpose for which the Subsidiary is established; and*
- (ii) the relevant interest in the matter is the interest of a Council which appointed, or nominated for appointment, a member of the board of management of the Subsidiary; and*
- (iii) the relevant benefit or loss would be enjoyed or suffered in common with all or a substantial proportion of the Constituent Councils of the Subsidiary.”*

Accordingly, provided that discussion, recommendation or decision of the Board relates to the purpose for which the subsidiary is established (i.e. in accordance with the Charter) and the relevant interest in the matter is in the interest of the Council that appointed, or nominated for appointment, a member of the Board and any relevant benefit or loss will be enjoyed or suffered in common with all or substantial proportion of the Member Councils, then the matter will fall under the definition of “ordinary business”. Where this is the situation, the conflict of interest provisions have no application to Board members.

Further, Regulation 8AAA of the LG Regulations now includes a provision that will conditionally protect any elected members, who are Board members of a subsidiary, when matters pertaining to the subsidiary come before their Council. Regulation 8AAA (1)(h) provides that a discussion or decision of a matter at a meeting of the Council will be “ordinary business” if it relates to a matter that was discussed before a meeting of a subsidiary and the relevant interest in the matter is in the interest of the Council that appointed (or nominated for appointment) a member to the Board of the subsidiary.

Therefore, the conflict of interest provisions will have no application to elected members who are members of a subsidiary, when their Council discusses or decides a matter pertaining to that entity (provided that the discussion in the chamber relates to a matter that has already been discussed before a meeting of the Board of the subsidiary. That is, the exemption is not available to Board members who are elected members in respect of discussions at a meeting of their Council if the subject of discussion has not already been discussed by the subsidiary).

In those circumstances whereby a conflict of interest (material, actual or perceived) is identified by a Member or the collective Board, then the “required conduct” to deal with the identified conflict will prevail, as prescribed by the LG Act.

### **RECOMMENDATION**

**That the Report be received and noted.**





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## **Agenda Item 8.1**

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**REPORT SUBJECT:** Accountancy Services RFQ progress

**REPORT AUTHOR:** Business Improvement Manager (Corporate)

**MEETING DATE:** Thursday 24 November 2016

**ATTACHMENTS:** RFQ 2016/05 – for the Provision of Accountancy Services

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### **Purpose of the Report**

To provide the Board with an update regarding the recently distributed Request for Quotation 2016/05 – for the Provision of Accountancy Services.

### **Background**

East Waste is in the third year of its engagement with Hood Sweeney, who currently provides specified accountancy services to East Waste. East Waste has decided not to enact the two (2) year extension option.

In consideration of its current requirements and continued business objectives, East Waste has commenced a Request for Quotation process (in accordance with East Waste's Goods and Services Policy) for the provision of Accountancy Services (see attached RFQ).

### **Report**

As a result of research undertaken across the South Australian market, East Waste has made an approach to six (6) accountancy firms. In approaching the six (6) identified firms consideration was given to East Waste's specific requirements, as detailed in the RFQ.

Quotations are to be provided to East Waste by COB Friday 25 November 2016. An RFQ evaluation panel has been established together with a Probity and Evaluation Plan.

As per the RFQ, the contract commencement date for the successful respondent will be 3 January 2017, which will be the commencement of the "transition period" (refer RFQ under the heading Contract Terms).

Noting that this contract commencement date is prior to the first meeting of the Board in 2017, East Waste's General Manager will present the recommendation of the RFQ evaluation panel to the Board (for decision) by way of an 'Out of Session' process. It is anticipated that this will occur in mid-December 2016.

### **RECOMMENDATION**

**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)**



**Request for Quotation East Waste – RFQ 2016/05**  
**for the Provision of Accountancy Services**

Dear

I am writing to invite you to submit a quotation to provide specified accountancy services to the Eastern Waste Management Authority (East Waste).

**Background**

East Waste is a regional subsidiary formed under the Local Government Act 1999 (the Act) to provide waste collection services for its six Constituent Council's, being:

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

East Waste is administered by a Board in accordance with the requirements of the Act, its Charter, and various policies and codes. The membership of the Board comprises seven directors – one director appointed by each of the Member Councils, and one independent person who acts as Chair. The Board appoints a General Manager who is responsible for implementing the decisions made by the Board, and running the day-to-day operations of East Waste.

The primary purpose of East Waste is to provide effective waste collection services for its Member Councils. The exact nature of the waste collection services is determined independently by each Council to meet the needs of their respective communities.

From time to time, East Waste is contracted to provide waste collection services for other councils (referred to as client councils).

The Act requires that Councils must ensure that appropriate financial controls are in place to manage financial risk. Regional subsidiaries of Councils need to also ensure that their financial controls are in place.



Over the past two years East Waste has realised a strong operating surplus. These positive operating results are attributed to a number of factors including a clear strategic direction, prudent management, the introduction of operational efficiencies and procurement processes that have secured longer term supply contracts.

To ensure East Waste continues on this positive trajectory and maintains the high level of repeatable quality, East Waste's General Manager is now seeking quotations from suitably qualified accounting firms to manage and present their finances.

### **Summary of requirements**

East Waste utilises a unique cost allocation formula based on GPS. Common costs are assigned to Member Council's based on the time spent in each Council area undertaking the task. The time is measured by GPS tracking technology fixed to each collection vehicle. East Waste administration aggregates the GPS data and assigns a percentage to each Council, which will be used by the successful firm to allocate a cost – a common fleet cost.

In consideration of East Waste's unique requirements and consistent with the requirements of *Part 3 – Accounts, financial statements and audit* of the Act, the Local Government (Financial Management) Regulations 2011 and Part 19 of the Charter, East Waste will require the approved provider to:

- Receive monthly MYOB and GPS data from East Waste;
- Aggregate and treat where required;
- Prepare and present annual financial statements in accordance with the Local Government Model Financial Statement template;
- Attendance at one (1) Audit and Risk Management Committee Meeting, and one (1) Board Meeting per financial year, and
- Present quarterly statutory and non-statutory financial reports (in accordance with the requirements of the Act and Regulations) which will include, but may not be limited to the scope outlined in **Annexure A**;
- Annual treatment of the Long Term Financial Plan including updating baseline year with adopted budget, varying with actuals, and resetting any assumptions across the trailing nine (9) years (such as a change in CPI);
- Provide ad-hoc advice and respond to specific requests when required;
- The ability to attend regular scheduled 'face-to-face' meetings with East Waste Management once per quarter as a "financial pulse" or "financial health check" of the Subsidiary; and
- A suitably qualified and experienced representative of your organisation to work out of the East Waste office on average eight (8) hours each month including reasonable travel time (equivalent of one day a month) to work alongside East Wastes Office Administrator. Please identify this resource in your submission.

In addition to the administrative requirements of the engagement, East Waste places high value on the relationship with its contractors. Regular consistent communication and repeatable quality are essential. East Waste would expect the successful organisation to



provide regular updates regarding changes to relevant legislation, ATO requirements and changes to your personnel managing the East Waste account.

### Quotation

Your quotation should include the following:

- your understanding of East Waste's requirements and your proposed approach to providing the requested services to meet East Waste's requirements;
- details of your organisation's ability to meet East Waste's requirements, including the relevant skills, qualifications and experience of your organisation and nominated personnel, including CVs from your nominated personnel;
- your proposed fees excluding GST, setting out:
  - **fixed fee per calendar month ("full scope fee")**
  - hourly rates (for additional work and variations to scope)
  - maximum daily rates (for additional work and variations to scope); and
  - any discounts (eg discounts for payments in advance)
- any related experience (ie working with local government, regional subsidiaries, waste industries, GPS technology); and
- your availability to attend to East Waste requests (ie specific timeframes).

### Lodgement of quotation and due date

Quotations are requested to be submitted via email to Mr Shane Raymond [shane@eastwaste.com](mailto:shane@eastwaste.com) by close of business Friday 25 November 2016.

The Request for Quotation number and a brief title or description of the service requested should be inserted in the subject line of the email.

Quotations should be in PDF, Microsoft Word or Microsoft Excel.

### East Waste evaluation criteria

Quotations will be assessed through the application of the following criteria:

- the respondent's understanding of East Waste's requirements and the respondent's proposed approach to meet East Waste's requirements;
- the ability of the respondent to meet East Waste's requirements, including the skills, qualifications and experience of the respondent and its nominated personnel;
- pricing; and
- any inherent risks in the quotation, including commercial risks and any actual or perceived conflict of interest.

In undertaking their evaluation, the panel will apply the following percentage weightings to the quotations received:

- 60% to non-price score criteria (related experience, capability, and performance); and
- 40% to price (value for money).



East Waste may, at any time, exclude a quotation from consideration, including if the quotation is incomplete, uncompetitive when compared to other quotations received or is ranked unsatisfactory against any of the evaluation criteria.

### **Negotiations**

East Waste may enter into negotiations with, and/or request best and final offers from, one or more respondents to this request for quotation. During negotiations East Waste may engage in detailed discussions with the goal of maximising the benefits to East Waste.

East Waste may discontinue negotiations with a respondent at any time for any reason (including where a respondent seeks to amend its quotation in a material respect).

All expenses and costs incurred by your organisation in connection with preparing a quotation are the sole responsibility of your organisation and each party participates in negotiations at its own cost.

### **Contract terms**

The Contract Term will be three (3) years commencing on 3 January 2017 (“**transition period**”), with the full scope of services commencing on 1 July 2017. There will be an option to extend for a further two (2) years at the complete discretion of East Waste. East Waste has the right to terminate the services prior to the Contract Term expiry with reasonable notice.

Please note that at the commencement of the contract East Waste will work with the successful respondent to work through a “**transition period**” to assist in understanding the requirements of the Subsidiary Model and East Waste Charter requirements. The scope of the “**transition period**” is outlined below, and it is expected that East Waste would pay the successful firm **30%** of the proposed “**full scope fee**” during this transitional period. 100% fee payment would commence concurrently with the full scope of works on 1 July 2017.

#### **Transition Period**

- 3 January – 30 June 2017 inclusive
- Receive copies of monthly and quarterly financial reports from current accountancy firm
- Act as observer of the reports (no action or outputs required)
- Attend three (3) inception meetings at East Waste to become accustomed with the financial reporting and performance of East Waste
- Review East Waste Charter, GPS Common Fleet Costing Methodology, and relevant legislation and regulations as it relates to the local government subsidiary

#### **Full Scope**

- 1 July 2017 – 30 June 2020
- Receive MYOB and GPS data directly from East Waste
- Deliver on full scope of works as outlined in Annexure A



No contract will be formed unless and until East Waste signs a formal contract with the preferred respondent. Nothing in this request for quotation, or the submission of any quotation in response to it, or any conduct or statement whether before or after the issue of this request for quotation constitutes a contract, express or implied, with East Waste.

### **East Waste's rights**

In addition to the rights previously set out in this request for quotation, East Waste may:

- amend, suspend or discontinue the request for quotation process, including altering, adding to or deleting any of East Waste's requirements or changing the structure or timing of the quotation process;
- require additional information or clarification from any respondent or anyone else; or
- provide additional information or clarification to respondents.

By submitting a quotation, your organisation acknowledges and agrees to comply with the terms and conditions set out in this request for quotation.

### **Confidentiality**

You must treat this request for quotation as commercial in confidence. In particular, you must not make any public announcements in relation to the request for quotation process without East Waste's prior written consent.

East Waste will keep confidential information provided by your organisation that is both confidential in nature and clearly marked 'Confidential' or 'Commercial-in-Confidence', except to the extent East Waste is required to disclose such information.

### **Conflict of interest**

Where East Waste establishes, from information provided by you or from other information available to it, that a conflict of interest exists, such a conflict may be grounds for exclusion from consideration after an opportunity is given to discuss the matter with you.

Please do not hesitate to contact Mr Shane Raymond on (08) 8347 5111 if you have any questions or require any clarification. We look forward to receiving a quotation from your organisation.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Adam Faulkner'.

Adam Faulkner  
General Manager – East Waste



## **Annexure A: Scope of Services**

Monthly & Quarterly Reporting, including the following:

- Monthly / Quarterly statement of comprehensive income
- Monthly / Quarterly statement of financial position
- Monthly / Quarterly cash flow summary
- Monthly / Quarterly income & expense budget analysis
- Monthly / Quarterly key performance report
- Monthly / Quarterly observations & commentary
- Quarterly statement of changes in equity
- Quarterly common fleet costing (GPS based costing)
- Quarterly activity based income & expenses (for hard waste, litter and bin repairs/replacements)
- Quarterly income & expense budget analysis (year to date)
- Quarterly income & expense budget analysis (extrapolated)
- Quarterly common fleet costing (year to date)
- Quarterly common fleet costing (extrapolated)
- Presentation of Budget Review Quarter 1, Quarter 2, Quarter 3 aligned with the timing and format prescribed by the Act and Regulations;
  - o Review of Budgets – Uniform presentation of finances (first review and second review, Section 9-1 (a))
  - o Review of Budgets – Model Financial Statements and Financial Indicators (Section 9-1 (b) and (c))

Monthly maintenance of the asset register, including the following:

- Monthly depreciation report
- Reconciliation of asset and depreciation accounts
- Recording of capital purchases and sales

Annual Statutory Financial Statements, including the following:

- Authority Certificate
- Statement of comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Preparation of Note 1 to the financial statements
- Yearly common fleet costing (GPS based costing)
- Liaising with the auditors as requested

Annual Reporting

- a report showing the audited financial result of the council for the previous financial year compared with the estimated financial result set out in the budget (Section 10)
- Adjustments and updates to the Long Term Financial Plan

**Where not specifically listed, the Act and Regulations will prevail in regards to required reporting.**