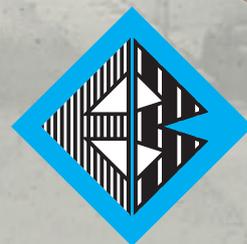


Annual Report 2014-2015



EAST WASTE

East Waste provides an environmentally responsible, effective collection and disposal waste and recycling service for its Constituent Councils.



A target of



90%

of all bins are returned upright and lids closed. An industry first.

ANNUAL REPORT 2014-2015

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We are pleased to report that after extensive research, Adelaide Hills Council resolved to remain a Member Council of East Waste.



4 years ago GPS Tracking introduced to all collection vehicles.

EAST WASTE INDEPENDENT CHAIRPERSON'S REPORT 2014/15

In this, my third year as the Independent Chair of the East Waste Management Authority, I am very proud to be able to report on an outstanding year for our subsidiary. We have built upon the solid work undertaken in 2013/14 and have grown in our ambition to be a high performing organisation delivering excellent service and good value to our customers and our Member Councils, while providing a quality workplace with high satisfaction levels for our staff.

In his Report, General Manager Adam Faulkner will detail more the recent customer, corporate (Council) and staff satisfaction surveys which support these goals and achievements as well as many other operational matters and successes.

Annual Plan

At the end of last year Adam Faulkner laid out a very ambitious Annual Plan for 2014/15 for East Waste which included the development of a 10 year Business Plan, a Long Term Financial Plan, a Business Continuity Plan, a Risk Management Plan and a number of other strategic and operational initiatives which enhance the effective and efficient business of East Waste. As a Board we are delighted that Adam and his team have delivered on the 2014/15 Annual Plan setting the organisation up for future success. Feedback received over the past year indicates that the collaborative approach taken by East Waste, together with improved communication and extensive consultation undertaken in the development of our future plans has been appreciated by Member Councils.

The 2015/16 Annual Plan was approved by the Board and Member Councils prior to the end of the financial year 2014/15. It identifies 15 priority projects in the coming year and it promises to provide even greater operational efficiencies, increased services to some Member Councils (at their request) and continued strong engagement and communication with Councils.

East Waste will measure our proactivity within the communities of Member Councils and our responsiveness to community demands. Indeed, we aim to exceed community and Member Council expectations in 2015/16.

Performance/Highlights

The Audited Financial Statements for East Waste showed an operating surplus for the year of \$133,426 after distributing an interim dividend to each Member Council. The organisation is in a sound financial position with positive net equity and sound cash reserves.

During the latter part of 2014/15 year East Waste undertook a tender process for recyclables and organics processing which over the coming ten year period will prove to be an excellent outcome for Member Councils. In the future we expect that an approximate savings of \$2 million per year will be achieved by the subsidiary (approximately \$20 million over the 10 year contract periods) which will be returned to Member Councils. The Board have expressed their appreciation to Adam and his team for a great result for all in this negotiation.

Another highlight during 2014/15 was the outcome of a process by the Adelaide Hills Council to consider another opportunity for waste services provision offered to it.



To all the Directors of East Waste I thank you for your guidance, support and commitment to East Waste and most particularly for the many good decisions you have taken over the past year which have played a big part in the subsidiary's success.



🗑️ 2

years ago East Waste and City of Burnside introduced RFID tracking.

We are pleased to report that after extensive research, Adelaide Hills Council resolved to remain a Member Council of East Waste providing stability to the Subsidiary and retaining overheads for other Member Councils. It was cited by the Adelaide Hills Council that the improved operational performance of East Waste, leadership, and improved communication were important factors in its decision to remain as a Member Council.

They have helped to focus the subsidiary on quality, value for money, engagement with our key clients and a mantra of continual improvement and efficiency throughout the East Waste business.

We welcome new Directors Cr Karen Hockley (City of Mitcham) and Cr Graham Webster (Corporation of the town of Walkerville) who are taking up those Director roles as Member Council representatives and will no doubt do a fine job.



Operations Management

In his report Adam has outlined a range of operational matters and achievements which have delivered on our promise to Member Councils. The Board thanks Adam for his excellent leadership of his team and his very thorough and detailed reporting to the Board. To our staff we say thanks and well done on providing our Member Councils with excellent service, improving our efficiencies and in complementing the Member Councils' reputations in each of their communities with high quality delivery of services.

Governance

The Board of East Waste continues to provide valuable professional advice to the General Manager and his team. During 2015 there have been two changes to the composition of the Board.

Mr Matthew Pears (City of Mitcham) and Cr Gianni Busato (Corporation of the town of Walkerville) who have given great service to East Waste have retired from their Director roles in East Waste. We thank them sincerely for their significant contributions over the years.

To all the Directors of East Waste I thank you for your guidance, support and commitment to East Waste and most particularly for the many good decisions you have taken over the past year which have played a big part in the subsidiary's success. We look confidently forward to an even more successful year ahead.

I commend the 2014-2015 East Waste Annual Report to you.



*Mr Brian Cunningham
Independent Chairperson*

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



23,321

tonnes of recyclables
collected in our 6 Member
Councils during 2014/15.

ABOUT EAST WASTE

East Waste is the trading name of Eastern Waste Management Authority (East Waste), which was established in 1928. The Authority is a regional subsidiary of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Norwood, Payneham & St Peters, City of Mitcham, and the Corporation of the Town of Walkerville.

These six Councils are referred to as Member or Constituent Councils of East Waste. East Waste is governed by a Charter pursuant to Section 43 of the Local Government Act 1999 (the Charter).

East Waste is administered by a Board in accordance with the requirements of the Local Government Act, the Charter, and other various policies and codes. The membership of the Board comprises of 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.

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

East Waste operates on a cost share basis between Member Councils. This ensures Councils are not subject to providing varying levels of profit that are required by private sector operators, whilst still benefiting efficiency, buying power and cost effectiveness through East Waste as a service provider. From time to time, East Waste is contracted to provide waste collection services for other Councils (referred to as Client Councils).

The primary advantages from the East Waste delivery model can be summarised as:

- Appropriate economical return from the at cost charging methodology based on GPS cost allocation.
- Enhanced quality of service by measuring and valuing quality capacities as well as financial indicators.
- Flexibility in service delivery allowing responsiveness to emerging community and market demands.
- Aligned values and strategic direction with Member Councils, to protect and promote reputation management.
- Reducing exposure of Member Councils to the commercial profit-driven market.

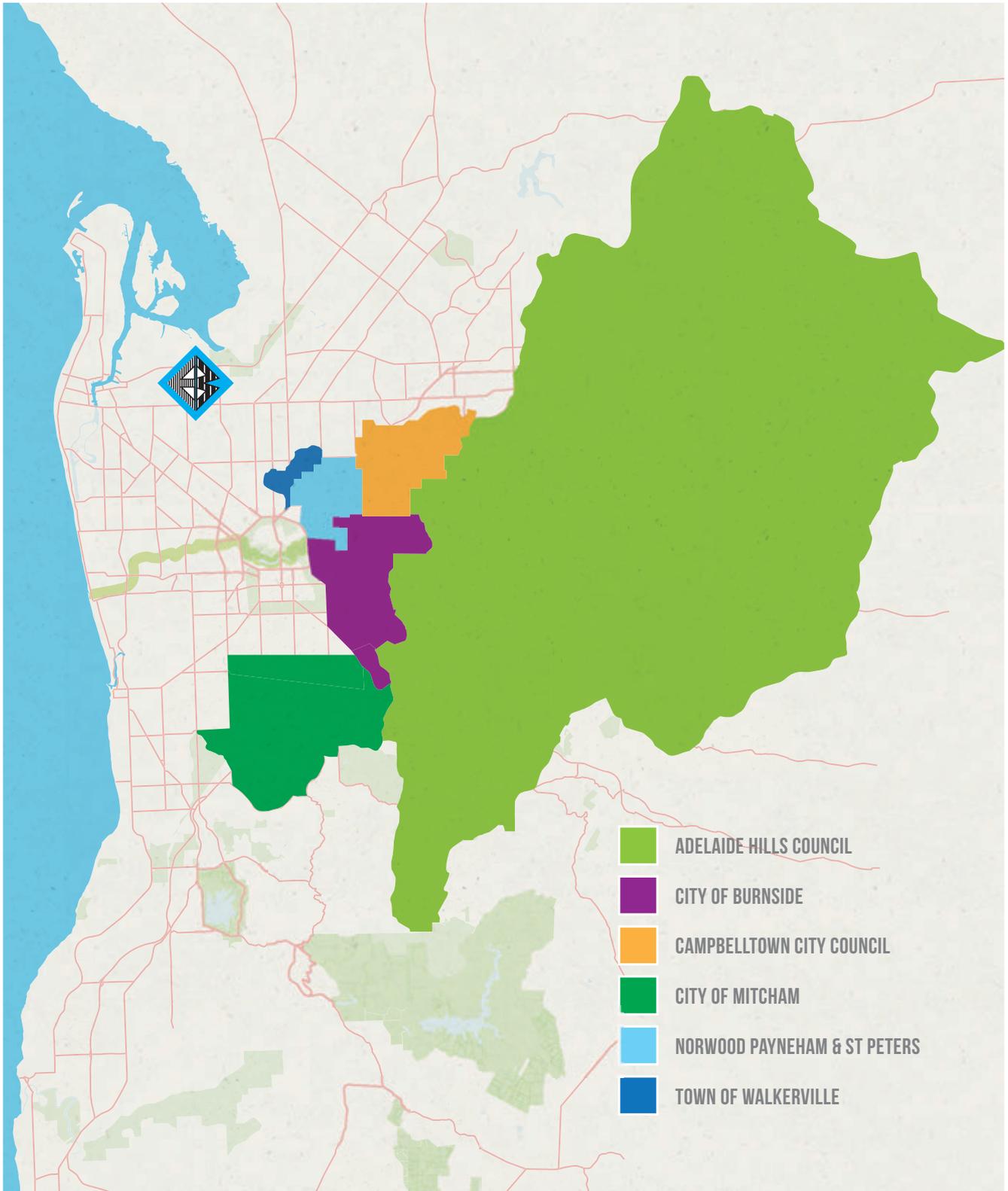
Core Services

East Waste's core business is defined in the Charter as collection, recycling, and disposal of waste produced in the area of one or more of the Member Councils. This core business is undertaken in regard to the following broad understandings:

- Continually operate to the parameters set within the Charter.
- Deliver efficient, effective and value for money services for Member Councils.
- Maintain quality services that are quantified by certain metrics (i.e. >90% of bins returned upright to kerb with lids closed, ensuring any bins that are tipped over are put upright).
- Effective and positive complaint handling and timely resolution of complaints, and;
- Vehicles are clean, maintained and well presented.



EAST WASTE SERVICE AREA



VISION STATEMENT

AT EAST WASTE WE ARE ALL ABOUT...

“Providing a safe, high quality, low cost, waste and resource recovery collection service that responds to our community’s needs, while using innovation and technology to drive efficiencies, reduce cost, and have a minimal impact on the receiving environment”.

AT EAST WASTE WE ARE MOVING TOWARDS...

“Providing flexible and responsive waste and resource recovery collection services that focus on safety, high order recycling, elevated service levels, less vehicle movements, and lower emissions”.

AT EAST WASTE WE CONTRIBUTE TO OUR MEMBER COUNCIL COMMUNITIES BY...

“Providing a responsive and proactive waste and resource recovery collection service that enhances streetscape amenity and assists in promoting a healthy lifestyle”.



Impressively, almost 99% of community members indicated that overall they are either fairly satisfied, very satisfied or satisfied with the collection services provided by East Waste.



Approximately
 30%
of Metropolitan Adelaide
is currently serviced by
the East Waste team.

GENERAL MANAGER'S REPORT

East Waste has had another strong year on behalf of its Member Councils and their communities. Utilising its modern fleet of collection vehicles, East Waste provided approximately 160,000 kerbside bin collections each week with little incident. East Waste's internal motto of Repeatable Quality is evident in each bin collection, and each time we have reason to interact with our Member Councils and their community.

Some of the key achievements and accomplishments are detailed in the following report, but it is the effort and attention to detail by the wonderfully dedicated drivers and staff that deserve the majority of plaudit.

Community Satisfaction and Staff Satisfaction Survey

East Waste conducted its first community, Council, and staff satisfaction survey process in 2015. A consultant was engaged to facilitate the confidential process and the results indicated a broad satisfaction with East Waste in terms of reliability, customer service, value for money, and being an employer of choice.

Impressively, almost 99% of community members indicated that overall they are either fairly satisfied, very satisfied or satisfied with the collection services provided by East Waste. When the East Waste Member Councils were asked, over 90% are satisfied with East Waste, while 89% of staff reporting that they are satisfied with their job at East Waste.

The process has provided some valuable information in terms of community, Council and staff sentiment, and I look forward to leading the implementation of the consultants recommendations.

Governance and Strategy

Following a series of consultation sessions, the East Waste 10 Year Business Plan 2015 – 2025 was adopted by the East Waste Board on 11 June 2015. The Business Plan identifies improvements and efficiencies within the core services that East Waste

provides to Member Councils, but also enhanced service levels that are to be investigated at the request of Member Councils and/or the East Waste Board. The strategic document is broken up into priority projects to be delivered in year 1 (Annual Plan), years 1 – 4 (delivery plan) and across the entire 10 year horizon. Accompanying the Business Plan is a 10 Year Long Term Financial Plan which details revenue and expenditure across the planning period, and an Asset Management Plan which documents East Waste's commitment to responsible collection vehicle replacement.

TO COMPLEMENT THE 10 YEAR BUSINESS PLAN, A RISK MANAGEMENT PLAN, FRAMEWORK AND RISK REGISTERS WERE DEVELOPED AND ENDORSED BY THE EAST WASTE BOARD.



Concurrently, a Business Continuity Policy was adopted by the Board, rounding off a strong set of governance and risk mitigation documents that will assist the Subsidiary into the future.

Contracts

By far the largest success story of the 2014/2015 year was the joint procurement of processing contractors for Member Councils recyclables and organics. East Waste facilitated a tendering process that delivered significant financial savings, improved environmental outcomes, and unbudgeted income for Member Councils.

In financial terms, the new long term 10 year Contracts represent approximately \$2M in savings across the Member Councils per annum. On top of this, the types of materials acceptable for recycling have increased, and the additional drop-off facilities have improved East Waste's travel time and productivity. These Contracts are testament to the Subsidiary model and clear indication of the power of joint purchasing.

DURING THE REPORTING PERIOD, EAST WASTE ALSO ENTERED INTO NEW PERFORMANCE BASED CONTRACTS FOR TYRES, BULK FUEL AND GPS TECHNOLOGY.

These service based contracts have saved Member Councils in excess of \$300,000 in year 1, and resulted in significant efficiency and administrative savings.

New Services

City of Burnside resolved in 2015 to have East Waste conduct a 12 month trial of an "at-call" hard waste collection service, while Town of Walkerville requested East Waste provide its street and public place litter bin collection services. This, on top of a full year of Campbelltown City Council's at-call hard waste service, and City of Burnside transitioning their waste management customer service function across to East Waste.

East Waste has shown capacity and capability to deliver these core services to Member Councils, and looks forward to providing the full set of core services to each and every Member Council in the coming years.

As General Manager, I look forward to implementing the 2015/2016 adopted Annual Plan, and delivering the priority projects outlined in the 10 Year Business Plan 2015 – 2025. However, the focus remains on *Repeatable Quality* in the provision of collection services to Member Councils and their community.



Adam Faulkner
General Manager



GOVERNANCE

East Waste is administered by a Board in accordance with the requirements of the Local Government Act, the Charter, and other various policies and codes.

The membership of the Board comprises of 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 Board held eight formal meetings (including Special Board Meetings) over the 2014-2015 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
Mr Brian Cunningham (Chair)	8 OF 8
Cr Linda Green (Adelaide Hills Council)	6 OF 8
Cr Grant Piggott (City of Burnside)	6 OF 8
Mr Paul Di Iulio Chief Executive Officer (Campbelltown City Council)	4 OF 8
Cr Karen Hockley (City of Mitcham) Appointed to Board 24 November 2014	4 OF 4
Mr Mario Barone Chief Executive Officer (City of Norwood, Payneham & St Peters)	5 OF 8
Cr Graham Webster (Corporation of the Town of Walkerville) Appointed to Board 24 November 2014	4 OF 4
Matthew Pears Chief Executive Officer (City of Mitcham) Served on Board until 24 November 2014	2 OF 3
Gianni Busato Elected Member (Corporation of the Town of Walkerville) Served on Board until 24 November 2014	3 OF 3



Mr Brian Cunningham
Independent Chairperson



Cr. Grant Piggott
City of Burnside



Mr Paul Di Iulio
Chief Executive Officer
Campbelltown City Council



Cr. Graham Webster*
The Corporation of the
Town of Walkerville



Cr. Karen Hockley*
City of Mitcham



Cr. Linda Green
Adelaide Hills Council



Mr Mario Barone
Chief Executive Officer
City of Norwood Payneham
& St Peters



Gianni Busato^
The Corporation of the
Town of Walkerville

* Appointed 24.11.14.
First meeting attended
January 2015.

^ Served until 24.11.14.



Matthew Pears^
City of Mitcham



AUDIT AND RISK MANAGEMENT COMMITTEE

In accordance with the requirements of the Local Government Act 1999, East Waste has an established Audit and Risk Management Committee. The functions of the Committee include:

- Reviewing annual financial statements to ensure that they provide a timely and fair view of the state of affairs of the subsidiary;
- Liaise with external auditors; and

- Reviewing the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of the subsidiary on a regular basis.

The Committee held four formal meetings over the 2014 – 2015 financial year.

The Audited Financial Statements for the year ending 30 June 2015 are provided at page 27.

GOVERNANCE STRUCTURE

The figure below demonstrates the governance arrangements in place to ensure diligent management of East Waste on behalf of the Member Councils.



COMMUNITY SATISFACTION

Good service delivery and customer service are a hallmark of East Waste's services and this was reflected in the feedback from Member Councils. This is very important to the Member Councils and should be seen a high priority at all times.

This includes areas such as:

- Servicing all presented bins, and replacing $\geq 90\%$ upright with the lids closed;
- Ensuring any bins that tipped over are put upright;
- Effective and positive complaint handling and timely resolution; and
- Vehicles are clean and well presented.

To ensure a continued high level of customer service and delivery it is important to understand the needs and requirements of East Waste's Member Councils, constituents and stakeholders. In support of this objective, in the 2014-2015 financial year, East Waste,

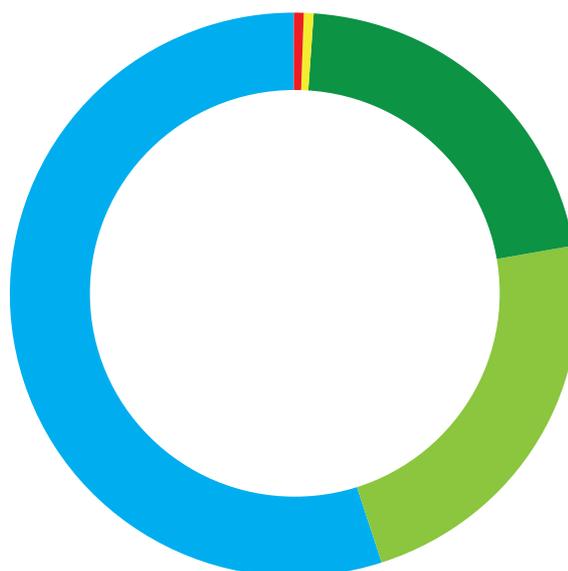
together with an external consultant, developed and disseminated a Customer Satisfaction Survey.

The results of the survey were very positive. Overall, almost 99% of community members indicated that they are either satisfied, fairly satisfied or very satisfied with collection services provided by East Waste. Indeed, the majority of respondents (54.8%) said that they are very satisfied with waste management services.

The following are some highlights from the responses received:

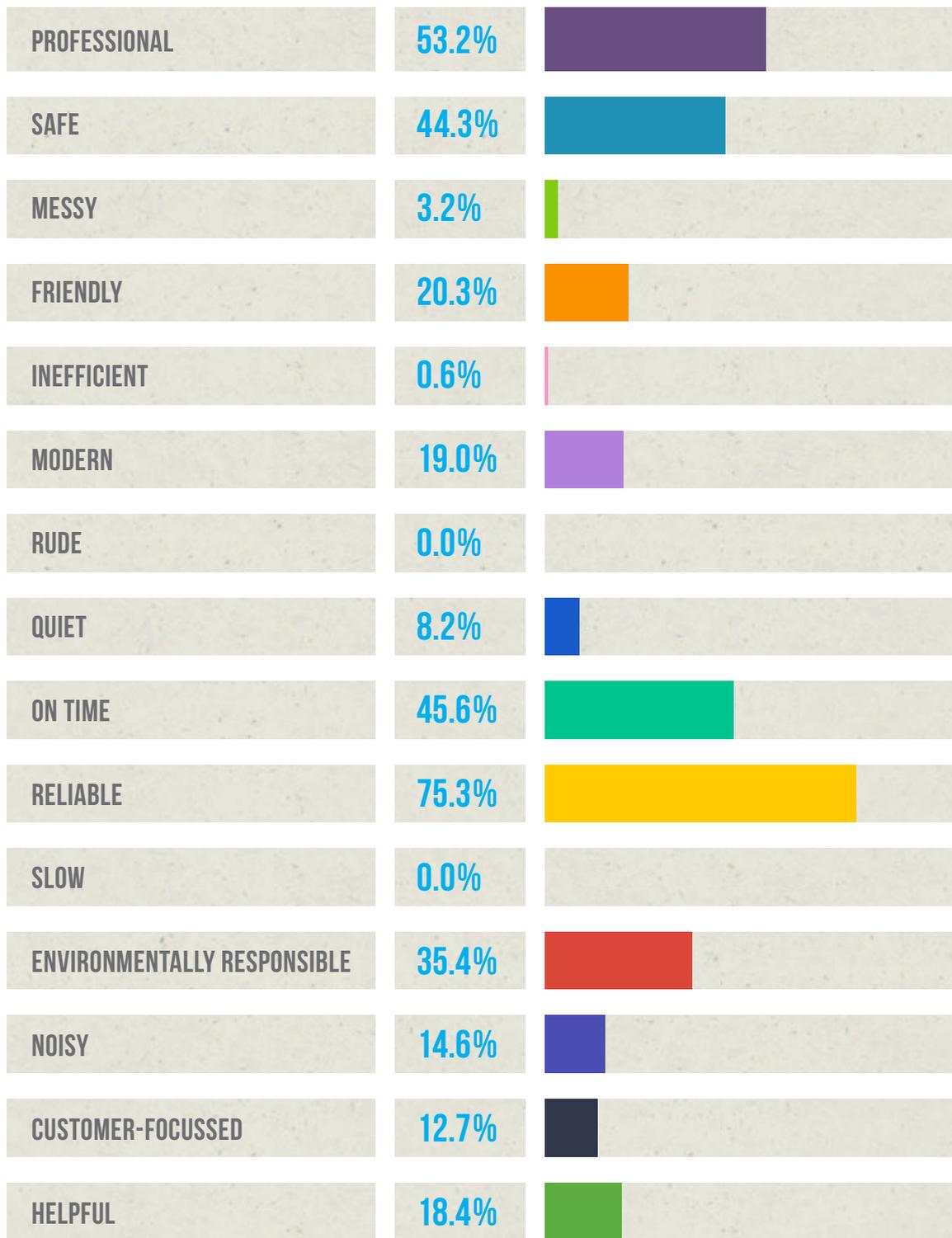
QUESTION ASKED: OVERALL, HOW SATISFIED OR DISSATISFIED ARE YOU WITH ALL OF EAST WASTE'S COLLECTION/WASTE MANAGEMENT SERVICES?

	VERY DISSATISFIED	0.6%
	FAIRLY DISSATISFIED	0.6%
	SATISFIED	21.1%
	FAIRLY SATISFIED	22.9%
	VERY SATISFIED	54.8%



COMMUNITY SATISFACTION

QUESTION ASKED:
WHICH OF THE FOLLOWING WORDS WOULD YOU USE TO DESCRIBE THE SERVICE PROVIDED BY EAST WASTE (SELECT ALL WHICH APPLY)?



OPERATIONS

East Waste has an established purpose built depot and office facilities in Ottoway. This depot comprises office buildings, a wash bay and fully equipped workshop. East Waste operates and maintains a fleet of 38 collection vehicles, and employs 41 permanent staff.

Uniquely, East Waste prides itself on a single quality performance measurement. We aim to return >90% of all bins upright back to the kerb with the lids closed. This repeatable quality is unparalleled in the industry. Day to day vehicle servicing, maintenance and breakdown rectification is undertaken using a combination of internal workshop resources, and external specialised contractors.

Currently East Waste provides a broad range of services to Member Councils. This is summarised in the Services Matrix below. To continue to provide good value and efficiency to Member Councils, it is important to East Waste to offer all of these current services to Member Councils. This table identifies opportunity for efficient and effective service offerings currently available to Member Councils.

COUNCIL	SERVICES										
	Weekly collection of general waste	Fortnightly collection of recyclables	Fortnightly collection of organics	Food waste in organics	"At Call" Hard Waste	Street/Park/Litter collection	Customer service	Bin repairs/maintenance/replacements	GPS tracking	RFID tracking	Education and promotion
Adelaide Hills Council	✓	✓	✓	✓		✓	✓	✓	✓		✓
City of Burnside	✓	✓	✓	✓	TRIAL		✓		✓	✓	✓
Campbelltown City Council	✓	✓	✓	✓	✓		✓	✓	✓		✓
City of Mitcham		✓	✓	✓	✓		✓	✓	✓		✓
City of Norwood, Payneham & SP	✓	✓	✓	✓		✓	✓	✓	✓		✓
Corp Town of Walkerville	✓	✓	✓	✓		✓	✓	✓	✓		✓



TONNAGE DATA

Using a frontline fleet of 29 low emission collection vehicles, in 2013/2014 a total of 98,738 tonnes of household waste and recyclables was collected from East Waste Member Council households.

52,461 TONNES OF THAT WAS SENT FOR RECYCLING AND BENEFICIAL REUSE.

On average, across all the East Waste Member Councils, that represents an impressive 53% diversion from landfill. So over half of all the materials presented by residents in their wheelie bins each week was either recycled to be turned into new packaging materials, or composted into products to improve soil health in South Australia.

While some Member Councils are achieving above 60% diversion, the average rate of 53% is a promising result, but one that our communities can build upon.

A new waste minimisation education and promotion campaign to be rolled out in 2016 will challenge residents to improve recycling rates even more.

There is a definite environmental and financial benefit from separating out household recyclables and organics and placing them responsibly in the correct bin. East Waste, and Member Councils, will continue to strive for best practice in recycling and diversion of resources from landfill.

KERBSIDE TONNES COLLECTED 2013/14	RECYCLABLES	ORGANICS	WASTE
ADELAIDE HILLS COUNCIL	3492	3047	7634
CITY OF BURNSIDE	4389	6028	7596
CITY OF MITCHAM	6291	7977	12496*
NORWOOD PAYNEHAM & ST PETERS	3747	4421	7139
CAMPBELLTOWN CITY COUNCIL	4691	6643	9993
TOWN OF WALKERVILLE	711	1020	1415

*The City of Mitcham manages the collection of waste for its residents.



“AT-CALL” HARD WASTE SERVICE

East Waste currently provides an efficient, cost effective and convenient domestic ‘at-call’ hard waste collection service for two of its Member Councils – Campbelltown City Council and City of Mitcham, utilising a purpose built hard waste collection vehicle.

The ‘at-call’ service is an organised service that allows the resident to utilise the service at a date and time that is convenient for them. Traditional hard

waste collection practices often included a ‘city-wide’ collection on a nominated date, which impacted on the streetscapes of the respective Council area, and provided logistical challenges for the collection employees.

The ‘at-call’ service offers a better public amenity, and better flexibility and responsiveness for the resident.



It's not hard to get rid of hard rubbish.

**Book your free Council collection today.
8347 5170 or eastwaste.com.au**



EAST WASTE



Messenger Press Awareness Campaign

**FOR THE 2014-2015 YEAR,
EAST WASTE UNDERTOOK 3,461 HARD WASTE
COLLECTIONS TOTTALLING 620.75 TONNES ON
BEHALF OF THE CAMPBELLTOWN CITY COUNCIL,
AND 5,252 HARD WASTE COLLECTIONS
TOTTALLING 963.04 TONNES ON BEHALF OF
THE CITY OF MITCHAM.**





In June 2014 the Board recognised Giuliano (Jimmi) Pastro's exceptional and long term contribution to East Waste.

Jimmi Pastro retired from East Waste on 29 July 2014. Jimmi provided 34 years of service to East Waste as a collection driver. Jimmi's contribution to East Waste was significant, and he was thanked by management and staff at a function at the East Waste Depot on Friday 8 August 2014.



46,273

tonnes of waste collected
from our 6 Member
Councils in 2014/15.

WORK, HEALTH & SAFETY

EAST WASTE VALUES SAFETY

For East Waste, safety is more than a policy manual or a training session; it's how East Waste does business. It cannot be denied that it makes good business sense to have management systems that are designed to be suitable to the nature of the business, responsive to the business needs and manage the business' risks as part of 'every-day' operational practices.

East Waste fosters a culture in which safety, health and welfare are top priorities; and where all staff are responsible for looking out for one another. Our commitment to safety and care for fellow employees is aimed at improved business results as well as business continuity and promotion of a safe workplace.

Audit results

East Waste is audited by the Local Government Association Workers Compensation Scheme. This annual audit serves to determine if East Waste is meeting the WHS and Injury Management performance standards for self-insured organisations. During the LGAWCS WHS Key Performance Indicator Audit 2014 545 documents were reviewed in total over a two day period. Eleven (11) elements were chosen to be audited, being a sample across all forty six (46) elements.

AN OUTSTANDING RESULT WAS ACHIEVED BEING AN AUDIT SCORE OF 100 OUT OF 100.

This excellent result ensured East Waste received the maximum possible rebate from the Local Government Workers Compensation Scheme.

The next Audit is due to occur October 2015.



Risk Management Framework

East Waste, in conjunction with an external consultant, has recently completed a Risk Management Framework. The Risk Management Framework includes a Business Continuity Plan and a Risk Management Plan.

The purpose of this Risk Management Framework is to provide Staff and Board Members of the East Waste, guidance in how to manage risk in a consistent and comprehensive way.



Workplace Emergency and Evacuation Plan

East Waste’s Workplace Emergency and Evacuation Plan (WEEP) acts as a reference source of useful emergency-related information for members of the Emergency Control Organisation, being East Waste, and to provide guidance on immediate actions and important considerations in the event of an emergency situation or critical incident occurring on site.

- To facilitate a prompt, decisive, coordinated and appropriate initial response to an emergency
- To provide guidance for controlling or limiting any negative effect that an actual or potential emergency or critical incident could have on the site or surrounding community
- To provide a framework in which key persons can develop the competencies to effectively respond to an on-site emergency
- To provide a mechanism for assuring the continued accuracy and relevance of the Workplace Emergency and Evacuation Plan

East Waste has an Emergency Management Committee which meets bi-annually as part of its commitment to being an Emergency Control Organisation.

THE OBJECTIVES OF THE EAST WASTE’S WEEP IS TO PROVIDE A MECHANISM THAT ENABLES THE ORGANISATION AND ITS OFFICERS TO:



Fatigue Management Policy

A core objective of East Waste's Annual Plan 2014/15 is to ensure Workplace Health and Safety is incorporated into every decision making process that East Waste undertakes. Activities pursued to meet this objective include the development of a Fatigue Management Policy.

The intent of establishing a policy is to reduce risk (further supported by the recent completion of the Risk Management Framework) and embed a:

'SAFETY FIRST' CULTURE AT EAST WASTE.

The Fatigue Management Policy was endorsed by the Board. The key features of the fatigue management policy are;

- For every 8 hours worked a break of 30 minutes is to occur
- A minimum of 12 hours is to expire between finishing work and commencing work
- Outlining strategies East Waste already has in place to address possible fatigue related issues (such as; rest breaks, drug testing, daily vehicle safety check sheets, fatigue management training, gym and the fruit program)



Financial Statement



2014-15
Annual Report



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CERTIFICATION OF FINANCIAL STATEMENTS

EASTERN WASTE MANAGEMENT AUTHORITY INC

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the entity to certify the financial statements in their final form.
In our opinion:

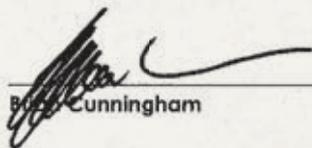
1. The accompanying financial statements comply with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.
2. The financial statements present a true and fair view of the entity's financial position at 30 June 2015 and the results of its operations and cash flows for the financial year.
3. Internal controls implemented by the entity provide a reasonable assurance that the entity's financial records are complete, accurate and reliable and were effective throughout the financial year.
4. The financial statements accurately reflect the entity's accounting and other records.

General Manager



Adam Faulkner

Chairman



Bill Cunningham

10th September 2015



STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
INCOME			
Collection charges	2	13,086,802	14,717,803
Investment income	2	42,728	39,194
Other income	2	878,601	930,966
TOTAL INCOME		<u>14,008,131</u>	<u>15,687,963</u>
EXPENSES			
Employee costs	3	4,837,731	4,745,168
Materials, contracts & other expenses	3	6,879,259	8,310,13
Depreciation, amortisation & impairment	3	1,754,292	2,109,033
Finance costs	3	405,851	385,791
TOTAL EXPENSES		<u>13,877,133</u>	<u>15,550,126</u>
OPERATING SURPLUS / (DEFICIT)		130,998	137,837
Asset disposal & fair value adjustments		7,002	73,549
Income tax equivalent charge		(4,574)	(20,033)
NET SURPLUS / (DEFICIT)		<u>133,426</u>	<u>191,353</u>
<i>Transferred to Equity Statement</i>			
Other Comprehensive Income		-	-
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>133,426</u>	<u>191,353</u>

The accompanying notes form part of these financial statements.



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	4	2,096,194	1,766,027
Trade & other receivables	4	248,589	371,625
Inventories	4	-	4,278
TOTAL CURRENT ASSETS		<u>2,344,783</u>	<u>2,141,930</u>
NON-CURRENT ASSETS			
Property, plant & equipment	5	6,793,005	6,619,596
TOTAL NON-CURRENT ASSETS		<u>6,793,005</u>	<u>6,619,596</u>
TOTAL ASSETS		<u>9,137,788</u>	<u>8,761,526</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade & other payables	6	1,163,066	1,224,141
Borrowings	6	1,099,894	1,617,228
Provisions	6	439,025	258,858
TOTAL CURRENT LIABILITIES		<u>2,701,985</u>	<u>3,100,227</u>
NON-CURRENT LIABILITIES			
Borrowings	6	6,103,149	5,519,620
Provisions	6	55,891	120,360
TOTAL NON-CURRENT LIABILITIES		<u>6,159,040</u>	<u>5,639,980</u>
TOTAL LIABILITIES		<u>8,861,025</u>	<u>8,740,207</u>
NET ASSETS		<u>276,763</u>	<u>21,319</u>
EQUITY			
Retained earnings		276,763	21,319
TOTAL EQUITY		<u>276,763</u>	<u>21,319</u>

The accompanying notes form part of these financial statements.



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Accumulated Surplus \$	Total Equity \$
Balance at 1 July 2014	21,319	21,319
Comprehensive income		
Net surplus / (deficit) for the year	133,426	133,426
Total comprehensive income for the year attributable to members of the association	<u>133,426</u>	<u>133,426</u>
Contributed equity	<u>122,018</u>	<u>122,018</u>
Balance at 30 June 2015	<u>276,763</u>	<u>276,763</u>
Balance at 1 July 2013	(292,051)	(292,051)
Comprehensive income		
Net surplus / (deficit) for the year	191,352	191,352
Total comprehensive income for the year attributable to members of the association	<u>191,352</u>	<u>191,352</u>
Contributed equity	<u>122,018</u>	<u>122,018</u>
Balance at 30 June 2014	<u>21,319</u>	<u>21,319</u>

The accompanying notes form part of these financial statements.



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
<i>Receipts</i>			
Operating receipts		14,092,717	15,829,931
Investment receipts		42,728	39,194
<i>Payments</i>			
Finance payments		(405,851)	(320,562)
Distribution to member councils		(4,574)	(20,033)
Operating payments to suppliers & employees		(11,662,367)	(13,803,622)
Net cash provided by (used in) operating activities		<u>2,062,653</u>	<u>1,724,908</u>
Cash flows from investing activities			
<i>Receipts</i>			
Sale of replaced assets		71,455	185,709
Capital contributed by members		122,018	122,018
<i>Payments</i>			
Expenditure on replacement assets		(1,992,154)	(2,299,125)
Net cash provided by (used in) investing activities		<u>(1,798,681)</u>	<u>(1,991,398)</u>
Cash flows from financing activities			
<i>Receipts</i>			
Proceeds from borrowings		1,743,400	2,013,491
<i>Payments</i>			
Repayments of borrowings		(1,677,205)	(2,045,201)
Net cash provided by (used in) financing activities		<u>66,195</u>	<u>(31,710)</u>
Net increase (decrease) in cash held		330,167	(298,200)
Cash on hand at beginning of financial year		1,766,027	2,064,227
Cash on hand at end of financial year		<u>2,096,194</u>	<u>1,766,027</u>

The accompanying notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The financial statements cover Eastern Waste Management Authority Inc as an individual entity. Eastern Waste Management Authority Inc is an association incorporated in South Australia under the SA Local Government Act 1999 and has its principal place of business at 1 Temple Court Ottoway SA.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

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

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

The Local Government Reporting Entity

Eastern Waste Management Authority Inc ("The Authority") is a Local Government Authority Section 43 Regional Subsidiary under the control of the City of Burnside, City of Norwood Payneham & St Peters, Campbelltown City Council, Corporation of the Town of Walkerville, City of Mitcham and Adelaide Hills Council. The Charter was reviewed as required by the Local Government Act 1999 and a revised Charter was gazetted on 29 November 2012. The six Member Councils have an equal equity share and the Board comprises a Director from each Council and an Independent Chair appointed by the absolute majority of Member Councils.

Income Recognition

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

Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the entity's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

Infrastructure, Property, Plant & Equipment

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

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



Infrastructure, Property, Plant & Equipment (Continued)

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 5.

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

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

The depreciable amount of all fixed assets including building and capitalised lease assets, is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Plant and Equipment	10% - 20%
Building and other structures	5%- 10%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

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

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

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



Payables

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

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

Borrowings

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

Employee Benefits

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date.

No accrual is made for sick leave as experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Authority does not make payment for untaken sick leave.

The Authority makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. This particular Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods.

Leases

In respect of finance leases, where the Authority substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class, and are amortised to expense over the period during which the Authority is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

Goods and Services Tax

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax" Receivables and Creditors include GST receivable and payable.

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



Competitive Neutrality

The Authority undertakes commercial (for profit) activities being the collection and disposal of domestic waste on behalf of non member councils. This non core business constitutes a significant business activity of the Authority, as such, for the purposes of the national competition policy, it is an activity to which the principles of competitive neutrality will apply.

The Authority recognises the objective of competitive neutrality as the intention to remove any net competitive advantages from its commercial (for profit) activities. Accordingly, the Authority is implementing principles of competitive neutrality, in particular tax equivalents and debt guarantee fees, where it competes with the private sector.

These tax equivalents include:

- 1.1 payroll tax;
- 1.2 stamp duty;
- 1.3 council rates;
- 1.4 fuel excise;
- 1.5 Work Cover levies;
- 1.6 prevailing commercial interest rates applicable to the purchase of operating plant;
- 1.7 debt guarantee fees, where required;
- 1.8 standard interest rates on borrowings;

The Authority will annually and proportionately disburse to its member councils, the equivalent of all of the costs referred to above together with the equivalent of company taxation on the net profit derived from its commercial (for profit) activities. The disbursements made to the member councils will not and are not intended to be directly or indirectly returned to the Authority.

In bidding for the new commercial (for profit) business activities, the Authority will fully account for all costs including all taxes, licences, fees, charges and guarantees that are applicable to the private sector operating in the same market place, unless all bidders are both equally directed to do otherwise and have the benefit of all exemptions to which the Authority is entitled.

The Authority has obtained and will maintain for its commercial (for profit) activities a prescribed activity license from the Environment Protection Authority for the collection or transport of waste from domestic premises on behalf of non member councils.

Pending Accounting Standards

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2015 reporting period and have not been used in preparing these reports.

- AASB 9 - Financial Instruments
- AASB 13 - Fair Value Measurement
- AASB 116 - Property, Plant & Equipment
- AASB 119 - Employee Benefits
- AASB 137 - Provisions, Contingent Liabilities and Contingent Assets
- AASB 138 - Intangible Assets
- AASB 139 - Financial Instruments: Recognition and Measurement
- AASB 140 - Investment Properties

Standards containing consequential amendments to other Standards and Interpretations arising from the above: AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-10, AASB 2015-1, AASB 2015-2 and AASB 2015-3.



EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENT 2014-15

The Authority is of the view that none of the above new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

Comparative Information

It has been identified that an amendment to comparative income was required to correct an overstatement of income in the 2013/14 financial year of \$122,018. The Statement of Comprehensive Income and Statement of Cash Flows have been restated to reflect the correct treatment of the overstatement of income.

As a result of the correction to income in the Statement of Comprehensive Income, the revised Operating Result for 2013/14 has changed from a \$259,855 surplus to a \$137,837 surplus.

	Previous 2013/2014	Adjustment	New 2013/2014
STATEMENT OF COMPREHENSIVE INCOME			
Income	15,809,981	<u>(122,018)</u>	15,687,963
<i>Movement in Operating Result</i>		<u>(122,018)</u>	
STATEMENT OF CASH FLOWS			
Operating Receipts	1,846,926	<u>(122,018)</u>	1,724,908
<i>Movement in Operating Cash Flows</i>		<u>(122,018)</u>	
Capital Contributed by Members	-	<u>122,018</u>	122,018
<i>Movement in Investing Cash Flows</i>		<u>122,018</u>	



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2. INCOME

	2015 \$	2014 \$
Collection Charges		
Household refuse	3,853,511	4,200,218
Administration	202,812	202,812
Green organics	3,089,855	3,689,322
Recyclables	3,910,422	4,172,585
Hardwaste	361,775	198,927
Litter	233,959	188,001
Waste disposal	1,402,234	1,903,576
Recycling	32,234	162,362
	13,086,802	14,717,803
Investment Income		
Bank interest	42,728	39,194
Other Income		
Bin supply	485,995	729,110
Replacement bins	128,471	121,274
Sundry	264,135	80,582
	878,601	930,966



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3. EXPENSES

	2015 \$	2014 \$
Employee Costs		
Salaries and wages	3,552,355	3,399,275
Employee entitlements expense	218,599	88,364
Superannuation	278,110	239,935
Workers' compensation insurance	157,318	94,490
Wages casual agency staff	563,945	862,731
Other	67,404	60,373
	4,837,731	4,745,168
Total Number of Employees <i>(Full time equivalent at end of reporting period)</i>	50	45
Materials, Contracts & Other Expenses		
<i>Prescribed Expenses</i>		
Auditor's remuneration		
- Auditing the financial reports	8,000	8,930
Board fees	23,850	17,400
Operating lease rentals	28,233	112,017
	60,083	138,347
<i>Other Materials, Contracts & Expenses</i>		
Contractors	-	119,256
Disposal fees	2,264,004	2,797,188
Dumping fees	343,514	350,568
Energy	25,997	21,903
Fuel, gas & oil	957,456	1,364,524
GPS expenses	36,512	-
Insurance	24,164	16,493
Maintenance	1,522,552	1,751,374
Legal expenses	31,974	14,063
Printing, stationery, postage & courier	33,829	35,749
Promotion & advertising	21,005	13,813
Parts, accessories & consumables	45,799	111,777
Processing costs	40,041	179,150
Professional services	185,164	45,321
Registration & insurance - trucks	260,155	254,359
Telephone	41,688	42,145
Sorting fees	676,537	769,040
Sundry	308,785	285,064
	6,819,176	8,171,787
	6,879,259	8,310,134



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3. EXPENSES CONTINUED

	2015 \$	2014 \$
Depreciation, Amortisation & Impairment		
<i>Depreciation</i>		
Buildings & other structures	7,163	7,163
Plant & equipment	1,747,129	2,101,870
	<u>1,754,292</u>	<u>2,109,033</u>
Finance Costs		
Bank charges & bill fees	2,214	3,999
Interest on loans	403,637	381,792
	<u>405,851</u>	<u>385,791</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

4. CURRENT ASSETS

	2015 \$	2014 \$
Cash on hand		
Short term deposits	1,452,513	1,311,952
Cash at bank	643,681	454,075
	<hr/> 2,096,194	<hr/> 1,766,027
Trade & other receivables		
Debtors - general	247,599	370,840
Prepayments	990	785
	<hr/> 248,589	<hr/> 371,625
Inventories		
Stores & materials	-	4,278
	<hr/>	<hr/>



During the latter part of 2014/15 year East Waste undertook a tender process for recyclables and organics processing which over the coming ten year period will prove to be an excellent outcome for Member Councils.



29,136

tonnes of organic waste collected for residents in our Member Councils.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

5. INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

2014				
	<i>At Fair Value</i>	<i>At Cost</i>	<i>Acc Depn</i>	<i>Carrying Amount</i>
Buildings & Other Structures	26,732	48,383	(17,549)	57,566
Plant & Equipment	-	19,388,350	(12,826,320)	6,562,030
Total	26,732	19,436,733	(12,843,869)	6,619,596

2015				
	<i>At Fair Value</i>	<i>At Cost</i>	<i>Acc Depn</i>	<i>Carrying Amount</i>
Buildings & Other Structures	26,732	48,383	(24,712)	50,403
Plant & Equipment	-	12,873,515	(6,130,913)	6,742,602
Total	26,732	12,921,898	(6,155,625)	6,793,005

2014 CARRYING AMOUNT MOVEMENT DURING YEAR				
	<i>Carrying Amount</i>	<i>Additions</i>		<i>Disposals</i>
		<i>New/Upgrade</i>	<i>Renewels</i>	
Buildings & Other Structures	57,566	-	-	-
Plant & Equipment	6,562,030	1,992,154	-	(64,453)
Total	6,619,596	1,992,154	-	(64,453)
Comparatives	6,541,665	2,299,125	-	(112,161)

2015 CARRYING AMOUNT MOVEMENT DURING YEAR				
	<i>Depreciation</i>	<i>Writeback</i>	<i>Adjustment</i>	<i>Carrying Amount</i>
Buildings & Other Structures	(7,163)	-	-	50,403
Plant & Equipment	(1,747,129)	-	-	6,742,602
Total	(1,754,292)	-	-	6,793,005
Comparatives	(2,109,033)	-	-	6,619,596



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

6. LIABILITIES

	2015 \$	2014 \$
Trade and other payables		
<i>Current</i>		
Goods & services	745,638	921,814
Accrued charges - employee entitlements	254,976	152,075
Accrued charges - other	157,878	130,219
Other	4,574	20,033
	1,163,066	1,224,141
Borrowings		
<i>Current</i>		
Lease and goods mortgage liability	1,038,885	1,534,378
Loan to repay HLA	61,009	82,850
	1,099,894	1,617,228
<i>Non Current</i>		
Lease and goods mortgage liability	5,654,846	5,010,308
Loan to repay HLA	448,303	509,312
	6,103,149	5,519,620
Provisions		
<i>Current</i>		
Employee entitlements (inc oncosts)	439,025	258,858
<i>Non Current</i>		
Employee entitlements (inc oncosts)	55,891	120,360



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

7. RECONCILIATION TO CASH FLOW STATEMENT

Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2015 \$	2014 \$
Total cash & equivalents	2,096,194	1,766,027
Less: short-term borrowings	-	-
Balances per Statement of Cash Flow	<u>2,096,194</u>	<u>1,766,027</u>
Reconciliation of Change in Net Assets to Cash from Operating Activities		
Net Surplus / (Deficit)	133,426	191,353
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,754,292	2,109,033
Net (gain) / loss on disposals	(7,002)	(73,549)
Changes in Net Current Assets / Liabilities		
Net movement in receivables	123,036	(377,605)
Net movement in inventories	4,278	(1,362)
Net movement in trade & other payables	(61,075)	(202,143)
Net movement in provisions	115,698	79,181
Net Cash provided by (or used in) operations	<u>2,062,653</u>	<u>1,724,908</u>



8. FINANCIAL INSTRUMENTS

All financial instruments are categorised as loans and receivables.

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy

Carried at lower of cost and net realisable value; interest is recognised when earned.

Terms & Conditions

Deposits are returning fixed interest rates between 2.00% and 2.05% (2014: 2.75% and 3.25%).

Carrying Amount

Approximates fair value due to the short term to maturity.

Liabilities - Creditors and Accruals

Accounting Policy

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the entity.

Terms & Conditions

Liabilities are normally settled on 30 day terms.

Carrying Amount

Approximates fair value.

Liabilities - Interest Bearing Borrowings

Accounting Policy

Carried at the principal amounts. Interest is charged as an expense as it accrues.

Terms & Conditions

Secured over future revenues, borrowings are repayable; interest is charged at fixed rates between 4.25% and 7.01% (2014: 4.80% and 7.01%).

Carrying Amount

Approximates fair value.

Liabilities - Finance Leases

Accounting Policy

Accounted for in accordance with AASB 117



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Liquidity Analysis

2015	Due < 1 year	Due > 1 year; < 5 years	Due > 5 years	Total	
				Contractual Cash Flows	Carrying Values
Financial Assets					
Cash & Equivalents	2,096,194	-	-	2,096,194	2,096,194
Receivables	248,589	-	-	248,589	248,589
	<u>2,344,783</u>	<u>-</u>	<u>-</u>	<u>2,344,783</u>	<u>2,344,783</u>
Financial Liabilities					
Payables	745,638	-	-	745,638	745,638
Current Borrowings	1,700,074	-	-	1,700,074	1,038,885
Non-Current Borrowings	-	4,974,068	1,510,869	6,484,936	5,654,846
	<u>2,445,712</u>	<u>4,974,068</u>	<u>1,510,869</u>	<u>8,930,648</u>	<u>7,439,369</u>

2014	Due < 1 year	Due > 1 year; < 5 years	Due > 5 years	Total	
				Contractual Cash Flows	Carrying Values
Financial Assets					
Cash & Equivalents	1,766,027	-	-	1,766,027	1,766,027
Receivables	371,625	-	-	371,625	371,625
	<u>2,137,652</u>	<u>-</u>	<u>-</u>	<u>2,137,652</u>	<u>2,137,652</u>
Financial Liabilities					
Payables	921,814	-	-	921,814	921,814
Current Borrowings	2,085,075	-	-	2,085,075	1,617,228
Non-Current Borrowings	-	5,519,620	-	5,519,620	5,519,620
	<u>3,006,889</u>	<u>5,519,620</u>	<u>-</u>	<u>8,526,509</u>	<u>8,058,662</u>

Net Fair Value

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

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any allowance for doubtful debts. Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply. Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments - both assets and liabilities - are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

9. EXPENDITURE COMMITMENTS

	2015 \$	2014 \$
Finance Lease Commitments		
Commitments under finance leases at the reporting date are as follows:		
Not later than one year	1,639,065	2,032,673
Later than one year and not later than 5 years	4,525,765	5,090,608
Later than 5 years	<u>1,510,869</u>	<u>1,161,387</u>
Minimum lease payments	7,675,698	8,284,668
Less: future finance charges	<u>(981,958)</u>	<u>(1,147,821)</u>
Net lease liability	<u>6,693,740</u>	<u>7,136,847</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

10. UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the entity prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	2015	2014
	\$	\$
Income	14,008,131	15,687,963
<i>less</i> Expenses	<u>13,877,133</u>	<u>15,550,126</u>
Operating Surplus / (Deficit)	130,998	137,837
<i>less</i> Net Outlays on Assets		
Capital expenditure on renewal & replacement of existing assets	1,992,154	2,299,125
Depreciation, amortisation & impairment	(1,754,292)	(2,109,033)
Proceeds from sale of replaced assets	<u>(71,455)</u>	<u>(185,709)</u>
	166,407	4,383
Net Lending / (Borrowing) for Financial Year	<u>(35,409)</u>	<u>133,454</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

11. RELATED PARTY INFORMATION

A new charter for East Waste was gazetted on 29 November 2012. Under this Charter, Directors are not paid by East Waste and the newly appointed Independent Chair is paid by East Waste. The remuneration set by the Board is \$20,000 per annum.

Board Members

Mr. P Dilulio

Appointed to the Board of East Waste for a term of two (2) years from the date of the gazettal of new charter 29 November 2012. Reappointed in December 2014.

Cr G Piggott

Appointed to the Board of East Waste for a term of two (2) years from 17 September 2012. Reappointed in December 2014.

Mr. M Barone

Appointed to the Board of East Waste for a term of two (2) years from the date of the gazettal of new charter 29 November 2012. Reappointed in December 2014.

Cr K Hockley

Appointed to the Board of East Waste for a term of two (2) years from 25 November 2014.

Cr G Webster

Appointed to the Board of East Waste for a term of two (2) years from 24 November 2014.

Cr L Green

Appointed to the Board of East Waste in February 2013. Reappointed in November 2014.

Mr B Cunningham

Appointed as independent chairman of the Board of East Waste in March 2013. Reappointed in June 2015.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

12. KEY MANAGEMENT PERSONNEL

The table below summarises in aggregate the remuneration of all senior management personnel and Board Members of the Eastern Waste Management Authority Inc.

	Salary	Super	Non-Cash	Allowances	ETP	Total
	\$	\$	\$	\$	\$	\$
2015	128,827	13,523	-	12,000	-	154,350
2014	125,240	12,760	-	12,000	-	150,000

Board Member Compensation

Independent Chairperson - \$20,000 (2014: \$4,350)

Independent Audit Committee Members - \$3,850 (2014: \$1,050)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

13. Highbury Landfill Authority Inc

The Eastern Waste Management Authority, originally known as the East Torrens Municipal Destructor Trust, was established on 19 July 1928 (the name change took place in 1993).

As at 1 July 2004, the Eastern Waste Management Authority comprised 3 member Councils, being the City of Norwood, Payneham and St Peters, the City of Burnside and the Corporation of the Town of Walkerville.

On 5 August 2004, the City of Norwood, Payneham and St Peters, the City of Burnside and the Corporation of the Town of Walkerville established the Highbury Landfill Authority Inc. Its purpose included the facilitation of the closure and the post-closure of the Highbury Landfill site, as well as managing the joint interests and liability of the Councils in relation to the closure of the site.

On 31 December 2004 the property known as the Highbury Landfill site was transferred from East Waste to Highbury Landfill Authority Inc.

On 1 January 2005 the Eastern Waste Management Authority Inc. Charter was amended to include the three new member Councils - the City of Mitcham, the Campbelltown City Council and Adelaide Hills Council.

On 1 January 2005 a loan was created between East Waste and the Highbury Landfill Authority that represented the net value of assets in East Waste prior to 1 January 2005. This was an At Call Loan and interest had been capitalised until the loan was called in by the Highbury Landfill Authority in November 2008. The loan amount was \$873,000 and East Waste borrowed the money from the National Australia Bank with an Interest Only Loan. This loan has now been re-financed through the Local Government Finance Authority, to be repaid in 10 years. The Board of East Waste resolved in February 2010 to charge Member Councils the loan repayments for this loan in their equity percentages as set out in the January 2005 charter.

14. EVENTS OCCURRING AFTER BALANCE DATE

In accordance with AASB 110, there were no events subsequent to 30 June 2015 that need to be disclosed in the financial statements.



CERTIFICATION OF AUDITOR INDEPENDENCE

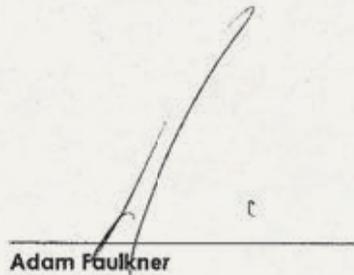
EASTERN WASTE MANAGEMENT AUTHORITY INC

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Authority for the year ended 30 June 2015, the Council's Auditor, Dean Newbery & Partners, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

General Manager



Adam Faulkner

Presiding Member
Audit Committee



Brian Cunningham

6th September 2015



East Waste to continue to provide core services to Member Council's, and advise Member Councils of the capacity to deliver the full range of core services which could further drive efficiencies and alignment between Member Councils and East Waste.



56,461

tonnes sent for recycling
and beneficial reuse
during 2014/15.

**It's not hard
to get rid of
hard rubbish.**



Book your free Council collection today.

No need to wait for spring, we collect all year round.

Call 8347 5170 or go online eastwaste.com.au.



Messenger Press Awareness Campaign

WHO IS EAST WASTE?

- A Regional Subsidiary established under the Local Government Act 1999 Six Member Councils.
- Purpose is to collect and dispose/recycle Member Councils wastes and recyclables.
- Provide approximately 180,000 services per week.
- Services approximately 30% of Metro Adelaide.
- Board of Directors & Independent Chairman.
- East Waste has a General Manger and 41 permanent staff members.
- Purpose built depot, fuel supply, self-sufficient workshop and administration centre.

Approximately
 160,000
bins collected per week,
every week, each day
of the week
(bar two).



EAST WASTE

1 Temple Court
Ottoway SA 5013

PO Box 26
Mansfield Park SA 5012

Phone 08 8347 5111

Fax 08 8240 3244

Email east@eastwaste.com

www.eastwaste.com.au

