



**EASTERN WASTE MANAGEMENT  
AUTHORITY**

**AGENDA**

**ORDINARY MEETING OF THE BOARD OF MANAGEMENT**

**Meeting to be held on Thursday 21 September commencing at 5:30pm,  
at the City of Norwood, Payneham & St Peters, 175 The Parade, Norwood**

**1. PRESENT**

**2. APOLOGIES**

**3. CONFIRMATION OF THE MINUTES**

**RECOMMENDED:** That the Minutes of the Eastern Waste Management Authority Board Meeting held on Thursday 29 June 2017, be received, confirmed and adopted

That the Minutes of the Eastern Waste Management Authority Audit and Risk Management Committee held on Tuesday 19 September 2017, be noted (tabled at meeting)

**4. CONFLICTS OF INTEREST**

**5. MATTERS ARISING FROM THE MINUTES**

**6. QUESTIONS WITHOUT NOTICE**

**7. GENERAL MANAGERS REPORT**

**Reports requiring Decisions**

- 7.1 Audited Financial Statements for Year Ended 30 June 2017**
- 7.2 Regulation 10 Financial Report**
- 7.3 Final Long Term Financial Plan**
- 7.4 Staff Matter**
- 7.5 RDO Overpayments**
- 7.6 Audit & Risk Committee Independent Member Expiry**
- 7.7 City of Norwood, Payneham & St Peters – Unauthorised Mobile Garbage Bin Collections Review**

**Reports for Information**

- 7.8 Annual Plan 17/18 Progress**
- 7.9 City of Prospect Incoming Member Council Update**

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

- 8.1 Annual Report 16/17 Update**
- 8.2 RFT 2017/02 – The Supply of Bulk Fuel**

**9. OTHER BUSINESS**

**10. NEXT MEETING OF THE BOARD**

The next Board Meeting to be held on Thursday 16 November 2017 at the City of Norwood Payneham & St Peters at 5.30pm

**11. CLOSURE OF MEETING**



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

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

Held on Thursday 29 June 2017 at 5.43pm at the City of Norwood, Payneham & St Peters, 175  
The Parade, Norwood

**1. PRESENT**

**Directors:**

Mr B Cunningham	Independent Chairperson
Cr L Green	Adelaide Hills Council
Cr G Piggott	City of Burnside
Mr P Di Iulio	Campbelltown City Council
Mr M Barone	City of Norwood, Payneham & St Peters
Cr G Busato	Corporation of the Town of Walkerville

**In Attendance:**

Mr A Faulkner	General Manager
Mr S Raymond	Business Improvement Manager – Corporate
Mr B Kromholz	Business Improvement Manager – Operations
Miss A Quintrell	Office Administrator
Mr L Miller	Adelaide Hills Council

**2. APOLOGIES**

Cr K Hockley	City of Mitcham
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**3. CONFIRMATION OF THE MINUTES**

Moved Mr Di Iulio that the minutes of the Eastern Waste Management Authority Special Board Meeting held on Thursday 25 May via teleconference, be received, confirmed and adopted

Seconded Cr Piggott

**Carried**

**4. CONFLICTS OF INTEREST**

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

**5. MATTERS ARISING FROM THE MINUTES**

Nil

**6. QUESTIONS WITHOUT NOTICE**

Nil

## 7. GENERAL MANAGERS REPORT

### REPORTS REQUIRING DECISIONS

#### 7.1 FINANCIAL STATEMENTS (MARCH QUARTER & APRIL MONTHLY)

Moved Cr Green that the Financial Statements are received and noted  
 Seconded Cr Piggott **Carried**

#### 7.2 DRAFT LONG TERM FINANCIAL PLAN

Moved Cr Piggott that the Board notes the progress of the Long Term Financial Plan, and advise the General Manager to include provided input into the Long Term Financial Plan before the final DRAFT is tabled before the Board for endorsement in September  
 Seconded Mr Barone **Carried**

#### 7.3 FY18 ANNUAL PLAN & BUDGET ENDORSEMENT

Moved Mr Di Iulio that the 2017/2018 Annual Plan is adopted, and

That the 2017/2018 Budget is adopted, noting that there will be subsequent changes in Budget Review 1 due to new services coming online early in the new financial year  
 Seconded Mr Barone **Carried**

#### 7.4 CAPITAL EXPENDITURE BORROWINGS – REL VEHICLE

Moved Cr Busato that the Board endorse the purchase of one (1) Rear Loader Collection Vehicle in line with East Wastes Asset Management Plan, and under the three (3) year supply agreement with Bucher Municipal to value of \$318,165, and

That the Chairman and General Manager be authorised to execute the Local Government Finance Authority borrow (finance) agreement under the Common Seal for \$318,165 plus GST and on-road costs  
 Seconded Cr Green **Carried**

#### 7.5 POTENTIAL INCOMING CONSTITUENT COUNCIL UPDATE

Moved by Cr Piggott that pursuant to Section 90(2) and Section 90(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 Board considers it necessary and appropriate to act in a meeting closed to the public in order to receive, discuss and consider in confidence:

(h) legal advice; 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 would, on balance, be contrary to public interest in Section 90 (3) (b) (ii) until the matter is finalised.

Seconded Cr Green

**Carried**

#### **7.6 REVIEW OF CHARTER**

Moved Mr Di Iulio that the Board asks the General Manager to seek endorsement of Member Councils to make the two necessary amendments to the Charter brought about by City of Prospect

Seconded Cr Busato

**Carried**

### **REPORTS FOR INFORMATION**

#### **7.7 2017 SATISFACTION SURVEY RESULTS**

Moved Cr Green that the Report be received and noted

Seconded Cr Piggott

**Carried**

#### **7.8 RELATED PARTY DISCLOSURES**

Moved Cr Piggott the Report is received and noted, and that the Board and Management complete the Related Party Disclosure for year ending 30 June 2017

Seconded Cr Busato

**Carried**

#### **7.9 REGISTER OF INTERESTS**

Moved Cr Piggott that the General Manager, Chairman and each Director of the East Waste Board submit the necessary Primary and Ordinary Returns as a matter of priority

Seconded Cr Green

**Carried**

#### **7.10 WHY WASTE IT? UPDATE**

Moved Cr Piggott that the Board commit to the continued resourcing of the waste minimisation and behaviour change campaign "*Why Waste It?*", and

That the General Manager produce a report by June 2018 detailing the success of the *Why Waste It?* campaign in terms of reduction in waste to landfill, decrease in contamination of household recycling and FOGO bins, and an increase in interactions with the whichbin.com.au microsite and social media presence

Seconded Cr Busato

**Carried**

#### **7.11 ANNUAL PLAN PROGRESS UPDATE**

Moved Cr Busato that the Report be received and noted

Seconded Cr Green

**Carried**

#### **7.12 SOUTH AUSTRALIAN GOVERNMENT REPORT: BENEFITS OF A CIRCULAR ECONOMY IN SOUTH AUSTRALIA**

Moved Cr Busato that the Report be received and noted

Seconded Cr Piggott

**Carried**

## 8. BUSINESS IMPROVEMENT MANAGER (CORPORATE) REPORT

*The time being 6.54pm the General Manager left the room due to a perceived conflict*

### 8.1 KESAB 17/18 PROPOSAL

Moved Cr Green that the Board authorise East Waste to enter into a Service Level Agreement with KESAB for the 2017/2018 Financial Year to provide (at Member Council request) school and community education programs as per their proposal  
Seconded Mr Di Iulio **Carried**

*The time being 6.57pm the General Manager re-entered the room*

### 8.2 RFT 2017/01 SUPPLY OF MOBILE GARBAGE BINS

Moved by Cr Piggott that pursuant to Section 90(2) and Section 90(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 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 would, on balance, be contrary to public interest in Section 90 (3) (b) (ii) until the matter is finalised.

Seconded Cr Busato

**Carried**

### 8.3 TERMS OF REFERENCE AMENDMENTS

Moved Cr Piggott that the Board endorse the proposed amendments/additions to the Audit and Risk Management Committee Terms of Reference  
Seconded Cr Busato **Carried**

*The time being 7.10pm Mr Barone left the room*

*The time being 7.12pm Mr Barone re-entered the room*

### 8.4 FINANCIAL DELEGATIONS

Moved Cr Busato that the Board notes the report and instructs the Business Improvement Manager (Corporate) to include the Boards input into the DRAFT

Instrument of Delegations before the final DRAFT Instrument of Delegations is tabled before the Board in September  
 Seconded Cr Piggott **Carried**

## 9. OTHER BUSINESS

*The time being 7.18pm the General Manager, Business Improvement Manager (Corporate), Business Improvement Manager (Operations) and Office Administrator left the room*

### 9.1 GENERAL MANAGER RECRUITMENT COMMITTEE REPORT

Moved by Mr Barone that pursuant to Section 90(2) and Section 90(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 Board considers it necessary and appropriate to act in a meeting closed to the public in order to receive, discuss and consider in confidence:

- (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead); 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 would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead) until the matter is finalised.

Seconded Mr Di Iulio

**Carried**

### 9.2 ACTING GENERAL MANAGER AUTHORISATION & DELEGATIONS

Moved by Mr Barone that pursuant to Section 90(2) and Section 90(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 Board considers it necessary and appropriate to act in a meeting closed to the public in order to receive, discuss and consider in confidence, 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 until the matter is finalised.

Seconded Mr Di Iulio

**Carried**

***The time being 7.36pm the General Manager, Business Improvement Manager (Corporate), Business Improvement Manager (Operations) and Office Administrator re-entered the room***

***The time being 7.36pm the Chair left the room***

***Mr Di Iulio assumed role of Chairperson for item 9.3 only***

**9.3 REAPPOINTMENT OF INDEPENDENT CHAIRMAN**

Moved Mr Barone:

- (1) That the Board endorse Mr Brian Cunningham as the East Waste Independent Chairperson, and
- (2) That the Board instruct the General Manager to seek unanimous approval of all Constituent Councils, and
- (3) That subject to unanimous approval from all Constituent Councils, the Board authorise the General Manager to write a letter of offer to Brian Cunningham to extend his appointment to 30 June 2019, and;
- (4) That the Board approve a remuneration increase of \$2,000 per annum for the East Waste Independent Chairman

Seconded Cr Green

**Carried**

***The time being 7.44pm the Chair re-entered the room***

**9.4 FINAL MEETING OF EXISTING GENERAL MANAGER**

Moved Mr Barone that the Board thank the General Manager for all of his hard work and commitment to the organisation over the past 3.5 years

Seconded Mr Di Iulio

**Carried**

**10. NEXT MEETING OF THE BOARD**

The next Board Meeting to be held on Thursday 21 September at the City of Norwood, Payneham & St Peters at 5.30pm

**11. CLOSURE OF MEETING**

There being no further business the meeting closed at 7.48pm

**Confirmed**

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

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

## EAST WASTE

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 7.1

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<b>REPORT SUBJECT:</b>	<b>East Waste Financial Statements Year Ending 30 June 2017</b>
<b>REPORT AUTHOR:</b>	<b>General Manager</b>
<b>MEETING DATE:</b>	<b>Thursday 21 September 2017</b>
<b>ATTACHMENTS:</b>	<b>A: Draft Financial Statements Year Ending 30 June 2017 B: External Auditor Report on Audit Findings</b>

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#### Purpose of the Report

To provide the Board with an opportunity to review the prepared Financial Statements for year ending 30 June 2017.

#### Report

The Draft Financial Statements for year ending 30 June 2017 have been prepared by East Waste's appointed accountancy firm Dean Newberry and Partners in accordance with the model financial statements issued by the Local Government Association (refer Attachment A).

The statements have been reviewed by East Waste Management East Waste Audit and Risk Management Committee and East Waste's externally appointed auditor, Bentleys. Included with this report is the Report on Audit Findings from the externally appointed auditor (refer Attachment B).

The statements show East Waste have made an operating surplus of \$338,888.61 for the 2016/17 Financial Year. As these funds are not retained by East Waste, each member Council is entitled to the distribution (based on the 2017/18 budgeted Common Fleet costings) detailed in Table 1.

**Table 1: 2016/17 Member Council Distribution**

Council	Common Fleet Costing	Distribution
Adelaide Hills Council	24.50%	\$83,027.71
City of Burnside	19.81%	\$67,133.83
Campbelltown City Council	20.18%	\$68,387.72
City of Mitcham	15.73%	\$53,307.18
City of NP&SP	16.33%	\$55,340.51
Town of Walkerville	3.45%	\$11,691.66
	100%	\$338,888.61

It is proposed to distribute these funds to Member Councils by way of a reduction in the 2017/18 Quarter 2 Collection Fee invoice, consistent with the resolution of the Board at the November 2016 meeting. Additionally, it proposed that as a practice going forward, a review and subsequent adjustment is made after each quarterly budget review.



## **EAST WASTE**

**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**

### **RECOMMENDATION**

- 1. That the Independent Chairman and General Manager be authorised to sign the Financial Statements as presented and forward to Member Councils.**
- 2. That the practice of quarterly adjustments and any subsequent distributions, when they occur, is undertaken as an ongoing practice.**

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## General Purpose Financial Report for the year ended 30 June 2017

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**EASTERN WASTE MANAGEMENT AUTHORITY INC****ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2017****CERTIFICATION OF FINANCIAL STATEMENTS**

We have been authorised by Eastern Waste Management Authority Inc. to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards*.

- the financial statements present a true and fair view of the Authority's financial position at 30 June 2017 and the results of its operations and cash flows for the financial year.

- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.

- the financial statements accurately reflect the Authority's accounting and other records.

.....  
Rob Gregory  
**EXECUTIVE OFFICER**

.....  
Brian Cunningham  
**CHAIRPERSON**

**Date:**

**EASTERN WASTE MANAGEMENT AUTHORITY INC**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>INCOME</b>			
User charges	2	13,068	12,573
Investment income	2	30	36
Grants, subsidies and contributions		40	-
Other	2	408	382
<b>Total Income</b>		<u>13,546</u>	<u>12,991</u>
<b>EXPENSES</b>			
Employee costs	3	5,164	4,803
Materials, contracts & other expenses	3	6,007	6,267
Finance costs		332	335
Depreciation, amortisation & impairment	3	1,724	1,595
<b>Total Expenses</b>		<u>13,227</u>	<u>13,000</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>319</b>	<b>(9)</b>
transfer to Equity Statement			
Asset disposal & fair value adjustments	4	20	37
Amounts received specifically for new/upgraded assets		-	-
<b>NET SURPLUS / (DEFICIT)</b>		<u>339</u>	<u>28</u>
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
<b>Total Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>339</u>	<u>28</u>

This Statement is to be read in conjunction with the attached Notes.

**EASTERN WASTE MANAGEMENT AUTHORITY INC**

**STATEMENT OF FINANCIAL POSITION**

as at 30 June 2017

<b>ASSETS</b>	Notes	<b>2017</b>	2016
		<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>			
Cash and cash equivalents	5	<b>1,984</b>	2,798
Trade & other receivables	5	<b>412</b>	359
<b>Total Current Assets</b>		<b><u>2,396</u></b>	<u>3,157</u>
<b>Non-current Assets</b>			
Infrastructure, Property, Plant & Equipment	6	<b><u>6,046</u></b>	<u>5,332</u>
<b>Total Assets</b>		<b><u>8,442</u></b>	<u>8,489</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7	<b>826</b>	1,870
Provisions	7	<b>491</b>	609
Borrowings	7	<b><u>1,701</u></b>	<u>1,417</u>
<b>Total Current Liabilities</b>		<b><u>3,018</u></b>	<u>3,896</u>
<b>Non-current Liabilities</b>			
Borrowings	7	<b>4,741</b>	4,374
Provisions	7	<b><u>72</u></b>	<u>69</u>
<b>Total Non-current Liabilities</b>		<b><u>4,813</u></b>	<u>4,443</u>
<b>Total Liabilities</b>		<b><u>7,831</u></b>	<u>8,339</u>
<b>NET ASSETS</b>		<b><u>611</u></b>	<u>150</u>
<b>EQUITY</b>			
Accumulated Surplus		<b><u>611</u></b>	<u>150</u>
<b>TOTAL EQUITY</b>		<b><u>611</u></b>	<u>150</u>

This Statement is to be read in conjunction with the attached Notes.

**EASTERN WASTE MANAGEMENT AUTHORITY INC**

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 June 2017

2017 \$'000	Accumulated Surplus	TOTAL EQUITY
Balance at end of previous reporting period	150	150
Net Surplus/ (Deficit) for Year	339	339
<b>Other Comprehensive Income</b>		
Contributed Equity	122	122
Distributions to Member Councils	-	-
<b>Balance at end of period</b>	<u>611</u>	<u>611</u>

2016 \$'000	Accumulated Surplus	TOTAL EQUITY
Balance at end of previous reporting period	277	277
Net Surplus/ (Deficit) for Year	28	28
<b>Other Comprehensive Income</b>		
Contributed Equity	122	122
Distributions to Member Councils	(277)	(277)
<b>Balance at end of period</b>	<u>150</u>	<u>150</u>

This Statement is to be read in conjunction with the attached Notes

**EASTERN WASTE MANAGEMENT AUTHORITY INC**

**STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Operating receipts		13,465	13,721
Investment receipts		28	36
<u>Payments</u>			
Employee costs		(5,279)	(4,875)
Materials, contracts & other expenses		(7,063)	(6,125)
Finance payments		(320)	(391)
<b>Net Cash provided by (or used in) Operating Activities</b>	8	<u>831</u>	<u>2,366</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Sale of replaced assets	4	104	39
Sale of surplus assets	4	-	66
<u>Payments</u>			
Expenditure on renewal/replacement of assets	6	(2,522)	(202)
Expenditure on new/upgraded assets		-	-
Distributions to member councils		-	(277)
<b>Net Cash provided by (or used in) Investing Activities</b>		<u>(2,418)</u>	<u>(374)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Capital contribution by member councils		122	122
Proceeds from Borrowings		1,926	-
<u>Payments</u>			
Repayments of Borrowings		(1,275)	(1,412)
<b>Net Cash provided by (or used in) Financing Activities</b>		<u>773</u>	<u>(1,290)</u>
<b>Net Increase (Decrease) in cash held</b>		<u>(814)</u>	<u>702</u>
Cash & cash equivalents at beginning of period	8	<u>2,798</u>	<u>2,096</u>
<b>Cash &amp; cash equivalents at end of period</b>	8	<u>1,984</u>	<u>2,798</u>

This Statement is to be read in conjunction with the attached Notes

## **EASTERN WASTE MANAGEMENT AUTHORITY INC**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017**

#### **Note 1 - SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **1 Basis of Preparation**

##### **1.1 Compliance with Australian equivalents to International Financial Reporting Standards**

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

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

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of 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 six Member Councils have an equity share and the Board comprises a Director from each Council and an Independent Chair appointed by the absolute majority of the Member Councils.

##### **1.2 Historical Cost Convention**

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

##### **1.3 Critical Accounting Estimates**

The preparation of financial statements in conformity with Australian Accounting Standards which 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.

##### **1.4 Rounding**

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000) for the first time this year.

#### **2 The Local Government Reporting Entity**

Eastern Waste Management Authority Inc. operates as a regional subsidiary pursuant to Section 43 of the Local Government Act 1999 and Section 25 of the Local Government Implementation Act 1999.

#### **3 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.

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

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

Receivables are generally unsecured and do not bear interest.



## **EASTERN WASTE MANAGEMENT AUTHORITY INC**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS** *for the year ended 30 June 2017*

#### **Note 1 - Significant Accounting Policies (cont)**

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

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 9.

#### **5 Property, Plant & Equipment**

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

##### **5.1 Initial Recognition**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

##### **5.2 Materiality**

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

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

Property, plant and equipment assets are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant & Equipment	5 to 10 years
Buildings & Other Structures	5 – 20 years

##### **5.4 Impairment**

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash 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.

## **EASTERN WASTE MANAGEMENT AUTHORITY INC**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS** *for the year ended 30 June 2017*

#### **Note 1 - Significant Accounting Policies (cont)**

#### **6 Payables**

##### **6.1 Goods & Services**

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received.

Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

#### **7 Employee Benefits**

##### **7.1 Salaries, Wages & Compensated Absences**

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. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as the Authority's 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.

##### **7.2 Superannuation**

The Authority makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently.

###### **Accumulation Fund Members**

*Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2016/17; 9.5% in 2015/16). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.*

###### **Defined Benefit Members**

*Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial.*

*The most recent full actuarial investigation conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.*

The Authority also makes contributions to other superannuation schemes selected by employees under the 'choice of fund' legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the new assets of the scheme, and no further liability attaches to the Authority.

**EASTERN WASTE MANAGEMENT AUTHORITY INC****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2017***Note 1 - Significant Accounting Policies (cont)****8 Leases**

Lease arrangements have been accounted for in accordance with AASB 117.

In respect of finance leases, where the Authority substantially carries all 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 as assets under lease, 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.

**9 GST Implications**

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

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

**10 Comparative Information**

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

Comparative information in the Statement of Cash Flows have been amended to reclassify capital contributions by Member Councils from Investing Activities to Financing Activities. There is no impact on the previously reported financial performance or position of the Authority as a result of this change.

**11 Critical Accounting Estimates and Judgements**

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority.

**EASTERN WASTE MANAGEMENT AUTHORITY INC****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2017***Note 1 - Significant Accounting Policies (cont)****12 New Accounting Standards**

In the current year, the Authority adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Authority's accounting policies.

Certain new accounting standards have been published that are not mandatory for the 30 June 2017 reporting period and have not been used in preparing these reports.

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

**13 Highbury Landfill Authority Inc.**

The 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 Authority comprised of 3 Member Councils, being the City of Norwood, Payneham & St Peters, City of Burnside and the Corporation of the Town of Walkerville.

On 5 August 2004, the City of Norwood, Payneham & 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 Authority's Charter was amended to include the three new Member Councils – the City of Mitcham, the City of Campbelltown and the Adelaide Hills Council.

On 1 January 2005 a loan was created between the Authority 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 the Authority 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 the Authority resolved in February 2010 to charge Member Councils the loan repayments for this loan in their equity percentages as set out in the January 2006 Charter.

**EASTERN WASTE MANAGEMENT AUTHORITY INC**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2017

**Note 2 - INCOME**

	Notes	2017 \$'000	2016 \$'000
<b>USER CHARGES</b>			
Household Refuse		4,173	4,181
Administration		215	209
Green Organics		3,531	3,435
Recyclables		3,178	3,192
Hardwaste		651	518
Litter		305	265
Waste Disposal		1,015	773
Recycle Rabate		815	698
Recycle Rebate - Member Councils		(815)	(698)
		<u>13,068</u>	<u>12,573</u>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		30	35
Banks & other		-	1
		<u>30</u>	<u>36</u>
<b>OTHER INCOME</b>			
Bin Supply		164	101
Replacement Bins		137	107
Sundry		107	174
		<u>408</u>	<u>382</u>

**Note 3 - EXPENSES**

<b>EMPLOYEE COSTS</b>			
Salaries and Wages		3,922	3,742
Employee leave expense		(114)	(72)
Superannuation		308	374
Wages Casual Agency		718	493
Workers' Compensation Insurance		200	172
Other		130	94
<b>Total Operating Employee Costs</b>		<u>5,164</u>	<u>4,803</u>
<i>Total Number of Employees (Full Time Equivalent as at reporting date)</i>		51	49

**EASTERN WASTE MANAGEMENT AUTHORITY INC**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2017**

**Note 3 - EXPENSES (cont.)**

	Notes	2017 \$'000	2016 \$'000
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
Auditor's Remuneration		9	8
Board Expenses		25	24
Lease costs		292	78
Subtotal - Prescribed Expenses		<u>326</u>	<u>110</u>
<u>Other Materials, Contracts &amp; Expenses</u>			
Advertising & Promotion		68	42
Disposal Fees		2,247	1,901
Dumping Fees		-	17
Electricity		34	35
Fuel, Gas & Oil		764	735
GPS Expenses		64	49
Insurance		21	25
Legal Expenses		27	18
Maintenance		1,516	1,210
Parts, Accessories & Consumables		63	43
Printing, Stationery & Postage		44	38
Professional Services		319	224
Rebate to Member Councils		-	1,138
Registration & Insurance - Trucks		272	222
Sundry		206	424
Telephone		36	36
Subtotal - Other Materials, Contracts & Expenses		<u>5,681</u>	<u>6,157</u>
		<u>6,007</u>	<u>6,267</u>
<b>DEPRECIATION</b>			
Buildings & Other Structures		7	7
Plant, Machinery & Equipment		1,717	1,588
		<u>1,724</u>	<u>1,595</u>

**Note 4 - ASSET DISPOSAL**

**INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT**

***Assets renewed or directly replaced***

Proceeds from disposal	104	105
Less: Carrying amount of assets sold	84	68
<b>Gain (Loss) on disposal</b>	<u>20</u>	<u>37</u>

**Note 5 - CURRENT ASSETS**

**CASH & EQUIVALENT ASSETS**

Cash on Hand and at Bank	1,477	1,510
Deposits at Call	507	1,288
	<u>1,984</u>	<u>2,798</u>

**TRADE & OTHER RECEIVABLES**

Debtors - general	396	358
Accrued Income	2	-
Prepayments	14	1
	<u>412</u>	<u>359</u>

**EASTERN WASTE MANAGEMENT AUTHORITY INC**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2017**

**Note 6 - PROPERTY, PLANT & EQUIPMENT**

	2017 \$'000	2016 \$'000
Buildings & Other Structures - At Cost	78	82
Accumulated Depreciation	(40)	(37)
	<b>38</b>	<b>45</b>
Plant, Machinery & Equipment	12,571	11,814
Accumulated Depreciation	(6,563)	(6,527)
	<b>6,008</b>	<b>5,287</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>6,046</b>	<b>5,332</b>

	2016 \$'000	CARRYING AMOUNT MOVEMENTS DURING YEAR \$'000				2017 \$'000
	CARRYING AMOUNT	Additions		Disposals	Depreciation	CARRYING AMOUNT
		New/Upgrade	Renewal			
Buildings & Other Structures	45	-	-	-	(7)	38
Plant, Machinery & Equipment	5,287	-	2,522	(84)	(1,717)	6,008
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	5,332	-	2,522	(84)	(1,724)	6,046
<i>2016 Totals</i>	<b>6,793</b>	<b>2</b>	<b>200</b>	<b>(68)</b>	<b>(1,595)</b>	<b>5,332</b>

**EASTERN WASTE MANAGEMENT AUTHORITY INC**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2017**

**Note 7 - LIABILITIES**

	Notes	2017 \$'000		2016 \$'000	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		703	-	516	-
Accrued expenses - rebate to member councils		-	-	1,252	-
Accrued expenses - other		123	-	102	-
		<u>826</u>	<u>-</u>	<u>1,870</u>	<u>-</u>
<b>BORROWINGS</b>					
Loans		<u>1,701</u>	<u>4,741</u>	<u>1,417</u>	<u>4,374</u>
		<u>1,701</u>	<u>4,741</u>	<u>1,417</u>	<u>4,374</u>
<b>PROVISIONS</b>					
Annual Leave		183	-	171	-
Long Service Leave		308	72	438	69
		<u>491</u>	<u>72</u>	<u>609</u>	<u>69</u>



**EASTERN WASTE MANAGEMENT AUTHORITY INC**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2017**

**Note 8 - RECONCILIATION TO CASH FLOW STATEMENT**

**(a) 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 Statement of Financial Position as follows:

	Notes	2017 \$'000	2016 \$'000
Total cash & equivalent assets	5	1,984	2,798
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		<u>1,984</u>	<u>2,798</u>

**(b) Reconciliation of Change in Net Assets to Cash  
from Operating Activities**

Net Surplus (Deficit)		339	28
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,724	1,595
Net increase (decrease) in unpaid employee benefits		(65)	(72)
Net increase (decrease) accrued interest charges		10	-
(Gain) / Loss on Disposal		(20)	(38)
		<u>1,988</u>	<u>1,513</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(51)	(109)
Net increase (decrease) in trade & other payables		(1,056)	962
Net increase (decrease) in other provisions		(50)	-
<b>Net Cash provided by (or used in) operations</b>		<u>831</u>	<u>2,366</u>

**(c) Non-Cash Financing and Investing Activities**

Acquisition of assets by means of:

- Physical resources received free of charge		-	-
- Non-cash grants & contributions		-	-
<i>Amounts recognised in Income Statement</i>		-	-
- Finance Leases		-	-
<b>Total Non-Cash Financing and Investing Activities</b>		<u>-</u>	<u>-</u>

**(d) Financing Arrangements**

Corporate Credit Cards		15	15
Cash Advance Debenture Facility		1,000	1,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

## EASTERN WASTE MANAGEMENT AUTHORITY INC

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017

#### Note 9 - FINANCIAL INSTRUMENTS

##### Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term</b>	<b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.
<b>Deposits</b>	<b>Terms &amp; conditions:</b> Deposits on Call do not have a maturity period and have an average interest rates of 1.25% (2016: 1.85%).  <b>Carrying amount:</b> approximates fair value due to the short term to maturity.
<b>Receivables - Gate Fees &amp; Associated Charges</b>	<b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.  <b>Carrying amount:</b> approximates fair value (after deduction of any allowance).
<b>Liabilities - Creditors and Accruals</b>	<b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.  <b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.  <b>Carrying amount:</b> approximates fair value.

##### 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 Authority.

##### 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 provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and Bank SA. There is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the 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 Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.

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 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.

**EASTERN WASTE MANAGEMENT AUTHORITY INC**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2017**

**Note 9 (cont) - FINANCIAL INSTRUMENTS**

**Liquidity Analysis**

2017	Floating	Fixed interest maturing in			Non-interest bearing	Total
	Interest Rate	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>						
<b>Fair Value through P&amp;L</b>						
Cash Assets	1,477	507	-	-	-	1,984
<b>Loans &amp; Receivables</b>						
Receivables	-	-	-	-	412	412
<b>Total</b>	<b>1,477</b>	<b>507</b>	<b>-</b>	<b>-</b>	<b>412</b>	<b>2,396</b>
<b>Financial Liabilities</b>						
Payables	-	-	-	-	826	826
Current Borrowings	-	1,701	-	-	-	1,701
Non-Current Borrowings	-	-	3,350	1,391	-	4,741
<b>Total</b>	<b>-</b>	<b>1,701</b>	<b>3,350</b>	<b>1,391</b>	<b>826</b>	<b>7,268</b>
<b>EXCESS OF FINANCIAL ASSETS OVER LIABILITIES</b>	<b>1,477</b>	<b>(1,194)</b>	<b>(3,350)</b>	<b>(1,391)</b>	<b>(414)</b>	<b>(4,872)</b>

2016	Floating	Fixed interest maturing in			Non-interest bearing	Total
	Interest Rate	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>						
<b>Fair Value through P&amp;L</b>						
Cash Assets	1,510	1,288	-	-	-	2,798
<b>Loans &amp; Receivables</b>						
Receivables	-	-	-	-	358	358
<b>Total</b>	<b>1,510</b>	<b>1,288</b>	<b>-</b>	<b>-</b>	<b>358</b>	<b>3,156</b>
<b>Financial Liabilities</b>						
Payables	-	-	-	-	516	516
Current Borrowings	-	1,417	-	-	-	1,417
Non-Current Borrowings	-	-	3,804	244	-	3,804
<b>Total</b>	<b>-</b>	<b>1,417</b>	<b>3,804</b>	<b>244</b>	<b>516</b>	<b>5,737</b>
<b>EXCESS OF FINANCIAL ASSETS OVER LIABILITIES</b>	<b>1,510</b>	<b>(129)</b>	<b>(3,804)</b>	<b>(244)</b>	<b>(158)</b>	<b>(2,581)</b>

**EASTERN WASTE MANAGEMENT AUTHORITY INC**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 June 2017**

**Note 10 - COMMITMENTS FOR EXPENDITURE**

	<u>Notes</u>	2017 \$'000	2016 \$'000
<b>Expenditure Commitments</b>			
Other expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		16	8
Truck Fleet Replacement		1,814	-
		<b>1,830</b>	<b>8</b>
These expenditures are payable:			
Not later than one year		1,822	8
Later than one year and not later than 5 years		8	-
Later than 5 years		-	-
		<b>1,830</b>	<b>8</b>

**Note 11 - OPERATING LEASES**

***Lease payment commitments of Authority***

No contingent rentals were paid during the current or previous reporting periods. No lease imposes any additional restrictions on the Authority in relation to additional debt or further leasing.

No lease contains any escalation clause. Commitments under non-cancellable operating leases that have

	252	245
Not later than one year	807	782
Later than one year and not later than 5 years	889	1,167
Later than 5 years	<b>1,948</b>	<b>2,194</b>

**Note 12 - EVENTS OCCURRING AFTER REPORTING DATE**

As at the time of preparing the Financial Statements, as required by the Local Government Act 1999 the Authority has applied to the Minister of Local Government to seek approval to allow the City of Prospect to become a Member Council. Subject to approval by the Minister, it is expected that the City of Prospect will be a Member Council of the Authority as from October 2017.

**EASTERN WASTE MANAGEMENT AUTHORITY INC**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2017**

**Note 13 - DISCLOSURES OF RELATED PARTY TRANSACTIONS**

The Key Management Personnel include the Chair of the Board, Chief Executive and other prescribed officers as defined under Section 112 of the *Local Government Act 1999*. In all, 4 persons were paid the following total compensation:

	<b>2017 \$'000</b>
Salaries, allowances & other short term benefits	370
Long term benefits	30
<b>TOTAL</b>	<b>400</b>

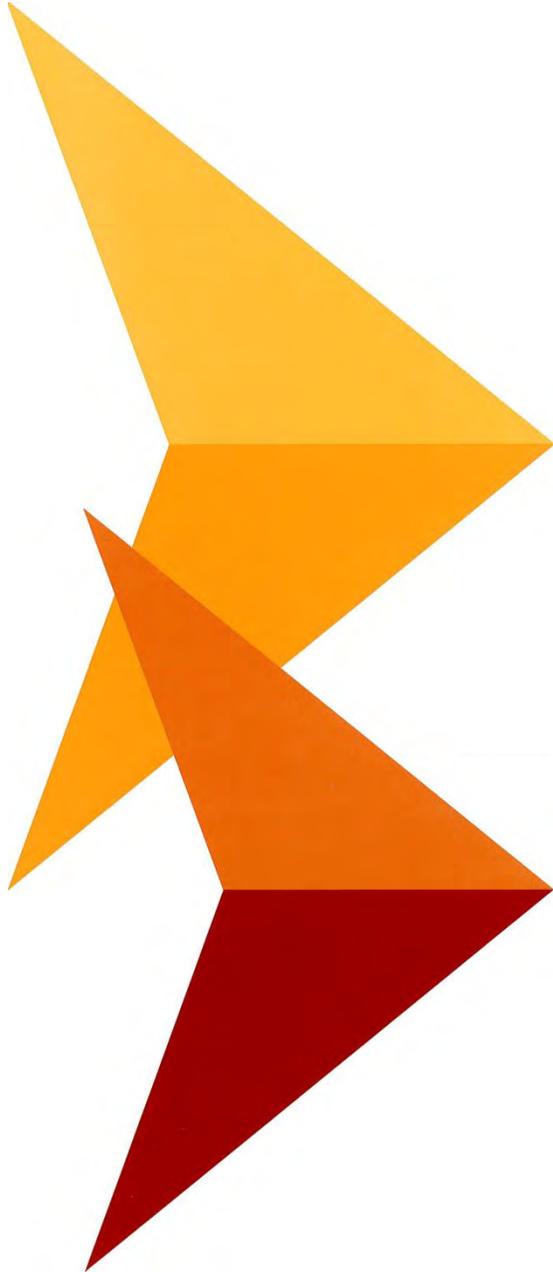
**Transactions with Related Parties:**

The following transactions occurred with Related Parties:

<b>Related Party Entity</b>	<b>Sale of Goods and Services (\$'000)</b>	<b>Amounts Outstanding from Related Parties (\$'000)</b>	<b>Description of Services Provided to Related Parties</b>
Adelaide Hills Council	2,935	2	Provision of kerbside waste collection and hardwaste collection services
City of Burnside	2,188	73	Provision of kerbside waste collection and hardwaste collection services
City of Mitcham	2,503	45	Provision of kerbside waste collection and hardwaste collection services
City of Norwood, Payneham & St Peters	2,241	12	Provision of kerbside waste collection and hardwaste collection services
Corporation of the City of Campbelltown	2,918	1	Provision of kerbside waste collection and hardwaste collection services
Corporation of the Town of Walkerville	468	112	Provision of kerbside waste collection and hardwaste collection services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 5.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.



# EAST WASTE MANAGEMENT AUTHORITY

Report on Audit Findings  
30 June 2017

➤ Advisors    ➤ Accountants    ➤ Auditors

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# Executive summary

We have concluded our audit of East Waste Management Authority (East Waste) for the year ended 30 June 2017 and report to management and those charged with governance the following matters for information purposes and for consideration of implementation or corrective action.

At the conclusion of our testing, using the information obtained we determined if there were any material matters or concerns that would impact the decision making ability of the users of the financial report.

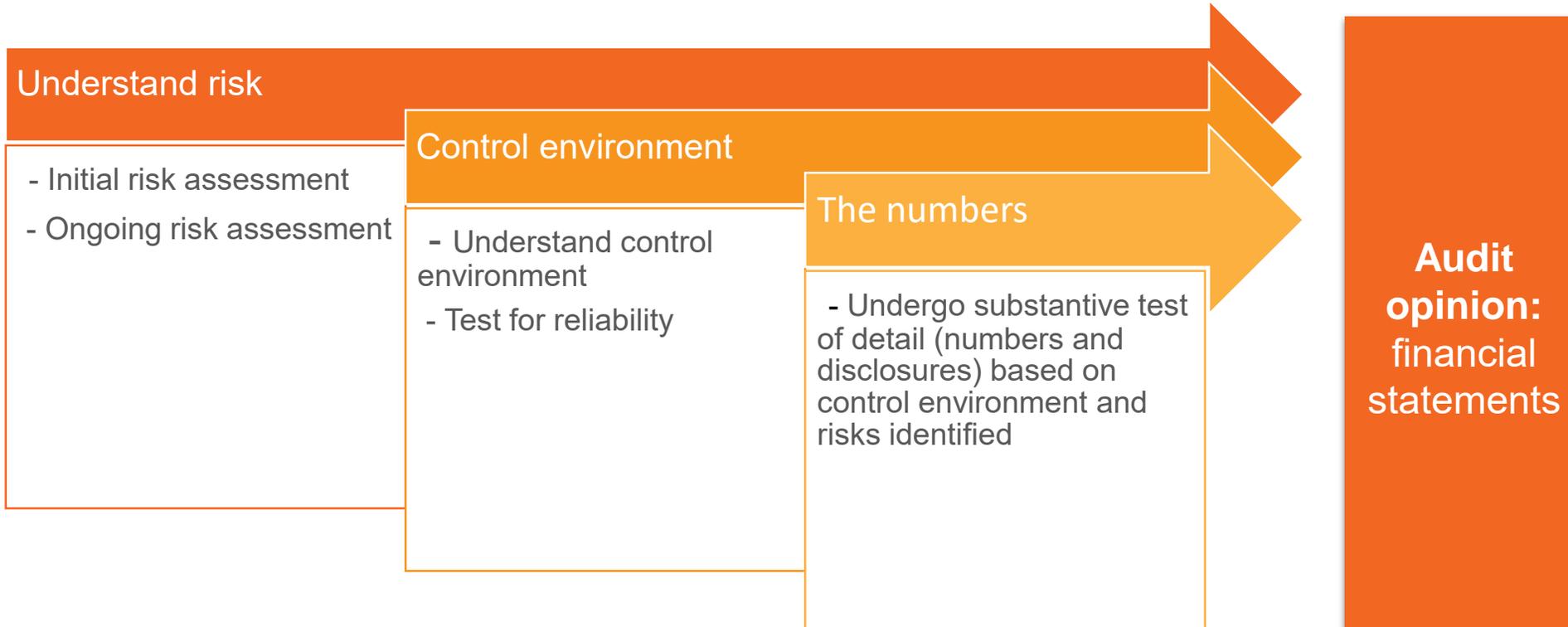
Summary of significant matters relating to the 2017 financial statement audit:

- No significant matters were identified for the 2017 audit.
- We intend to issue an unmodified opinion on the financial statements.

We would like to take this opportunity to thank management and staff for the assistance provided to us during the course of our audit.



# Audit objective & approach



# Key audit risks

We have identified the risks of financial statement misstatement as part of our risk assessment procedures during the planning phase and the audit approach.

Area	Risk	Audit Approach	Outcome
Opening Balances	Obtaining sufficient appropriate audit evidence to ensure the opening balances of the Authority are accurate.	We will be reviewing the prior year working papers and substantiating the opening balances at year end.  We have had discussions with management regarding addressing the opening balances.	Satisfactory
Infrastructure, property, plant and equipment	The accounting treatment and existence of infrastructure, property, plant and equipment.	We will be reviewing the Fixed Asset Registers at our year end visit. Furthermore, we have discussed with management that asset sighting will be conducted at our next audit visit.	Satisfactory
Related Parties	For the year ended 30 June 2017 the entity has to comply with AASB 124 which has been revised to include Public Sector.	Discussion with management has outlined that East Waste have began the process to implement changes to comply with AASB 124.	Satisfactory

# Key findings

		Points considered	Rating	Reason
	System and technology	<ul style="list-style-type: none"> <li>• System integration</li> <li>• System knowledge</li> <li>• System access</li> </ul>	✓	The MYOB system has adequate system access. Staff with access are aware of their roles and use the systems appropriately.
	People	<ul style="list-style-type: none"> <li>• Attitude</li> <li>• Culture</li> <li>• Embrace of change/challenge</li> </ul>	✓	<p>The Finance and Management Team appear to work cooperatively.</p> <p>There has been a minor restructure in the Operations Team, and the changes have not had an impact on the control environment of the Authority.</p>
	Processes and controls	<ul style="list-style-type: none"> <li>• Policies and procedures in place</li> <li>• Controls tested and reviewed sufficiently</li> </ul>	✓	Though not required to have an audit opinion provided over your internal controls, we note that the internal controls and procedures in place appear to be well established and sufficient.
	Financial	<ul style="list-style-type: none"> <li>• Compliance with accounting standards</li> </ul>	✓	Based on our interim testing transactions are performed in line with accounting standards and Authority's Policies and Procedures.

# Matters identified through the audit

Issue	Recording of revenue from constituent councils in the related party disclosure note.
Observation	Initially the accounts did not include the revenue transactions between the constituent councils and East Waste.
Requirement	AASB 124 requires disclosure of material transactions between entities where there is common control/influence. As the Board members of East Waste are the CEOs of the Councils using East Waste, we believe there is influence, and therefore, need for related party disclosure.
Outcome	Upon raising this matter with management, it was agreed that these transactions are in the nature of related party accounting standard and material, therefore, included as disclosure in the 2017 financial statements.

# Matters for those charged with governance

<b>Fraud</b>	<p>Whilst fraud is not the primary consideration when conducting an external audit, we have identified some areas where the authority may be susceptible to fraud. Areas may include:</p> <table border="0"> <tr> <td data-bbox="570 534 1319 611"> <b>Authority and financial reporting fraud:</b>            - Incorrect budgeting impacting collection rates         </td> <td data-bbox="1319 534 2364 648"> <b>Individual employee fraud:</b>            - lack of segregation of duties            - incorrect recording of time sheets by casual and wages staff         </td> </tr> </table> <p>We believe it is important for management to continually consider and assess the control environment of the entity to identify areas where fraud can occur and ensure that those opportunities are removed and or monitored to reduce the risk and impact of fraud.</p>	<b>Authority and financial reporting fraud:</b> - Incorrect budgeting impacting collection rates	<b>Individual employee fraud:</b> - lack of segregation of duties - incorrect recording of time sheets by casual and wages staff
<b>Authority and financial reporting fraud:</b> - Incorrect budgeting impacting collection rates	<b>Individual employee fraud:</b> - lack of segregation of duties - incorrect recording of time sheets by casual and wages staff		
<b>Legal compliance</b>	<p>Through our audit procedures we have not become aware of any non-compliance with applicable laws and regulations.</p>		
<b>Financial reporting and accounting policies</b>	<p>We believe the accounting policies elected for the association are reasonable and their application provides sufficient information for use of the decision makers.</p>		
<b>Going concern</b>	<p>As part of our assessment we considered the appropriateness of the going concern assumption concluded by the board and management. Our procedures indicate that this assumption is fair and that the going concern convention is appropriate.</p>		
<b>Cooperation with management</b>	<p>The management team has been helpful and cooperative throughout the conduct of this year's audit.</p>		

## EAST WASTE

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 7.2

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**REPORT SUBJECT:** Report on Financial Performance

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 21 September 2017

**ATTACHMENTS:** Regulation 10 Financial Report

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

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

#### **Report**

The Report is provided 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.*

#### **RECOMMENDATION**

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

## EASTERN WASTE MANAGEMENT AUTHORITY INC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	2016/17 \$000 ORIGINAL BUDGET	2016/17 \$000 FINAL BUDGET	2016/17 \$000 AUDITED ACTUALS
<b>INCOME</b>			
User Charges	12,926	12,990	13,068
Investment Income	47	48	30
Grants, subsidies and contributions	-	-	40
Other	593	278	408
<b>TOTAL INCOME</b>	<b>13,566</b>	<b>13,316</b>	<b>13,546</b>
<b>EXPENSES</b>			
Employee Costs	4,947	4,408	5,164
Materials, Contracts & Other Expenses	6,413	6,475	6,007
Finance Costs	363	363	332
Depreciation, Amortisation & Impairment	1,868	1,874	1,724
<b>TOTAL EXPENSES</b>	<b>13,591</b>	<b>13,120</b>	<b>13,227</b>
<b>OPERATING SURPLUS/ (DEFICIT)</b>	<b>(25)</b>	<b>196</b>	<b>319</b>
Asset Disposal & Fair Value Adjustments	25	25	20
Amount received specifically for new or upgraded assets	-	40	-
<b>NET SURPLUS / (DEFICIT)</b>	<b>-</b>	<b>261</b>	<b>339</b>
<b>Other Comprehensive Income</b>			
Change in revaluation surplus - infrastructure, property, plant & equipment	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-</b>	<b>261</b>	<b>339</b>

## EASTERN WASTE MANAGEMENT AUTHORITY INC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	2016/17 \$000 ORIGINAL BUDGET	2016/17 \$000 FINAL BUDGET	2016/17 \$000 AUDITED ACTUALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>RECEIPTS</b>			
Operating Receipts	15,588	15,400	13,465
Investment Receipts	47	48	28
<b>PAYMENTS</b>			
Operating Payments to Suppliers and Employees	(13,918)	(14,013)	(12,342)
Finance Costs	(363)	(363)	(320)
<b>NET CASH RECEIVED IN OPERATING ACTIVITIES</b>	<b>1,354</b>	<b>1,072</b>	<b>831</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>RECEIPTS</b>			
Sale of Replaced Assets	28	28	104
Capital Contributed by Members	122	125	-
<b>PAYMENTS</b>			
Expenditure on Renewal/Replacement Assets	(1,926)	(2,530)	(2,522)
Expenditure on New/Upgraded Assets	-	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1,776)</b>	<b>(2,377)</b>	<b>(2,418)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>RECEIPTS</b>			
Proceeds from Borrowings	1,751	2,530	1,926
Capital Contributed by Member Councils	-	-	122
<b>PAYMENTS</b>			
Repayment of Borrowings	(1,515)	(852)	(1,275)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>236</b>	<b>1,678</b>	<b>773</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(186)</b>	<b>373</b>	<b>(814)</b>
<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>2,861</b>	<b>2,797</b>	<b>2,798</b>
<b>CASH AT END OF REPORTING PERIOD</b>	<b>2,675</b>	<b>3,170</b>	<b>1,984</b>



# EASTERN WASTE MANAGEMENT AUTHORITY INC

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	2016/17 \$000 ORIGINAL BUDGET	2016/17 \$000 FINAL BUDGET	2016/17 \$000 AUDITED ACTUALS
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	2,675	3,170	1,984
Trade & Other Receivables	115	347	412
Other Financial Assets	-	-	-
Inventories	-	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>2,790</b>	<b>3,517</b>	<b>2,396</b>
<b>NON-CURRENT ASSETS</b>			
Financial Assets	-	-	-
Infrastructure, Property, Plant & Equipment	6,741	5,988	6,046
Other Non-Current Assets	-	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,741</b>	<b>5,988</b>	<b>6,046</b>
<b>TOTAL ASSETS</b>	<b>9,531</b>	<b>9,505</b>	<b>8,442</b>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	883	751	826
Provisions	173	609	491
Borrowings	1,622	1,501	1,701
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,678</b>	<b>2,861</b>	<b>3,018</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade & Other Payables	-	-	-
Borrowings	5,796	5,967	4,741
Provisions	536	141	72
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,332</b>	<b>6,108</b>	<b>4,813</b>
<b>TOTAL LIABILITIES</b>	<b>9,010</b>	<b>8,969</b>	<b>7,831</b>
<b>NET ASSETS</b>	<b>521</b>	<b>536</b>	<b>611</b>
<b>EQUITY</b>			
Accumulated Surplus	521	536	611
<b>TOTAL EQUITY</b>	<b>521</b>	<b>536</b>	<b>611</b>

## EASTERN WASTE MANAGEMENT AUTHORITY INC

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	2016/17 \$000	2016/17 \$000	2016/17 \$000
	ORIGINAL BUDGET	FINAL BUDGET	AUDITED ACTUALS
<b>ACCUMULATED SURPLUS</b>			
Balance at beginning of period	399	150	150
Net Surplus/(Deficit)	-	261	339
Contributed Equity	122	125	122
<b>Balance at end of period</b>	<b>521</b>	<b>536</b>	<b>611</b>
<b>TOTAL EQUITY</b>	<b>521</b>	<b>536</b>	<b>611</b>

# EASTERN WASTE MANAGEMENT AUTHORITY INC

UNIFORM PRESENTATION OF FINANCES FOR THE YEAR ENDED 30 JUNE 2017

	2016/17 \$000 ORIGINAL BUDGET	2016/17 \$000 FINAL BUDGET	2016/17 \$000 AUDITED ACTUALS
Operating Revenues	13,566	13,316	13,546
less Operating Expenses	<u>(13,591)</u>	<u>(13,120)</u>	<u>(13,227)</u>
<b>Operating Surplus/(Deficit) before Capital Amounts</b>	<b>(25)</b>	<b>196</b>	<b>319</b>
<b><i>less Net Outlays on Existing Assets</i></b>			
Capital Expenditure on renewal and replacement of Existing Assets	1,926	2,530	2,522
<i>less Depreciation, Amortisation, Impairment</i>	<i>(1,868)</i>	<i>(1,874)</i>	<i>(1,724)</i>
<i>less Proceeds from Sales of Replaced Assets</i>	<u><i>(28)</i></u>	<u><i>(28)</i></u>	<u><i>(104)</i></u>
	<b>30</b>	<b>628</b>	<b>694</b>
<b><i>less Net Outlays on New and Upgraded Assets</i></b>			
Capital Expenditure on New and Upgraded Assets	-	-	-
<i>less Amounts received specifically for New and Upgraded Assets</i>	<i>-</i>	<i>(40)</i>	<i>-</i>
<i>less Proceeds from Sales of Replaced Assets</i>	<u><i>-</i></u>	<u><i>-</i></u>	<u><i>-</i></u>
	<b>-</b>	<b>(40)</b>	<b>-</b>
<b>Net Lending/(Borrowing) for Financial Year</b>	<b><u>(55)</u></b>	<b><u>(392)</u></b>	<b><u>(375)</u></b>

## EAST WASTE

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 7.3

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<b>REPORT SUBJECT:</b>	<b>Long Term Financial Plan</b>
<b>REPORT AUTHOR:</b>	<b>General Manager</b>
<b>MEETING DATE:</b>	<b>Thursday 21 September 2017</b>
<b>ATTACHMENTS:</b>	<b>Long Term Financial Plan</b>

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#### Purpose of the Report

To provide the Board with an opportunity to adopt East Waste's Long Term Financial Plan.

#### Background

At the 23 February 2017 Board Meeting, it was resolved to follow the timeline below in the development of East Waste's Long Term Financial Plan;

- ~~Draft LTFP will be tabled at the June 2017 East Waste Audit & Risk Committee~~
- ~~Final Draft LTFP will be tabled at the June 2017 East Waste Board Meeting for review~~
- Final LTFP will be tabled for adoption at the September 2017 East Waste Audit and Risk Management Committee and Board Meeting respectively
- Biannual review and updates based on actual performance.

#### Report

The DRAFT Long Term Financial Plan was tabled before the Audit and Risk Management Committee (the Committee) and East Waste Board (the Board) at their meetings held June 2017, to enable a review and commentary to be provided on the assumptions utilised. The below assumptions are therefore inclusive of all commentary received from the Committee, the Board, East Waste Management and Dean Newbery & Partners.

- Fuel has been isolated and treated as a key economic assumption;
- Borrowings, rather than cash, has been assumed in the treatment of capital expenditure and adheres to the vehicle replacement schedule, ensuring maximum age of fleet is 7 – 8 years;
- CPI and LGPI has been considered in the treatment of future inflator rates;
- Rate for investment income;
- Salaries, wages and superannuation inflator rates have been treated per consideration of relevant legislative instruments;
- Common fleet now includes hard waste and litter bin collection, and has been treated in accordance with GPS percentages times;
- Lease of Ottoway depot with 4% increases for each subsequent year;
- Moderate percentages applied to growth in tonnages, aligned with Member Council population growth;
- FTE considered to allow for growth in customer service, education and promotion staffing and organic growth of core service provision; and
- Considers City of Prospect as a Member Council.

#### RECOMMENDATION

1. **That the Board adopt East Waste's Long Term Financial Plan, and the General Manager develop a public facing version of the document; and**
2. **The Long Term Financial Plan be formally forwarded to Member Councils.**



**EASTERN WASTE MANAGEMENT AUTHORITY INC**  
**PROJECTED STATEMENT OF CASH FLOWS**  
**LONG TERM FINANCIAL PLAN (LTFP): FY2018 - FY2027**

	FINANCIAL YEAR									
	1	2	3	4	5	6	7	8	9	10
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
<b>RECEIPTS</b>										
Operating Receipts	15,630,963	16,476,994	16,919,582	17,406,464	17,892,968	18,592,420	19,153,103	19,821,851	20,540,089	21,226,629
Investment Receipts	29,762	33,811	36,831	38,761	41,872	44,580	48,727	50,545	54,769	58,955
<b>PAYMENTS</b>										
Operating Payments	(13,402,362)	(14,017,821)	(14,476,082)	(14,880,143)	(15,398,075)	(15,935,349)	(16,492,755)	(17,071,115)	(17,701,559)	(18,323,917)
Interest Payments	(340,490)	(354,892)	(346,979)	(348,702)	(354,602)	(363,836)	(375,658)	(386,245)	(398,901)	(408,471)
<b>NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES</b>	<b>1,917,872</b>	<b>2,138,091</b>	<b>2,133,351</b>	<b>2,216,380</b>	<b>2,182,163</b>	<b>2,337,815</b>	<b>2,333,417</b>	<b>2,415,037</b>	<b>2,494,399</b>	<b>2,553,196</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>RECEIPTS</b>										
Sale of Replaced Assets	-	-	-	-	-	-	-	-	-	-
Capital Contributed by Members	122,018	122,018	122,018	-	-	-	-	-	-	-
<b>PAYMENTS</b>										
Expenditure on Renewal/Replaced Assets	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Expenditure of New/Upgraded Assets	(1,815,250)	(1,891,360)	(2,015,916)	(2,070,797)	(2,064,819)	(2,106,351)	(2,262,815)	(2,332,800)	(2,391,631)	(2,370,717)
Distribution to Councils	-	-	-	-	-	-	-	-	-	-
<b>NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES</b>	<b>(1,743,232)</b>	<b>(1,819,342)</b>	<b>(1,943,898)</b>	<b>(2,120,797)</b>	<b>(2,114,819)</b>	<b>(2,156,351)</b>	<b>(2,312,815)</b>	<b>(2,382,800)</b>	<b>(2,441,631)</b>	<b>(2,420,717)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>RECEIPTS</b>										
Proceeds from Borrowings	1,800,000	1,890,000	2,016,000	2,071,000	2,065,000	2,100,000	2,300,000	2,350,000	2,400,000	2,400,000
<b>PAYMENTS</b>										
Repayment of Borrowings	(1,704,698)	(2,007,444)	(2,076,790)	(1,959,152)	(1,951,786)	(2,005,059)	(2,199,347)	(2,100,652)	(2,173,739)	(2,228,729)
<b>NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES</b>	<b>95,302</b>	<b>(117,444)</b>	<b>(60,790)</b>	<b>111,848</b>	<b>113,214</b>	<b>94,941</b>	<b>100,653</b>	<b>249,348</b>	<b>226,261</b>	<b>171,271</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>269,943</b>	<b>201,305</b>	<b>128,662</b>	<b>207,432</b>	<b>180,558</b>	<b>276,405</b>	<b>121,254</b>	<b>281,585</b>	<b>279,028</b>	<b>303,750</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>1,984,128</b>	<b>2,254,071</b>	<b>2,455,376</b>	<b>2,584,038</b>	<b>2,791,470</b>	<b>2,972,028</b>	<b>3,248,433</b>	<b>3,369,688</b>	<b>3,651,273</b>	<b>3,930,301</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	<b>2,254,071</b>	<b>2,455,376</b>	<b>2,584,038</b>	<b>2,791,470</b>	<b>2,972,028</b>	<b>3,248,433</b>	<b>3,369,688</b>	<b>3,651,273</b>	<b>3,930,301</b>	<b>4,234,051</b>

Interest Rate	1.5%									
Interest Income										
Opening Balance	1,984,128	2,254,071	2,455,376	2,584,038	2,791,470	2,972,028	3,248,433	3,369,688	3,651,273	3,930,301
Interest Earned	29,762	33,811	36,831	38,761	41,872	44,580	48,727	50,545	54,769	58,955







## **EAST WASTE**

**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 7.4**

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<b>REPORT SUBJECT:</b>	<b>East Waste Charter Review</b>
<b>REPORT AUTHOR:</b>	<b>Business Improvement Manager (Corporate)</b>
<b>MEETING DATE:</b>	<b>Thursday 21 September 2017</b>
<b>ATTACHMENTS:</b>	<b>Amended East Waste Charter</b>

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

To provide the Board with an amended East Waste Charter in accordance with the 29 June 2017 resolution of the Board.

#### **Background**

At the 29 June 2017 Board meeting, Members were asked to consider amendments to the East Waste Charter (the Charter) to align with City of Prospect becoming a Constituent Council. The Board resolved to request the General Manager to seek the endorsement of all Constituent Councils to make the following two amendments to the Charter:

- That the definition of 'Constituent Council' as it appears in Clause 1 of the East Waste Charter be amended to insert the words 'City of Prospect' after the words 'Corporation of the Town of Walkerville'; and
- Clause 21.1 of the East Waste Charter be amended to delete the word 'seven' where it appears in that clause and replace it with the word 'eight'.

#### **Report**

The abovementioned proposed amendments to the Charter were tabled before Elected Members of each respective Member Council. All Member Council's unanimously endorsed the amendments proposed.

Subject to Minister approval, the attached amended East Waste Charter (refer attachment) will be forwarded to the South Australian Government Gazette (the Gazette) for publication. The amendments will only become effective once published in the Gazette.

#### **RECOMMENDATION**

**That upon receiving approval from the Minister, the Board authorises the General Manager to publish the amended East Waste Charter in the South Australian Government Gazette.**

## LOCAL GOVERNMENT ACT 1999

### EASTERN WASTE MANAGEMENT AUTHORITY

#### Charter

#### PART 1—PRELIMINARY

### 1. DICTIONARY

In this Charter:

*Absolute Majority* means a majority of the whole number of the Constituent Councils.

*Act* means Local Government Act 1999.

*Annual Plan* means an Annual Plan that conforms to Part 14 and last adopted by the Board.

*Authority* means Eastern Waste Management Authority ('East Waste').

*Board* means the board of management of the Authority.

*Borrowings Limit* means at any time the amount authorised in the current Annual Plan and Budget of the Authority.

*Budget* means a budget that conforms to Part 14 and last adopted by the Board.

*Business Plan* means a business plan that conforms to Part 12 and last adopted by the Board.

*Chief Executive Officer* means at any time the chief executive officer of the Authority and includes that person's deputy or a person acting in that position.

*Constituent Council* means at any time a constituent council in relation to the Authority and on the date of publication of this Charter in the *Gazette* means Adelaide Hills Council, City of Burnside, City of Campbelltown, City of Norwood Payneham and St Peters, City of Mitcham, Corporation of the Town of Walkerville, **City of Prospect**.

*Core Activity* means collection, recycling and/or disposal of waste produced within the area of one or more of the Constituent Councils.

*Deputy Director* means a deputy for a Director.

*Director* means at any time a member of the Board.

*Financial Year* means 1 July in each year to 30 June in the subsequent year.

*Gazette* means the South Australian Government Gazette.

*Non-core Activity* means an activity that is not a Core Activity.

*Non-core Assets* means in relation to a Non-core Activity any assets of the Authority acquired for the purpose of that Non-core Activity and includes any revenue derived from that Non-core Activity. Where an asset or revenue is acquired or derived for both a Core Activity and a Non-core Activity, a fair allocation between those purposes must be made by the Board.

*Non-core Liabilities* means in relation to a Non-core Activity any liabilities of the Authority incurred or assumed for the purpose of that Non-core Activity. Where a liability is incurred or assumed for both a Core Activity and a Non-core Activity, a fair allocation between those purposes must be made by the Board.

*Non-core Plan* means a plan for a Non-core Activity that conforms to Part 13 and forms part of the Business Plan.

*Share* means a Constituent Council's percentage share in the assets, liabilities and revenue of the Authority. On the date of Gazettal of this Charter, the shares are held between the Constituent Councils in equal proportions

The Shares may be varied by agreement in writing of all the Constituent Councils, and must be reviewed (and if necessary, varied) where a new Constituent Council is admitted or an existing Constituent Council resigns.

*Simple Majority* means a majority of the Directors present at a Board Meeting and entitled to vote, or a majority decision of the Constituent Councils as the case may be.

*Surplus Funds* means funds that are surplus to the long-term financial requirements of the Authority, as evidenced by its Business Plan.

*Unanimous Decision* means a decision made by all of the Constituent Councils as voting in the same manner.

*Waste* means any and all waste as approved by the Environment Protection Act Licence held by the Authority and includes domestic and commercial kerbside waste, kerbside green and food/organics, kerbside recyclable material, Council waste and Council depot waste.

Subject to the above, words and expressions in this Charter have the same meaning as in a provision of the Act that deals with the same matter.

### 2. INTERPRETATION

In this Charter: The singular includes the plural and *vice versa* and words importing a gender include other genders; words importing natural persons include corporations; reference to a section(s) is to a section of the Act and includes any section that substantially replaces that section and deals with the same matter; headings are for ease of reference only and do not affect the construction of this Charter.

### 3. ABOUT THIS CHARTER

3.1 This Charter is the charter of the Authority.

3.2 This Charter binds the Authority and each Constituent Council.

3.3 Despite any other provision in this Charter:

3.3.1 if the Act prohibits a thing being done, the thing may not be done;

3.3.2 if the Act requires a thing to be done, Board approval is given for that thing to be done; and

3.3.3 if a provision of this Charter is or becomes inconsistent with the Act, that provision must be read down or failing that severed from this Charter to the extent of the inconsistency.

3.4 This Charter may not be amended except as all the Constituent Councils may agree by each passing a resolution in the same terms. An amendment is not effective unless and until published in the *Gazette*.

- 3.5 The Constituent Councils may review this Charter at any time, but must in any event review this Charter at least once in every four years.
- 3.6 Notwithstanding Clause 3.5, the first review of this Charter is to be completed two years from the date of Gazettal of the Charter.

#### PART 2—AUTHORITY

#### 4. ABOUT THE AUTHORITY

The Authority is an Authority established under the Act.

#### 5. NAME OF THE AUTHORITY

The name of the Authority is Eastern Waste Management Authority trading as ‘East Waste’.

#### 6. CORPORATE STATUS

The Authority is a body corporate.

#### PART 3—FUNCTIONS AND POWERS

#### 7. PROPERTY

The Authority holds its property and assets on behalf of the Constituent Councils.

#### 8. AREA OF INTEREST

The Authority may only undertake a Non-core Activity outside the areas of the Constituent Councils where that activity has been approved by Unanimous Decision of the Constituent Councils as being necessary or expedient to the performance by the Authority of its functions and is an activity included in a Business Plan of the Authority

#### 9. PURPOSE AND FUNCTIONS

- 9.1 The Authority is established by the Constituent Councils for the purpose of the collection and disposal of Waste, primarily within the areas of the Constituent Councils and has the following functions in this regard:
- 9.1.1 to predominantly operate or obtain services for the collection of Waste on behalf of Constituent Councils and/or other approved Councils;
  - 9.1.2 to provide waste management services whether in or (so far as the Act allows) outside the area of any of the Constituent Councils, including waste collection, recycling of organic and inorganic materials, disposal of waste;
  - 9.1.3 to undertake management and collection of Waste (in accordance with regulatory approvals) and kerbside materials recovery, on behalf of Constituent Councils (and/or other approved councils) in an environmentally responsible, effective, efficient, economic and competitive manner;
- 9.2 The following functions may be undertaken by the Authority but only where required or directed by one or more Constituent Councils and charged directly to the Council or Councils so requiring or directing:
- 9.2.1 to promote the minimisation of Waste in the areas of the Constituent Councils;
  - 9.2.2 to promote the recycling of recyclable materials in the areas of the Constituent Councils
  - 9.2.3 to undertake Waste community education programs on behalf of the Constituent Councils;
  - 9.2.4 on behalf of the Constituent Councils or on its own behalf, to liaise with other councils, the State of South Australia and the Commonwealth of Australia and their respective instrumentalities for matters relating to Waste management in the common interest of the Constituent Councils;
  - 9.2.5 on behalf of the Constituent Councils, provide a representative to any statutory board or statutory committee concerned with waste management that allows two or more of the Constituent Councils to nominate a representative;
  - 9.2.6 on behalf of the Constituent Councils or on its own behalf, to make application for grants and other funding from the State of South Australia and the Commonwealth of Australia and their respective instrumentalities for the purposes of the Authority;
  - 9.2.7 to keep Constituent Councils abreast of any emerging opportunities/trends/issues in waste management;
  - 9.2.8 to undertake activities which result in a beneficial use of Waste on behalf of the Constituent Councils;
  - 9.2.9 to conduct all activities in a manner which complies with all regulatory requirements and minimises risks to the Constituent Councils;
  - 9.2.10 on behalf of the Constituent Councils or on its own behalf, to liaise with relevant State Government agencies such as Green Industries SA (successor to Zero Waste SA, Environment Protection Authority (or equivalent successor organisations), taking into account its approved Business Plan;
  - 9.2.11 on behalf of the Constituent Councils, to perform and/or monitor the effectiveness and application of funding arrangements agreed by the Constituent Councils for waste management;
  - 9.2.12 to provide a forum for discussion and consideration of topics relating to the Constituent Councils’ responsibilities to manage waste particularly in the area of the Constituent Councils and the implications of that management beyond the area of the Constituent Councils.

#### 10. POWERS

The Authority may do anything necessary, expedient or incidental to performing or discharging its functions including, without limitation:

- 10.1 become a member of and/or co-operate with any organisation with complementary functions;
- 10.2 receive gifts of money or property from any person;
- 10.3 make payable by a new Constituent Council any joining fee;
- 10.4 carry out its Annual Plan and Budget;
- 10.5 carry out its Business Plan and Non-core Plans;
- 10.6 make payable by Constituent Councils contributions to the Authority in proportion to their Core Shares;

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- 10.7 employ and dismiss a Chief Executive Officer;
  - 10.8 contract with any person;
  - 10.9 acquire or dispose of any real or personal property in accordance with the Business Plan or otherwise with a Unanimous Decision of the Constituent Councils;
  - 10.10 operate an account or accounts with a bank or with the Local Government Finance Authority, or both;
  - 10.11 borrow or raise money within the Borrowings Limit;
  - 10.12 lend money in accordance with the Business Plan or pursuant to a Unanimous Decision of the Constituent Council;
  - 10.13 insure against any risk;
  - 10.14 enter into a partnership or joint venture with any person in accordance with the Business Plan or pursuant to a Unanimous Decision of the Constituent Councils;
  - 10.15 pay any cost or expense of the establishment, operation, administration or winding up of the Authority;
  - 10.16 compromise, compound, abandon or settle a debt or claim owed to the Authority;
  - 10.17 waive a legal or equitable or statutory right;
  - 10.18 refer a dispute between the Authority and any third party (other than a Constituent Council) to arbitration;
  - 10.19 allocate receipts and expenditure between Core Activity and Non-core Activities and between each Non-core Activity;
  - 10.20 where the same services/activities are not being provided equally to all Constituent Councils, to charge the differential costs of those services/activities directly to the benefiting Councils;
  - 10.21 charge Constituent Councils the full costs incurred in the delivery of the services to them, such costs being calculated on a user pays basis (including depreciation and other overheads for use of shared assets, and all other common expenses);
  - 10.22 charge non Constituent Councils a price, based on an estimate of costs incurred in providing the service plus a margin for profit and risk;
  - 10.23 make any election for the purpose of any tax;
  - 10.24 delegate the exercise of any of its functions or other powers (including the receipt and payment of money) to any person;
  - 10.25 those powers given to trustees by law, equity or statute and not necessarily inconsistent with this Charter or the functions of the Authority;
  - 10.26 pay to the Constituent Councils or accumulate as reserves for up to such period as the law allows any surplus funds;
  - 10.27 such other powers as the Act or this Charter may confer upon the Authority;
  - 10.28 all things incidental to the exercise of any other power of the Authority.

#### **11. POWER OF DELEGATION**

As a matter of record, Schedule 2, Clause 36 of the Act vests a power of delegation in the Authority. The Authority may not delegate the following powers or functions:

- 11.1 the power to impose charges;
- 11.2 the power to enter into transactions in excess of \$50 000 unless authorised in an Annual Plan;
- 11.3 the power to borrow money or obtain any other form of financial accommodation unless authorised in an Annual Plan;
- 11.4 the power to approve expenditure of money on the works, services or operations of the Authority not set out in a Budget approved by the Authority or where required by this Charter approved by the Constituent Councils;
- 11.5 the power to approve the reimbursement of expenses or payment of allowances to members of the Board of Management;
- 11.6 the power to adopt a Budget;
- 11.7 the power to adopt an Annual Plan;
- 11.8 the power to adopt a Business Plan (or any component thereof);
- 11.9 the power to adopt or revise financial estimates and reports; and
- 11.10 the power to make any application or recommendation to the Minister.

#### **12. GUIDING PRINCIPLES**

The Authority must in the performance of its functions and in all of its plans, policies and activities give due weight to economic, social and environmental considerations.

### PART 4—CONSTITUENT COUNCILS

#### **13. CONSTITUENT COUNCILS MAY ACT INDEPENDENTLY**

A Constituent Council may perform for itself the same functions and powers as the Authority could on behalf of that Constituent Council.

#### **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.

## 15. OUTGOING CONSTITUENT COUNCILS

- 15.1 A Constituent Council may resign if and only if:
  - 15.1.1 the Constituent Council gives at least 24 months' written notice of resignation to each Constituent Council, which notice is effective on the next 30 June on or after expiry of that period;
  - 15.1.2 the Board by majority vote approves; and
  - 15.1.3 the Minister approves.
- 15.2 A former Constituent Council remains liable to contribute to the debts and liabilities of the Authority incurred while it was a Constituent Council including by contributing to the depreciated value of any asset acquired during that time, and for a share of any future losses on contracts entered into whilst a Constituent Council.
- 15.3 A former Constituent Council:
  - 15.3.1 is not entitled to any refund of contributions made;
  - 15.3.2 relinquishes any beneficial interest in the assets of the Authority; and
  - 15.3.3 remains bound by any separate contract in force between the Authority and the former Constituent Council.
- 15.4 This Clause is to be read conjunctively with Clause 57 of this Charter.

## 16. NO TRANSFER OF MEMBERSHIP

Membership of the Authority is personal to the Constituent Council and is not transferable.

## 17. CONSTITUENT COUNCILS MAY DIRECT THE AUTHORITY

- 17.1 The Authority is subject to the joint direction and control of the Constituent Councils.
- 17.2 To be effective, a determination or direction or other decision of the Constituent Councils must be a Unanimous Decision and evidenced by either:
  - 17.2.1 a minute signed by the chair of a meeting of authorised delegates of the Constituent Councils that at such meeting a decision was duly made by each delegate on behalf of their Constituent Council; or
  - 17.2.2 a resolution in the same terms in favour of that decision passed individually by each of the Constituent Councils.

## 18. CONSTITUENT COUNCILS ARE GUARANTORS OF THE AUTHORITY

- 18.1 As a matter of record, Schedule 2, Clause 31 (1) of the Act is that liabilities incurred or assumed by the Authority are guaranteed by the Constituent Councils.
- 18.2 As between the Constituent Councils, they share in the liabilities of the Authority in proportion to their respective Share.

## 19. SPECIAL DECISIONS FOR THE AUTHORITY

Neither the Authority nor any person on its behalf may give effect to a Special Decision unless the Constituent Councils vote in favour of a resolution for the Special Decision by Absolute Majority.

For these purposes, a Special Decision means any of the following:

- (a) adopt or vary a Business Plan;
- (b) adopt or vary an Annual Plan;
- (c) delegate the authority of the Board to any person other than the Chief Executive Officer;
- (d) to any extent not provided for in a Business Plan or Annual Plan and Budget:
  - (i) call on Constituent Councils to contribute funds;
  - (ii) grant or vary a guarantee/indemnity of the obligations of another person;
  - (iii) apply for government funding;
  - (iv) obtain credit except in the ordinary course of the activities of the Authority;
  - (v) acquire (by purchase or finance lease) a capital asset;
  - (vi) dispose of a capital asset except at the end of its effective life;
  - (vii) take a lease or tenancy of any premises;
  - (viii) employ any employees.

The Authority must promptly give effect to Special Decision made in conformity with this clause.

## PART 5—DIRECTORS

### 20. QUALIFICATION OF DIRECTORS

A Director must be a natural person.

### 21. APPOINTMENT OF DIRECTORS

- 21.1 Subject to the provisions of Clauses 33.1 and 33.2 the Board shall consist of **eight** Directors appointed as follows:
  - 21.1.1 one person appointed by each Constituent Council which person may be an officer, employee, elected member of a Constituent Council or an independent person who will be appointed for a two year term; and

- 21.1.2 one independent person (who shall be the Chair) appointed jointly by Absolute Majority of the Constituent Councils for a two year term (and at the expiration of the term is eligible for re-appointment) who is not an officer, employee or elected member of a Constituent Council, but who has expertise in:
- (a) corporate financial management and/or
  - (b) general management and/or
  - (c) waste management and/or
  - (d) transport fleet management and/or
  - (e) public sector governance and/or
  - (f) marketing and/or
  - (g) economics and/or
  - (h) environmental management.

21.2 Each Constituent Council must give to the Authority a written notice of appointment of the Director appointed under Clause 21.1.1 and written confirmation of their agreement with the proposed appointment of the Director under Clause 21.1.2.

21.3 Each Director must give to the Authority a written consent to act as a Director, signed by him/herself.

21.4 Each Constituent Council must appoint a person to be a Deputy Director for such term as determined by that Constituent Council who may act in place of that Constituent Council's Director, and will have the same powers as a Director pursuant to the Charter, if the Director is unable for any reason to be present at a meeting of the Board; and

21.4.1 If at any time a Deputy Director is removed from their office pursuant to Clause 22A, the Constituent Council must appoint another person to be a Deputy Director.

## **22. REMOVAL OF DIRECTORS**

22.1 Neither the Authority nor the Board may remove a Director.

22.2 A Constituent Council which appointed a person as a Director may remove that person from office by giving to the Authority a written notice of removal of the Director, signed by the Chief Executive Officer of the Constituent Council.

22.3 The Director appointed pursuant to Clause 21.1.2 may be removed by a decision being a resolution in the same or similar terms passed by an Absolute Majority of the Constituent Councils.

22.4 The Board may recommend to Constituent Councils, that the appointment of a Director be terminated in the event of:

22.4.1 behaviour of the Director which in the opinion of the Board amounts to impropriety;

22.4.2 serious neglect of duty in attending to the responsibilities of Director;

22.4.3 breach of fiduciary duty to the Board;

22.4.4 breach of the duty of confidentiality to the Board;

22.4.5 breach of the conflict of interest rules of the Board; or

22.4.6 any other behaviour which may discredit the Board.

22.5 The office of a Director becomes vacant if the Director:

22.5.1 dies;

22.5.2 is not reappointed;

22.5.3 resigns by written notice addressed to the Constituent Councils and served on any of them;

22.5.4 becomes bankrupt or applies for the benefit of a law for the relief of insolvent debtors;

22.5.5 was when appointed an elected member or employee of the Constituent Council who appointed them and ceases to be an elected member or employee of that Constituent Council; or

22.5.6 was appointed by a Constituent Council, which ceases to be a Constituent Council.

## **22A. REMOVAL OF DEPUTY DIRECTORS**

22A.1 Neither the Authority nor the Board may remove a Deputy Director.

22A.2 A Constituent Council which appointed a person as a Deputy Director may remove that person from their office by giving the Board a written notice of removal of the Deputy Director, signed by the Chief Executive Officer of the Constituent Council.

22A.3 The Board may recommend to Constituent Councils that the appointment of a Deputy Director may be terminated in the event of:

22A.3.1 behaviour of the Deputy Director which in the opinion of the Board amounts to impropriety;

22A.3.2 serious neglect of duty in attending to the responsibilities of the Deputy Director;

22A.3.3 breach of fiduciary duty to the Board;

22A.3.4 breach of duty of confidentiality to the Board;

22A.3.5 breach of the conflict of interest rules of the Board; or

22A.3.6 any other behaviour which may discredit the Board.

22A.4 The office of a Deputy Director becomes vacant if the Deputy Director:

22A.4.1 dies;

22A.4.2 is not reappointed;

22A.4.3 resigns by written notice addressed to the Constituent Councils and served on any of them;

22A.4.4 becomes bankrupt or applies for the benefit of a law for the relief of insolvent debtors;

22A.4.5 was when appointed an elected member or employee of the Constituent Council who appointed them and ceases to be an elected member or employee of that Constituent Council; or

22A.4.6 was appointed by a Constituent Council, which ceases to be a Constituent Council.

**23. REMUNERATION AND EXPENSES OF DIRECTORS**

- 23.1 The Authority will only remunerate the Independent Director/Chair appointed under Clause 21.1.2.
- 23.2 The Board will determine the level of the remuneration (no matter how it is classified) of the Independent Director/Chair, by having regard to its Director/Chair Remuneration Policy.
- 23.3 The Authority can pay a Director's travelling and other expenses that they properly incur in connection with the Authority's business and with the prior approval of the Board as recorded in minutes of Board meetings.

**24. REGISTER OF INTERESTS**

A Director is required to submit returns to the Authority under Chapter 5, Part 4, Division 2 of the Act.

**25. PROTECTION FROM LIABILITY**

As a matter of record, Schedule 2, Clause 38 of the Act protects a Director from certain civil liabilities.

**26. SAVING PROVISION**

As a matter of record, Schedule 2, Clause 40 of the Act is that no act or proceeding of the Authority is invalid by reason of:

- 26.1 a vacancy or vacancies in the membership of the Board; or
- 26.2 a defect in the appointment of a Director.

## PART 6—OTHER OFFICERS

**27. CHAIR**

- 27.1 At all times, the Authority must have a Chair, who will be the independent Director appointed under Clause 21.1.2.
- 27.2 The Chair's functions are:
  - 27.2.1 to preside at all meetings of the Board;
  - 27.2.2 to serve as an *ex officio* member and chair of all committees established by the Board;
  - 27.2.3 to represent the Authority in relations with the media and the public generally; and
  - 27.2.4 to exercise other functions as the Board determines.

**28. DEPUTY CHAIR**

- 28.1 At all times, the Authority must have a Deputy Chair, who must be a Board Member.
- 28.2 The Board appoints the Deputy Chair and may at any time remove from office the Deputy Chair and appoint a replacement Deputy Chair.
- 28.3 The Deputy Chair's functions are:
  - 28.3.1 to assist the Chair; and
  - 28.3.2 to exercise the Chair's functions whenever the Chair is unable to do so.
- 28.4 A person ceases to be Deputy Chair if they cease to be a Board Member.

**29. CHIEF EXECUTIVE OFFICER**

- 29.1 At all times so far as practicable, the Authority must have a Chief Executive Officer.
- 29.2 At any time the Board may give a new title to the position of Chief Executive Officer in which case this Charter is taken to refer to the same position under a new title.
- 29.3 The Board shall appoint a Chief Executive Officer on a fixed term performance based employment contract, which does not exceed five years in duration.
- 29.4 The Board may at the end of the contract term, enter into a new contract not exceeding five years in duration with the same person.
- 29.5 The Board may revoke or vary an appointment of a Chief Executive Officer, subject to any agreement made between the Chief Executive Officer and the Authority.
- 29.6 In the absence of the Chief Executive Officer for any period exceeding one week, the Chief Executive Officer shall appoint a suitable person as Acting Chief Executive Officer. If the Chief Executive Officer does not make or is incapable of making such an appointment, a suitable person must be appointed by the Board.
- 29.7 The Board delegates responsibility for day to day management of the Authority to the Chief Executive Officer, who will ensure that sound business, risk minimisation, financial and human resource management practices are applied in the efficient and effective management of the operations of the Authority.
- 29.8 The functions of the Chief Executive Officer shall include:
  - 29.8.1 ensuring that the decisions of the Board are implemented in a timely and efficient manner;
  - 29.8.2 providing information to assist the Board to assess the Authority's performance against its Business Plan;
  - 29.8.3 appointing, managing, suspending and dismissing other employees of the Authority;
  - 29.8.4 providing advice and reports to the Board on the exercise and performance of its powers and functions under this Charter or any Act;
  - 29.8.5 co-ordinating and initiating proposals for consideration of the Board including but not limited to continuing improvement of the operations of the Authority;
  - 29.8.6 ensuring that the assets and resources of the Authority are properly managed and maintained;
  - 29.8.7 ensuring that records required under the Act or any other legislation are properly kept and maintained;
  - 29.8.8 exercising, performing or discharging other powers, functions or duties conferred on the Chief Executive Officer by or under the Act or any other Act, and performing other functions lawfully directed by the Board, and achieving financial outcomes in accordance with adopted plans and budgets.
  - 29.8.9 issuing notices calling Board meetings;
  - 29.8.10 attending all Board meetings and keeping correct minutes of the proceedings unless excluded by resolution of the Board;
  - 29.8.11 managing all other employees of the Authority;
  - 29.8.12 receiving and answering correspondence and notices to the Authority;
  - 29.8.13 keeping all documents and records belonging to the Authority;
  - 29.8.14 supervising the handling of money by or for the Authority and the keeping of financial records;
  - 29.8.15 issuing receipts for moneys received and keep a correct account of all receipts and expenditure;
  - 29.8.16 operating the Authority's bank account (including sign cheques and other negotiable instruments and make payments over the Internet within the delegations to the position) together with one other signatory appointed by the Board. Unless the Board determines otherwise, that other person must be the Chair;
  - 29.8.17 having custody and safekeeping of the records of the Authority;
  - 29.8.18 preparing draft Annual and Business Plans for consideration of the Board;
  - 29.8.19 monitoring the financial performance of the Authority against an adopted Annual and Business Plan and promptly reporting to the Board any material discrepancies known or anticipated;
  - 29.8.20 preparing such statements, reports, returns or other written information as the Act or any law requires the Authority to lodge with government;
  - 29.8.21 preparing draft financial statements; and
  - 29.8.22 such other functions as the Board may vest in the Chief Executive Officer.
- 29.9 The Board may delegate to the Chief Executive Officer any of the powers that the Board can exercise where those powers are not restricted from delegation by the Act or this Charter, noting that:
  - 29.9.1 the Chief Executive Officer may delegate or sub-delegate to an employee of the Authority or a committee comprising employees of the Authority, any power or function vested in the Chief Executive Officer. Such delegation or sub-delegation may be subject to conditions or limitations as determined by the Chief Executive Officer;





- 29.9.2 where a power or function is delegated to an employee, the employee is responsible to the Chief Executive Officer for the efficient and effective exercise or performance of that power or function; and
- 29.9.3 a written record of delegations and sub-delegations must be kept by the Chief Executive Officer at all times.
- 29.10 The Chief Executive Officer enjoys functions and responsibilities set out at Section 99 (1) (a), (b), (c), (d), (e) and (h) and 103 of the Act as if the Authority were a council and the Chief Executive Officer were a chief executive officer of a council.
- 29.11 The Chief Executive Officer may establish an Operations Assistance Committee consisting of one appropriately qualified senior officer from each Constituent Council and this Committee will:
  - 29.11.1 advise and assist the Chief Executive Officer in operations matters;
  - 29.11.2 report to the Board via the Chief Executive Officer;
  - 29.11.3 meet at least four times in each calendar year;
  - 29.11.4 be chaired by the Chief Executive Officer; and
  - 29.11.5 have its terms of reference written by the Chief Executive Officer.

### 30. AUDITOR

The Authority must have an auditor. Subject to the Act, an auditor holds office on the terms and conditions (including as to remuneration) that the Board determines.

#### PART 7—AUDIT COMMITTEE

### 31. AUDIT COMMITTEE

As a matter of record, the Authority is required to establish an audit committee and Schedule 2, Clause 30 of the Act governs the constitution and functions of the audit committee.

#### PART 8—STAFF

### 32. STAFF

- 32.1 In addition to a Chief Executive Officer, the Authority may employ other staff subject to the Board making appropriate financial provision.
- 32.2 The Board and a Constituent Council may arrange for that Constituent Council to make available its staff in connection with the Authority's affairs for such remuneration (if any) as those parties may agree.

#### PART 9—BOARD

### 33. BOARD

The Authority must at all times have a Board comprised of Directors.

- 33.1 The Constituent Councils acknowledge and accept that the Directors will act and take decisions in the best interest of the Authority.
- 33.2 The Constituent Councils understand that each Director nominated by a Constituent Council will bring to discussion a perspective from the Council which nominated that Director but that shall not interfere with the obligations of Directors in respect of Clause 33.1.

### 34. BOARD'S POWERS

- 34.1 As a matter of record, Schedule 2, Clause 22 (1) of the Act is that the Board is responsible for the administration of the affairs of the Authority.
- 34.2 As a matter of record, Schedule 2, Clause 22 (3) of the Act is that anything done by the Board in the administration of the Authority's affairs is binding on the Authority.
- 34.3 The Board may exercise all the powers of the Authority except any powers that the Act or this Charter requires the Constituent Councils to exercise.
- 34.4 As a matter of record, Schedule 2, Clause 36 (1) of the Act authorises the Board to delegate powers or functions conferred under this or another Act.
  - 34.4.1 A delegation of powers by the Board:
    - (a) may authorise the delegate to sub-delegate all or any of the powers vested in the delegate;
    - (b) is concurrent with the exercise by the Board of those powers;
    - (c) is subject to any specified conditions and limitations; and
    - (d) is revocable at will.

### 35. BOARD MEETINGS

- 35.1 Subject to Schedule 2, Clause 21 of the Act, to a direction of the Constituent Councils and to the other provisions of this Charter.
  - 35.1.1 the Board must determine its own procedures for meetings, which must be fair and contribute to free and open decision making;
  - 35.1.2 the Board must set out the adopted meeting procedures in a meeting procedure code of practice which will be available to the public for inspection (without charge) and by way of a copy (on payment of a fee fixed by the Board); and
  - 35.1.3 the code of practice may be reviewed by the Board at any time but must be reviewed at least once in every three years.
- 35.2 An ordinary meeting of the Board must be held at least every three calendar months.
- 35.3 Ordinary meeting of the Board must take place at such times and places as may be fixed by the Board or absent any decision of the Board the Chief Executive Officer of the Authority. Meetings shall not be held before 5 p.m. unless the Board resolves otherwise by resolution supported unanimously by all Board Members.

- 35.4 An ordinary meeting of the Board will constitute an ordinary meeting of the Authority. The Board shall administer the business of the ordinary meeting.
- 35.5 Notice of ordinary meetings of the Board must be given by the Chief Executive Officer to each Board Member and to each Constituent Council not less than three clear days prior to the holding of the meeting and shall be accompanied by the agenda for the meeting and any written reports.
- 35.6 The Chair or any two Directors may call a special meeting of the Board.
- 35.7 A special meeting of the Board must be held at a reasonable time and if the meeting is to be held in person, at a reasonable place.
- 35.8 Unless all Directors entitled to vote at the meeting agree otherwise, the persons calling a special Board meeting must give to the Chief Executive Officer a notice of meeting that:
- 35.8.1 sets out the place, date and time for the meeting;
  - 35.8.2 states the general nature of the business of the meeting;
  - 35.8.3 is accompanied by relevant information so far as reasonably available (if not already given to the Directors); and
  - 35.8.4 is provided at least one clear business day before the special meeting (or such other period as all the Directors in office may as a matter of general policy determine otherwise).
- 35.9 A notice of special meeting provided to Directors by the Chief Executive Officer will at the same time be placed on public display at the principal office of the Authority and of each Constituent Council.
- 35.10 As a matter of record, Schedule 2, Clause 21 (5) of the Act permits a Board meeting by telephone or videoconference.
- 35.10.1 For the purposes of this subclause, the contemporary linking together by telephone, audio-visual or other instantaneous means ('telecommunications meeting') of a number of the Directors provided that at least a quorum is present, is deemed to constitute a meeting of the Board. Each of the Directors taking part in the meeting, must at all times during the telecommunications meeting be able to hear and be heard by each of the other Directors present. At the commencement of the meeting, each Director must announce his/her presence to all other Directors taking part in the meeting. A Director must not leave a telecommunications meeting by disconnecting his/her telephone, audio visual or other communication equipment, unless that Director has previously notified the chair of the meeting.
- 35.11 As a matter of record, Schedule 2, Clause 21 (6) of the Act permits a decision of the Board to be made in writing and not at a meeting.
- 35.11.1 A proposed resolution in writing and given to all Directors in accordance with proceedings determined by the Board will be a valid decision of the Board where a simple majority of Directors vote in favour of the resolution by signing and returning the resolution to the Chief Executive Officer or otherwise giving written notice of their consent and setting out the terms of the resolution to the Chief Executive Officer. The resolution shall thereupon be as valid and effectual as if it had been passed at the meeting of the Board duly convened and held.
- 35.12 Chapter 6, Parts 3 and 4 (public access to meetings and minutes) of the Act (to the extent that Part 4 is not inconsistent with this Charter) apply to Board meetings as if the Authority were a council and the Directors were members of a council.
- 35.13 Unless the Directors determine otherwise, the quorum for a Board meeting is a number ascertained by dividing the total number of members of the committee by two, ignoring any fraction resulting from the division and adding one.
- 35.14 At any time, the Board may agree to invite a person to attend a Board meeting as an observer or adviser.
- 35.15 As a matter of record, Schedule 2, Clauses 21 (4) (one vote per Director, no casting vote) and 21 (3) (majority vote) of the Act govern voting at a Board meeting.
- 35.16 As a matter of record, Schedule 2, Clause 21 (11) of the Act obliges the Board to keep minutes of its proceedings. All minutes must be prepared and distributed to both Directors and also to Constituent Councils within seven business days of the meeting to which they relate.

#### PART 10—COMPETITIVE NEUTRALITY

### 36. COMPETITIVE NEUTRALITY

- 36.1 For the purposes of Schedule 2, Clause 32 of the Act, the Authority is not involved in a significant business activity in undertaking its Core Activity.
- 36.2 In respect of any Non-core Activity that is a significant business activity, the Authority must at all times have current a National Competition Policy Statement in relation to competitive neutrality which it will adhere to in undertaking that Non-core Activity.

#### PART 11—GOVERNANCE

### 37. DIRECTOR'S CONFLICT OF INTEREST

As a matter of record, by Section 75 (2) of the Act, the provisions of Chapter 5, Part 4, Division 3 apply to Directors.

### 38. DIRECTOR'S DUTIES OF CARE

As a matter of record, Schedule 2, Clause 23 of the Act (care and diligence) and Schedule 2, Clause 34 of the Act (honesty, use of information, use of position) set out certain statutory duties that apply to a Director.

### 39. BOARD POLICIES AND CODES

- 39.1 The Authority must, in consultation with the Constituent Councils, prepare and adopt and thereafter keep under review policies on:
- 39.1.1 procedures for meetings of the Board (in accordance with Clause 35.1 of this Charter);
  - 39.1.2 contracts and tenders, as would conform to Section 49 of the Act;
  - 39.1.3 public consultation, as would conform to Section 50 of the Act.
  - 39.1.4 governance including as concerns:
    - (a) the operation of any account with a bank or Local Government Finance Authority;

- (b) human resource management;
  - (c) improper assistance to a prospective contract party;
  - (d) improper offering of inducements to Directors or to staff of the Authority;
  - (e) improper lobbying of Directors or staff of the Authority;
- 39.1.5 occupational health and safety;
- 39.1.6 protection of the environment.

- 39.2 To the extent it is able, the Board must ensure that such policies as above are complied with in the affairs of the Authority.
- 39.3 The Board must prepare and adopt within six months after the Gazettal of this Charter, a code of conduct to be observed by Directors.

#### **40. BOARD DUTIES TO CONSTITUENT COUNCILS**

As a matter of record, Schedule 2, Clause 22 (2) of the Act is that the Board must ensure as far as practicable:

- 40.1 that the Authority observes all plans, targets, structures, systems and practices required or applied to the Authority by the Constituent Councils;
- 40.2 that all information furnished to a Constituent Council is accurate; and
- 40.3 that the Constituent Councils are advised, as soon as practicable, of any material development that affects the financial or operating capacity of the Authority or gives rise to the expectation that the Authority may not be able to meet its debts as and when they fall due.

#### **41. BOARD DUTIES TO THE AUTHORITY**

The Board must ensure:

- 41.1 that the Authority acts in accordance with applicable laws, mandatory codes of practice, this Charter, Business Plan, Annual Plan and achieves the financial outcomes projected in its Budget;
- 41.2 that the Authority acts ethically and with integrity;
- 41.3 that the activities of the Authority are conducted efficiently and effectively and that any assets of the Authority are properly managed and maintained; and
- 41.4 that, subject to any overriding duty of confidence, the affairs of the Authority are undertaken in an open and transparent manner.

### **PART 12—BUSINESS PLANS**

#### **42. BUSINESS PLANS**

As a matter of record, Schedule 2, Clause 24 of the Act sets out requirements for Business Plans. The following provisions of this Part are in addition to and not in derogation of the requirements of the Act.

#### **43. ABOUT A BUSINESS PLAN**

- 43.1 The Board must prepare at least a ten-year Business Plan for the region, in a collaborative manner with Constituent Councils which cannot be in conflict with this Charter.
- 43.2 The Board must also prepare a ten year Long Term Financial Plan (which, must include principles detailing the actual distribution of overheads between the Constituent Councils and any other matter required by the Constituent Councils or determined by the Board to be included therein) and an Asset Management Plan.
- 43.3 The Long Term Financial and Asset Management Plans form part of the Business Plan.
- 43.4 In preparing and when reviewing a Business Plan, the Board must at a minimum have regard to the following:
  - 43.4.1 any State Government Agency Waste plan then in force in relation to the area of a Constituent Council and any proposed changes to such plan;
  - 43.4.2 any initiatives proposed by the Commonwealth of Australia or the State Government as may impact upon or affect proper waste management in the area of an individual Constituent Council or Constituent Councils collectively;
  - 43.4.3 any plan or policy of a Constituent Council for waste management then in force, and any proposed changes to such plan or policy;
  - 43.4.4 the strategic management plans of each Constituent Council then in force; and
  - 43.4.5 the annual business plan and budget of each Constituent Council then in force.

### **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.

## PART 14—ANNUAL PLAN AND BUDGET

**51. ANNUAL PLAN**

The Authority must, for each financial year, have an Annual Plan which supports and informs its Budget. The Annual Plan must:

- 51.1 include an outline of the Authority's objectives for the financial year, the activities that the Authority intends to undertake to achieve those objectives and the measures that the Authority intends to use to assess its performance against its objectives over the financial year;
- 51.2 assess the financial requirements of the Authority for the financial year and, taking those requirements into account, set out a summary of the Authority's proposed operating expenditure, capital expenditure and sources of revenue;
- 51.3 take into account the objectives set out in the Business Plan and, in particular, the Long Term Financial Plan and issues relevant to the management of assets and resources by the Authority;
- 51.4 set out proposals for the recovery of overheads over the financial year from the Constituent Councils; and
- 51.5 address or include any other matter prescribed by the Constituent Councils or determined to be relevant by the Board.

**52. ABOUT AN ANNUAL PLAN**

- 52.1 An adopted Annual Plan binds the Authority and is the basis upon which the Budget is prepared.
- 52.2 Before the Authority adopts its Annual Plan it must prepare a draft Annual Plan and obtain the consent of an Absolute Majority of the Constituent Councils to that Plan.
- 52.3 The Authority must prepare the draft Annual Plan and provide it to the Constituent Councils by a date determined by the Councils for the purpose of obtaining the consent of the Councils on or before 31 May in each financial year.

**53. BUDGETS**

As a matter of record, Schedule 2, Clause 25 of the Act sets out requirements for Budgets, and the Authority must advise Constituent Councils of the proposed fees for the next financial year by 1 April in the preceding financial year.

**54. ABOUT A BUDGET**

- 54.1 An adopted Budget (prepared in a manner consistent with the Annual Plan) binds the Authority and is authority for the Authority to perform work and incur debts and meet obligations according to its own terms without reference back to the Board or to a Constituent Council (except to any extent the Budget or the Annual Plan otherwise requires).
- 54.2 Each Budget of the Authority must be adopted:
- 54.2.1 after the Authority has adopted its Annual Plan;
  - 54.2.2 must be consistent with that Plan; and
  - 54.2.3 before 30 June in each financial year.

**55. EXPENDITURE OUTSIDE A BUDGET**

- 55.1 As a matter of record, Schedule 2, Clause 25 (4) is that the Authority may incur, for the purpose of genuine emergency or hardship, spending that is not authorised by its Budget without consulting with and seeking approval from the Constituent Councils.
- 55.2 As a matter of record, Schedule 2, Clause 25 (5) is that the Authority may, in a financial year, after consultation with the Constituent Councils, incur spending before adoption of its Budget for the year, but the spending must be provided for in the appropriate Budget for the year.

## PART 15—SHARES

**56. ABOUT SHARES**

A Share means a Constituent Council's percentage share in the assets, liabilities and revenue of the Authority (after deducting Non-core Assets and Non-core Liabilities) as between all the Constituent Councils in accordance with this Part 15.

To avoid doubt, a third party dealing with the Authority is entitled to have recourse to all the Constituent Councils jointly and severally, regardless of the Shares of the Constituent Councils.

**57. VARIATION OF SHARES**

- 57.1 At the date of operation of this Charter the Constituent Councils' shares in the Authority are equal.
- 57.2 At any time, all the Constituent Councils may in writing agree to vary the Share of one or more of them.
- 57.3 The Shares must be reviewed and, as necessary, varied each time:
- 57.3.1 a council is admitted to the Authority as a Constituent Council;
  - 57.3.2 a Constituent Council amalgamates with another council; or
  - 57.3.3 a Constituent Council resigns from the Authority.
- 57.4 Notwithstanding the above, it is recognised and agreed that the Shares of the Constituent Councils immediately preceding the date of operation of this Charter are as follows:
- |   |        |
|---|--------|
| City of Burnside                        | 18.90% |
| City of Norwood Payneham and St. Peters | 16.93% |
| Corporation of the Town of Walkerville  | 3.23%  |
| City of Mitcham                         | 26.24% |
| City of Campbelltown                    | 19.83% |
| Adelaide Hills Council                  | 14.87% |
- 57.5 It is agreed between the Constituent Councils that the Constituent Councils are liable to contribute to any debts and liabilities of the Authority incurred prior to the date of operation of this Charter (including in relation to the depreciated value of any asset acquired and for any losses under contract entered into before that date) in the Shares set out at Clause 57.4 above.

## PART 16—FUNDING

**58. FUNDING**

The Authority may decline to take any action where funds then available to the Authority are in the Board's opinion insufficient to defray the costs of such action and any debt or liability that may result.

**59. CONSTITUENT COUNCIL CONTRIBUTIONS TO WORKING CAPITAL**

- 59.1 This Clause applies only to a Core Activity.
- 59.2 A Constituent Council must contribute to the Authority such amounts at such times as the Budget requires (after deducting from the Budget any amounts identified as Non-core Assets and Non-Core Liabilities).
- 59.3 If the Budget does not specify a fixed dollar amount to be payable by the Contributor, the Constituent Council may require as a condition of payment that the Authority first provide an itemised estimate of the Core Activity expenditure reasonably expected to be incurred and which that contribution is to defray (after adjustments for payments previously made by that Constituent Council).
- 59.4 The Authority must use contributions received from a Constituent Council only for the purposes of a Core Activity as set out in the Budget.
- 59.5 If a Constituent Council (a Defaulter) fails to pay its full contribution so required when due:
- 59.5.1 the Defaulter must pay to the Authority interest on that amount at the official Reserve Bank Cash Rate Target plus 10% per annum from the due date to the date of actual payment;
  - 59.5.2 the Authority may recover that amount and that interest from the Defaulter as a debt;
  - 59.5.3 the Authority may, without prejudicing its other rights, set off any moneys otherwise payable by the Authority to the Defaulter against that amount and interest; and
  - 59.5.4 if the default continues for at least 14 days:
    - (a) the Authority must notify all Constituent Councils (including the Defaulter) of the fact and details of the default; and

- (b) Constituent Councils other than the Defaulter must together lend to the Authority an amount (equal to the amount not paid by the Defaulter) in such proportions as they may agree or failing agreement between themselves, in the proportion that their Share bears to the total Shares held by those Constituent Councils making such loan, for repayment when and to the extent the Defaulter makes good the contribution and accrued interest.

#### **60. DEBT FUNDING**

The Authority may borrow or raise money from the Local Government Finance Authority or a bank of such amount(s) as provided for in a Business Plan and Budget approved by the Constituent Councils.

#### **61. DISTRIBUTIONS TO CONSTITUENT COUNCILS**

The Authority must pay or credit surplus funds to the Constituent Councils in proportion to their Shares to the extent the Board determines the Authority can afford to pay having regard to future expenditure the Business Plan anticipates be incurred.

#### **62. CONTRIBUTIONS ON INSOLVENCY**

On the insolvency of the Authority, and subject to Clause 57 of this Charter, each Constituent Council must contribute in proportion to their Share to the debts and liabilities of the Authority and otherwise as incurred while the Constituent Council is a Constituent Council.

### **PART 17—ASSETS**

#### **63. ACQUISITION OF ASSETS**

The Authority may in accordance with this Charter acquire such assets (real or personal) as its Business Plan provides or otherwise pursuant to a Unanimous Decision of the Constituent Councils.

#### **64. DISPOSAL OF ASSETS**

The Authority may dispose of (personal) assets as its Business Plan provides, or at the end of the asset's economic life.

#### **65. INVESTMENTS**

In accordance with its Business Plan and Budget the Authority may invest in the items below:

- 65.1 in waste management infrastructure and ancillary land;
- 65.2 in plant and equipment to store, transfer and/or treat waste;
- 65.3 in plant and equipment to transport waste from properties to an appropriate place of storage and/or disposal; and
- 65.4 cash on interest-bearing deposit with any bank

#### **66. INTERESTS IN COMPANIES**

As a matter of record, Schedule 2, Clause 39 of the Act prohibits the Authority from having an interest in most companies.

### **PART 18—INSURANCE**

#### **67. INSURANCE**

- 67.1 The Authority must register with the *Local Government Association Mutual Liability Scheme* and comply with the rules of that Scheme.
- 67.2 If the Authority employs any person, it must register with the *Local Government Superannuation Scheme* and the *Local Government Association Workers Compensation Scheme* and comply with the rules of those Schemes.

### **PART 19—FINANCIAL PRACTICES**

#### **68. ACCOUNTING RECORDS**

The Authority must comply with Section 124 of the Act as if the Authority were a council.

#### **69. ABOUT ACCOUNTING FOR SERVICES**

The Authority must keep accounting records in relation to services in such manner as will enable the calculation of Constituent Councils' contributions to, expenditure on and revenue from that service separately.

#### **70. OTHER FINANCIAL PRACTICES**

Except as may be stated elsewhere in this Charter or required by law, there are no special accounting, internal auditing or financial systems or practices to be established or observed by the Authority.

### **PART 20—ACCESS TO INFORMATION**

#### **71. ACCESS TO RECORDS**

A Constituent Council and a Director each has a right to inspect and take copies of the books and records of the Authority for any proper purpose.

#### **72. PROVISION OF INFORMATION**

As a matter of record Schedule 2, Clause 27 of the Act entitles each Constituent Council to be furnished with information or records of the Authority.

#### **73. BOARD REPORTS**

The Authority must provide Board reports to the Directors and Constituent Councils in accordance with this Charter and otherwise at such times, in such format and with such content as the Board may determine.

#### **74. ANNUAL REPORTS**

- 74.1 As a matter of record, Schedule 2, Clause 28 of the Act requires the Authority to furnish an annual report to the Constituent Councils.
- 74.2 The annual report will be in such format and include such content as the Constituent Councils may prescribe by Absolute Majority.
- 74.3 The annual report must be delivered to the Councils on or before 30 September in each year subsequent to the financial year to which the report relates.

## PART 21—DISPUTE RESOLUTION

**75. DISPUTE RESOLUTION****75.1 About this clause:**

- 75.1.1 The procedure in this Clause must be applied to any dispute that arises between the Authority and a Constituent Council concerning the affairs of the Authority, or between Constituent Councils concerning the affairs of the Authority, including a dispute as to the meaning or effect of this Charter and whether the dispute concerns a claim in common law, equity or under statute.
- 75.1.2 The Authority and a Constituent Council must continue to observe and perform this Charter despite the application or operation of this clause.
- 75.1.3 This Clause does not prejudice the right of a party:
- (a) to require the continuing observance and performance of this Charter by all parties; or
  - (b) to institute proceedings to enforce payment due under this Charter or to seek injunctive relief to prevent immediate and irreparable harm.
- 75.1.4 Pending completion of the procedure set out in this clause, and subject to this clause, a dispute must not be the subject of legal proceedings between any of the parties in dispute. If legal proceedings are initiated or continued in breach of this provision, a party to the dispute is entitled to apply for and be granted an order of the court adjourning those proceedings pending completion of the procedure set out in this clause.
- 75.2 Step 1: Notice of dispute:** A party to the dispute must promptly notify each other party to the dispute:
- 75.2.1 the nature of the dispute, giving reasonable details;
  - 75.2.2 what action (if any) the party giving notice thinks will resolve the dispute; and
- but a failure to give such notice does not entitle any other party to damages.
- 75.3 Step 2: Meeting of the parties:** A party to the dispute who complies with the previous step may at the same or a later time notify each other party to the dispute that the first party requires a meeting within 14 business days after the giving of such notice. In that case, each party to the dispute must send to the meeting a senior manager of that party with the Board to resolve the dispute and at the meeting make a good faith attempt to resolve the dispute.
- 75.4 Step 3: Mediation:** Despite whether any previous step was taken, a dispute not resolved within 30 days must be referred to mediation, as to which:
- 75.4.1 the mediator must be a person agreed by the parties in dispute or, if they cannot agree within 14 business days, a mediator nominated by the then President of the South Australian Bar Association (or equivalent officer of any successor organisation);
  - 75.4.2 the role of a mediator is to assist in negotiating a resolution of a dispute. A mediator may not make a decision binding on a party unless that party has so agreed in writing;
  - 75.4.3 the mediation must take place in a location in Adelaide agreed by the parties;
  - 75.4.4 a party in dispute must co-operate in arranging and expediting mediation;
  - 75.4.5 a party in dispute must send to the mediation a senior manager with authority to resolve the dispute;
  - 75.4.6 the mediator may exclude lawyers acting for the parties in dispute and may co-opt expert assistance as the mediator thinks fit;
  - 75.4.7 a party in dispute may withdraw from mediation if there is reason to believe the mediator is not acting in confidence, or with good faith or is acting for a purpose other than resolving the dispute;
  - 75.4.8 unless otherwise agreed in writing:
    - (a) everything that occurs before the mediator is in confidence and in closed session;
    - (b) discussions (including admissions and concessions) are without prejudice and may not be called into evidence in any subsequent litigation by a party;
    - (c) documents brought into existence specifically for the purpose of the mediation may not be admitted in evidence in any subsequent legal proceedings by a party;
    - (d) the parties in dispute must report back to the mediator within 14 business days on actions taken, based on the outcome of the mediation;
  - 75.4.9 a party in dispute need not spend more than one day in mediation for a matter under dispute;
  - 75.4.10 a party in dispute must bear an equal share of the costs and expenses of the mediator and otherwise bears their own costs.
- 75.5 Step 4: Arbitration:** Despite whether any previous step was taken, a dispute not resolved within 60 days must be referred to arbitration, as to which:
- 75.5.1 there must be only one arbitrator and who is a natural person agreed by the parties or, if they cannot agree within 14 business days, an arbitrator nominated by the then Chairperson of The Institute of Arbitrators and Mediators Australia (South Australian Chapter);
  - 75.5.2 the role of the arbitrator is to resolve the dispute and make decisions binding on the parties;
  - 75.5.3 the arbitration must take place in an agreed location in Adelaide;
  - 75.5.4 a party must co-operate in arranging and expediting arbitration;
  - 75.5.5 a party must send to the arbitration a senior manager with authority to resolve the dispute;
  - 75.5.6 the parties may provide evidence and given written and verbal submissions to the arbitrator within the time set by the arbitrator;
  - 75.5.7 the arbitrator must:
    - (a) consider the evidence and submissions;
    - (b) decide the dispute; and



- (c) give written reasons to each party;
- 75.5.8 subject to this clause, the arbitration must take place under Rules 5 to 18 (inclusive) of the Rules of The Institute of Arbitrators and Mediators for the Conduct of Commercial Arbitrations and the provisions of the Commercial Arbitration Act 1986 (S.A.) and which Rules are taken to be incorporated by reference into this clause or subject to this clause, the arbitrator must fix the rules of arbitration;
- 75.5.9 the costs and expenses of the arbitrator and of each party must be borne as the arbitrator decides.

#### PART 22—WINDING UP

##### **76. WINDING UP**

The Authority may be wound up in circumstances as Schedule 2, Clause 33 (1) of the Act allows or requires.

##### **77. DISTRIBUTION OF ASSETS AND LIABILITIES ON WINDING UP**

In the event the Authority commences to wind up and except to any extent the Board unanimously determines otherwise, the Authority must divide among the Constituent Councils in kind all of the Authority's assets and liabilities in proportion to their Shares or as otherwise agreed by Unanimous Decision of the Constituent Councils.

#### PART 23—COMMITTEES

##### **78. COMMITTEES**

- 78.1 The Board may establish a committee of Directors for the purpose of enquiring into and reporting to the Board on any matter within the Authority's functions and powers and as detailed in the terms of reference given by the Board to the committee.
- 78.2 A member of a committee established under this Clause holds office at the pleasure of the Board.
- 78.3 The Board may establish advisory committees consisting of or including persons who are not Directors for enquiring into and reporting to the Board on any matter within the Authority's functions and powers and as detailed in the terms of reference which must be given by the Board to the advisory committee.
- 78.4 A member of an advisory committee established under this Clause holds office at the pleasure of the Board.

#### PART 24—OTHER MATTERS

##### **79. EXECUTION OF DOCUMENTS**

The Chief Executive Officer must maintain a register of use of the Common Seal. As a matter of record, Schedule 2, Clause 37 of the Act governs the execution of documents by the Authority.

##### **80. PRINCIPAL OFFICE**

The Authority's principal office is at 1 Temple Court, Ottoway, S.A. 5013 or as the Board may determine otherwise.

##### **81. SERVICE OF DOCUMENTS**

A document to be given by the Authority to a Constituent Council, or by a Constituent Council to the Authority may be given in a manner Section 280 of the Act permits. A written notice given by the Authority to a Constituent Council must be marked, 'Attention: Chief Executive Officer'.

##### **82. CIRCUMSTANCES NOT PROVIDED FOR**

If any circumstances arise about which this Charter is silent, incapable of taking effect or being implemented according to its terms, the Board may consider the circumstances and determine the action to be taken.

The undersigned (being each Council specified in the Charter) agree to the above as the charter of the Authority.

## EAST WASTE

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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<b>REPORT SUBJECT:</b>	<b>Audit &amp; Risk Management Committee Independent Membership Expiry</b>
<b>REPORT AUTHOR:</b>	<b>General Manager</b>
<b>MEETING DATE:</b>	<b>Thursday 21 September 2017</b>
<b>ATTACHMENTS:</b>	<b>Audit and Risk Management Committee Terms of Reference</b>

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

To provide the Board with information with respect to the expiry and recruitment of an Independent Member of the Audit & Risk Management Committee.

#### **Background**

As per the Terms of Reference of the East Waste Audit and Risk Management Committee (refer attachment a), membership is comprised of five (5) members, three of whom are Board Members (with one acting as Chair) and two (2) Independent Members. The term of Mr. Leigh Hall, a current Independent Member expired on 30 June 2017 and as such is required to be reappointed or a public Expression of Interest called for.

#### **Report**

Mr Leigh Hall was reappointed to the Audit and Risk Management Committee for a second term in 2015, with his term expiring on 30 June 2017.

As the Board to date, have not undertaken a process for reappointment or appointment of a new Member, this is the first Committee meeting of the financial year and the financial year accounts for 2016/17 have not yet been finalised, it was appropriate for Mr Leigh Hall to extend his term for the September 2017 meeting.

The Terms of Reference advise, *“Expressions of Interest for the Independent Members shall be sought by the Board by way of a public advertisement and be for a maximum term of two (2) years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to the Board’s Elected Members, hence their terms will expire in alternate years. Independent Members are eligible for reappointment.”*

Given the above the Board has the opportunity to undertake a public advertisement to seek Expressions of Interest, or alternatively as Mr Hall is an existing Independent Member he can be reappointed. Mr Hall has advised he is willing to undertake a further two (2) year appointment.

#### **RECOMMENDATION**

- 1. That the Board reappoint Mr Leigh Hall as an Independent Member to the East Waste Audit and Risk Management Committee for a further two years, with his term expiring on 30 June 2019.**

## Terms of Reference – Eastern Waste Management Authority Audit and Risk Management Committee

1. Establishment	1. The Eastern Waste Management Authority (East Waste) Audit and Risk Management Committee is established under Section 41 of the Local Government Act 1999 (the Act), for the purposes of Section 126 of the Act.
2. Title	1. The East Waste Audit and Risk Management Committee shall be known as the “Committee”.
3. Purpose	<p>1. The principal objective of the Committee is to add value to, and improve, East Waste’s operations, by assisting the Board to meet its legislative and probity requirements as required by the Local Government Act 1999 (as amended) and other relevant Legislation, Standards and Codes.</p> <p>2. The Committee will assist the Board in monitoring the accounting, audit, legislative compliance, financial and strategic risk management, governance and reporting practices.</p> <p>3. The primary objective of the Committee is to assist East Waste in the effective conduct of its responsibilities for financial reporting, management of risk and maintaining a reliable system of internal controls.</p> <p>4. The Committee is established to assist the co-ordination of relevant activities of management and with the external auditor to facilitate achieving overall organisational objectives in an efficient and effective manner.</p> <p>5. As part of East Waste’s Governance obligations to its Constituent Councils, the Board has constituted a Committee to facilitate:</p> <ol style="list-style-type: none"> <li>1. the enhancement of the credibility and objectivity of internal and external financial reporting;</li> <li>2. effective management of financial and other risks and the protection of East Waste’s assets;</li> <li>3. compliance with laws and regulations as well as use of best practice and Governance guidelines;</li> <li>4. the effectiveness of the external audit;</li> <li>5. the provision of an effective means of communication between the external auditor, management and the Board.</li> </ol> <p><b>Financial Reporting</b></p> <p>6. The Committee shall monitor the integrity of the financial statements of East Waste, including its Annual Report, reviewing significant financial reporting issues and judgements which they contain.</p> <p>7. The Committee shall review and make recommendations to the Board (where necessary) regarding:</p> <ol style="list-style-type: none"> <li>1. the assumptions, indexation, and indicators used in the preparation of financial statements;</li> <li>2. the consistency of, and/or any changes to, accounting policies;</li> <li>3. the methods used to account for significant or unusual transactions where different approaches are possible;</li> <li>4. whether East Waste has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;</li> </ol>

## Terms of Reference – Eastern Waste Management Authority Audit and Risk Management Committee

	<p>5. the clarity of disclosure in East Waste’s financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).</p> <p><b>External Audit</b></p> <p>8. The Committee shall:</p> <ol style="list-style-type: none"> <li>1. develop and implement a policy on the supply of non-audit services by the external auditor, taking into the account any relevant ethical guidance on the matter;</li> <li>2. review the terms appointment of the external auditor;</li> <li>3. consider and make recommendations to the Board, in relation to the appointment, re-appointment and removal of East Waste’s external auditor;</li> <li>4. oversee East Waste’s relationship with the external auditor at the direction of the Board, but not limited to:             <ol style="list-style-type: none"> <li>a. recommending the approval of the external auditor’s remuneration, whether fees for audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;</li> <li>b. recommending the approval of the external auditor’s terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;</li> <li>c. assessing the external auditor’s independence and objectivity taking into account relevant professional and regulatory requirements and the extent of East Waste’s relationship with the auditor, including the provision of any non-audit services;</li> <li>d. satisfying itself that there are not relationships (such as family, employment, investment, financial or business) between the external auditor and East Waste (other than the ordinary course of business);</li> <li>e. monitoring the external auditor’s compliance with legislative requirements on the rotation of audit partners;</li> <li>f. assessing the external auditor’s qualifications, expertise and resources and the effectiveness of the audit process.</li> </ol> </li> <li>5. review and make recommendation on the annual audit plan, which is to define the dates and timing for the interim and full audit, and the bringing forward of any recommendation to the Committee and Board;</li> <li>6. review any representation letter requested by the external auditor before they were signed by management; and</li> <li>7. review the management letter and management’s response to the external auditors findings and recommendations.</li> </ol> <p><b>Internal Controls and Risk Management</b></p> <p>9. The Committee shall review and make recommendations to the Board (where necessary) regarding:</p> <ol style="list-style-type: none"> <li>1. the application, updating (where relevant) and continued compliance with East Waste’s Risk Management Framework;</li> <li>2. the effectiveness of East Waste’s internal controls;</li> </ol>
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## Terms of Reference – Eastern Waste Management Authority Audit and Risk Management Committee

	<ol style="list-style-type: none"> <li>3. the approval, where appropriate, of statements to be included in the Annual Report concerning internal controls and risk management; and</li> <li>4. the process and probity of tenders and significant transactions exceeding \$100,000 or as directed by the Board.</li> </ol> <p><b>Whistleblowing/Fraud and Corruption Monitoring</b></p> <p>10. The Committee shall review East Waste’s arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.</p> <p><b>Reporting Requirements</b></p> <p>11. The Committee shall make recommendations to the Board as it deems appropriate on any area within its terms of reference where in its view action or improvement is needed.</p> <p>12. The Committee shall after every meeting forward the minutes of that meeting to the next ordinary meeting of the Board.</p> <p>13. The Committee shall report annually to the Board summarising the activities of the Committee during the previous financial year.</p>
<p>4. Membership</p>	<ol style="list-style-type: none"> <li>1. Members of the Committee shall be appointed by the Board of East Waste. The Committee shall consist of five members, three of whom shall be Members of the Board (one of whom is the Chairperson) and two members who are not a member of the Board (independent members).</li> <li>2. One independent member of the Committee must have financial experience relevant to the functions of the Committee as determined by the Board.</li> <li>3. One independent member of the Committee must have experience in the field of legal practitioner and/or risk management and/or governance as determined by the Board.</li> <li>4. Expressions of Interest for the Independent Members shall be sought by the Board by way of a public advertisement and be for a maximum term of two (2) years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to the Board’s Elected Members, hence their terms will expire in alternate years. Independent Members are eligible for reappointment.</li> <li>5. Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for decision. The Chairperson has a deliberative vote but does not, in the event of an equality of votes, have a casting vote.</li> <li>6. The General Manager and other East Waste employees as directed by the General Manager may attend any meeting as observers or be responsible for preparing papers for the Committee.</li> </ol>

## Terms of Reference – Eastern Waste Management Authority Audit and Risk Management Committee

	<p>7. East Waste’s auditor may be invited to attend meetings of the Committee but must attend meetings considering the draft annual financial report and results of the external audit.</p> <p>8. Board Member appointments to the Committee shall be for a period of twelve months from the date of appointment, and are eligible for reappointment. Board Member nominations and appointments are to be made by the East Waste Board at their final meeting of each calendar year.</p>
5. Chairperson	1. The Chairperson of the Committee shall be the Chairperson of the Board.
6. Conflict of Interest	1. Applies to all Committee members as per Local Government Act 1999 Part 4 Division 3.
7. Register of Interest	1. Division 2 of Part 4, Chapter 5 of the Local Government Act 1999 applies to the members of the Committee.
8. Frequency of Meetings	1. The Committee shall meet at least quarterly and precede Board meetings.
9. Notice of Meetings	<p>1. Ordinary meetings of the Committee will be held at times and places determined by the Committee. A special meetings of the Committee may be called in accordance with the Act.</p> <p>2. Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, the Board, and any observers, no later than 3 clear days before the date of the meeting. Supporting papers shall be sent to Committee members (and to other attendees as appropriate) and the Board at the same time.</p> <p>3. In accordance with Section 90(1) of the Act, the proceedings of Committee meetings shall be open to the public.</p>
10. Procedures at Meeting	<p>1. As per Local Government (Procedures of Meetings) Regulations 200 Parts 3 and 4.</p> <p>2. All business put to the Committee will be brought forward to a meeting by motion, recommendation, staff report or other business.</p> <p>3. Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for a decision.</p> <p>4. The Chairperson of the meeting will have a deliberative vote only.</p> <p>5. The Chairperson shall ensure that the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance, are minuted and that the minutes otherwise comply with the requirements of the Local Government (Procedure at Meetings) Regulations 2000.</p> <p>6. Minutes of Committee meetings shall be circulated within 5 days after a meeting to all members of the Committee and will be forwarded to the subsequent ordinary meeting of the Board.</p>

## Terms of Reference – Eastern Waste Management Authority Audit and Risk Management Committee

11. Secretarial Resources	1. The General Manager, East Waste shall provide administrative resources to the Committee to enable it to adequately carry out its functions.
12. Quorum	1. The quorum necessary for the transaction of business shall be three members. A duly convened meetings of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
13. General	1. The Terms of Reference of the East Waste Audit and Risk Management Committee shall be reviewed at least once every three years, or where legislative changes dictate amendments.

## EAST WASTE

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

### Agenda Item 7.7

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**REPORT SUBJECT:** City of Norwood, Payneham & St Peters – Unauthorised Mobile Garbage Bin Collections Review

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 21 September 2017

**ATTACHMENTS:** Nil

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#### Purpose of the Report

To provide the Board with an update regarding the East Waste audit completed on Unauthorised Garbage Bin Collections throughout the City of Norwood, Payneham & St Peters.

#### Report

At the meeting held 27 April 2017, the East Waste Board resolved:

**6.7 CORRESPONDENCE RECEIVED FROM CITY OF NORWOOD PAYNEHAM & ST PETERS –  
UNAUTHORISED MOBILE GARBAGE BIN COLLECTIONS**

*Moved Mr Di Iulio that the Report is received and noted, and the Board will review the results of the City of Norwood, Payneham & St Peters audit process.*

*Seconded Cr Busato*

**Carried**

East Waste commenced an audit on unauthorised garbage bins on behalf of the City Norwood, Payneham & St Peter in March 2017. During the audit, it became obvious that the task was more complex than initially thought principally due to the following reasons:

- Not all residents place each bin out for collection each and every nominated collection day/week;
- It was extremely difficult to determine the ownership of a bin to a property. This was compounded where associated with units and extremely difficult in laneways; and
- Establishing the ownership of numerous bins in large Commercial sites with multiple businesses/tenants.

In order to achieve the highest level of accuracy with the mobile garbage bin audit, East Waste employed three layers of audit methodology, being:

1. Desktop audit (4 weeks) – this was a validation of the number of collections registered in each collection vehicle against the number of Service Entitled Premises (SEPs). A SEP was defined as a property (residential, commercial and non-rateable) that is eligible to receive the kerbside 3 bin system. Allowances were made to accommodate the legitimate second bins as per Councils Second Bin Register.
2. Field audit (drivers) (4 weeks) – the collection drivers servicing the Council area were instructed to identify each unauthorised mobile garbage bin by registering an “exception event” on their in-cab GPS fleet management system. These events are recorded in real time in East Wastes fleet management system providing an electronic record of the unauthorised bin and its location.



## EAST WASTE

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3. Field audit (supervised) (5weeks) – following a review of the driver field audit data, a second round of field audits were conducted, this time accompanied by a Supervisor or Manager to manually mark down each unauthorised mobile garbage bin and its address.

The results of the audits are detailed in Table 1 (refer Table 1).

**Table 1: Results of NPSP unauthorised Bin Audit**

<b>Audit Method</b>	<b>Results</b>	<b>Commentary</b>
<b>Desktop</b>	<ul style="list-style-type: none"> <li>• There are less bins collected than there are SEPs</li> </ul>	<ul style="list-style-type: none"> <li>• This is due to presentation rates.</li> </ul>
<b>Field Audit (drivers)</b>	<ul style="list-style-type: none"> <li>• Residential 0-1% unauthorised bins</li> <li>• Laneways 1-2% unauthorised bins</li> <li>• Commercial 3-4%</li> </ul>	<ul style="list-style-type: none"> <li>• Primarily green organics bins.</li> <li>• Evidence of “double dipping” where resident places bins out in laneway and again on road frontage.</li> <li>• Difficult to determine ownership of bins against properties.</li> </ul>
<b>Field Audit (supervised)</b>	<ul style="list-style-type: none"> <li>• Residential 1-2% unauthorised bins</li> <li>• Laneways 2-4%% unauthorised bins</li> <li>• Commercial 6-8%</li> </ul>	<ul style="list-style-type: none"> <li>• Primarily green organics bins.</li> <li>• Evidence of “double dipping” where resident places bin out in laneway and again on road frontage.</li> <li>• Difficult to determine ownership of bins against properties.</li> </ul>

The audit has highlighted the number and extent of unauthorised mobile garbage bins is significantly less than previously thought, and represents an over servicing cost in the range of \$16,500 - \$33,000. The rate is still less than the total SEP and any short-term resolution measure employed by the Council would likely outweigh the financial benefit derived.

Defined tracking of individual bins via RFID tags will ultimately eliminate ‘double dipping’ however Administration’s assessment is that this is only cost effective as part of a new bin rollout, with retrofitting being economically unviable.

### **RECOMMENDATION**

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

## EAST WASTE

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### Agenda Item 7.8

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**REPORT SUBJECT:** 2017/2018 Annual Plan Progress Report

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 21 September 2017

**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 2017/2018 Annual Plan.

#### **Report**

The attached matrix provides a snapshot 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.**

## Year To Date Annual Plan Matrix

Annual Plan 2017 - 2018				
Activities	Annual Plan Reference	Commenced	Completed	Comments
Consultative Committee	3.1.1	x		Committee established. First meeting scheduled for October
Risk Management Software (Skytrust)	3.1.2	x		Installed with initial reporting underway. Full capabilities and value to EW of system to be further explored
Payroll Software Integration	3.1.3	x		Kronos system installed, full integration with Payroll expected within 3 months
Business Continuity ITC	3.1.4	x	x	Transfer to cloud based storage completed
Service Level Agreements (SLAs)	3.1.5			SLAs for all Councils/services scheduled for activation in final quarter
Detailed Investigation into Gas Fleet	3.2.1	x		Preliminary report to be reviewed. Commence Second Quarter
Purchase of 4 Robotic Arm Collection Vehicles (RACV)	3.2.2	x	x	Completed - trucks ready for City of Prospect contract
Receipt of Recyclables Contract (Auditing)	3.2.3	x		Audits scheduled for third Quarter
Hard Waste Services	3.2.4	x		All Member Councils now utilising EW for Hard Waste Collection. Truck ordered, scheduled for Nov delivery
Multi-Unit Dwellings/Council Vehicles	3.2.5	x		Preliminary work undertaken
Generator (back-up power supply)	3.2.6	x		Anticipated installation second Quarter
Bin Sensor Technology (public place bins)	3.2.7	x		Trials across three Councils underway, along with detailed assessment of data and financial viability
Litter Collection Services	3.2.8	x		City of Campbelltown commenced. Formal offering to Councils not yet accessing the service to be considered
Weekly Organics Collection Analysis	3.2.9	x		Independent analysis received and currently being reviewed
WHS Committee Meetings	3.3.2	x		Meeting schedule being adhered to. Ongoing
Independent Fleet Audit	3.3.3	x		Audit currently being undertaken. Final report to follow
Certificate IV in Training and Assessment	3.3.4	x		Key staff identified and training commenced
Why Waste It? Phase 2 Rollout	3.4.1	x		Phase 2 rollout commenced. My Local Services App actively progressed
Operations Assistance Committee	3.4.2	x		Ongoing and effective. Quarterly meetings scheduled
Staff Satisfaction Survey (Full)	3.4.3			Pulse survey only due. Anticipated commencement in fourth Quarter
Customer Satisfaction Survey (Full)	3.4.4			Pulse survey only due. Anticipated commencement in fourth Quarter
10 Year Business Plan Consultation	3.4.5			Anticipated commencement in second Quarter

## EAST WASTE

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### Agenda Item 7.9

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<b>REPORT SUBJECT:</b>	<b>City of Prospect Incoming Member Council Update</b>
<b>REPORT AUTHOR:</b>	<b>Business Improvement Manager (Corporate)</b>
<b>MEETING DATE:</b>	<b>Thursday 21 September 2017</b>
<b>ATTACHMENTS:</b>	<b>Member Council Letters of Endorsement</b>

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#### Purpose of the Report

To provide the Board with an update regarding City of Prospect's application to join East Waste as a Member Council.

#### Background

At the 29 June 2017 Board Meeting, Members resolved:

1. That the Board authorise the General Manager to write to City of Prospect seeking their letter of application and business case as per the East Waste Charter to request to become a Member Council of East Waste, and
2. That the Board support the inclusion of City of Prospect as an Incoming Constituent Council of East Waste subject to City of Prospect accepting the Charter and equity loan payable, with no joining fee applicable, and
3. That the Board authorise the General Manager to engage with Member Councils seeking absolute majority approval, accepting City of Prospect's application to become a Member Council, and:
4. That subsequent to resolution (3) above that the Board authorise the General Manager to write to, and seek the approval of, the Minister of Local Government.

#### Report

In accordance with the resolution of the Board, I am able to provide the following status update:

1. Completed
2. East Waste formally wrote to City of Prospect and advised in person of the Board's resolution regarding the contribution to the equity loan, with no joining fee applicable. City of Prospect is aware of their requirement to contribute to the equity loan for the remainder of the life of the loan
3. An Agenda Paper was tabled before Elected Members of each respective Member Council seeking unanimous approval for the City of Prospect to join East Waste as a Member Council, together with the necessary amendments to the East Waste Charter. All Member Councils unanimously approved City of Prospect's application and the amendments to the Charter (see attached Letters of Endorsement)
4. East Waste's General Manager formally wrote to the Minister for Local Government on 10 August 2017. At the time of writing this Agenda Paper, East Waste had not yet received a response from the Minister's Office, however East Waste continues to monitor the Minister's progress.

In addition to the abovementioned governance requirements East Waste has continued to progress operational and administration requirements in anticipation of the commencement of services scheduled for 2 October 2017. East Waste is ready to provide full services to City of Prospect effective from this date.

## **EAST WASTE**

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Further, City of Prospect are in the process of nominating a Director to join the East Waste Board. Subject to Minister approval and the commencement of services, City of Prospect's nominated Director will sit as a member of the East Waste Board at the next scheduled meeting to be held 16 November 2017.

### **RECOMMENDATION**

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

26 July 2017

Mr Shane Raymond  
Business Development Manager - Corporate  
East Waste  
PO Box 26  
MANSFIELD PARK SA 5012

Dear Shane,

**Resolution from Council meeting 25 July 2017**

Thank you for attending the 25 July 2017 Council Meeting in support of the confidential agenda item relating to the Constituent Council membership of East Waste.

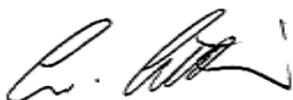
Whilst there were no questions from Council Members in relation to the report, I am sure they appreciated your attendance at the meeting to support the proposal. As you are aware, Council Members adopted the recommendation in support of the change to the Constituent Council membership of East Waste and therefore this outcome can be advised to the East Waste Board.

The resolution reads:

- 1. That the report be received and noted*
- 2. That Council approves the City of Prospect's application to become a Constituent Council of the Eastern Waste Management Authority, and the subsequent revision of shares*
- 3. That the definition of 'Constituent Council' as it appears in the Eastern Waste Management Authority Charter be amended to insert the words 'The City of Prospect' after the words 'Corporation of the Town of Walkerville' where it appears in clause 1 of the Charter*
- 4. That clause 21.1 of the Eastern Waste Management Authority Charter, which deals with the 'Appointment of Directors' be amended to delete the word 'seven' where it appears in that clause and replace it with the word 'eight'.*

Once again, thank you for attending the meeting and I look forward to the benefits realised from the membership change.

Yours sincerely,



**Andrew Aitken**  
Chief Executive Officer

**From:** Robert Dabrowski [<mailto:RDabrowski@burnside.sa.gov.au>]  
**Sent:** Friday, 28 July 2017 3:45 PM  
**To:** Shane Raymond <[Shane@eastwaste.com](mailto:Shane@eastwaste.com)>; Adam Faulkner <[Adam@eastwaste.com](mailto:Adam@eastwaste.com)>  
**Cc:** 'Paul Di Iulio' <[pdiulio@campbelltown.sa.gov.au](mailto:pdiulio@campbelltown.sa.gov.au)>; 'Kiki Magro' <[kmagro@walkerville.sa.gov.au](mailto:kmagro@walkerville.sa.gov.au)>;  
 'aaitken@ahc.sa.gov.au' <[aaitken@ahc.sa.gov.au](mailto:aaitken@ahc.sa.gov.au)>; Matthew Pears  
 <[mpears@mitchamcouncil.sa.gov.au](mailto:mpears@mitchamcouncil.sa.gov.au)>; Paul Deb <[PDeb@burnside.sa.gov.au](mailto:PDeb@burnside.sa.gov.au)>; 'Mario Barone'  
 <[mbarone@npsp.sa.gov.au](mailto:mbarone@npsp.sa.gov.au)>  
**Subject:** FW: Eastwaste - City of Prospect

Dear Shane

As discussed via phone earlier this week please note that at the Council meeting held 25 July 2017 Council resolved as follows in regards to the matter of the City of Prospect becoming a Constituent Council of East Waste.

Thank you for your time at the information session.

Warm regards  
 Rob

Moved Councillor Davis, Seconded Councillor Piggott

CARRIED

### Motion

C11317

1. That the Report be received.
2. That Council approve the application received from the City of Prospect to become a Constituent Council of East Waste, and the subsequent revision of shares.
3. That the definition of 'Constituent Council' as it appears in the East Waste Charter be amended to insert the words 'The City of Prospect' after the words 'Corporation of the Town of Walkerville', where it appears in clause 1 of the Charter.
4. That clause 21.1 of the East Waste Charter, which deals with the 'Appointment of Directors', be amended to delete the word 'seven' where it appears in that clause and replace it with the word 'eight'.
5. That City of Burnside anticipates the distribution of East Waste equity balances to existing member Councils prior to admission of the City of Prospect.

Moved Councillor Piggott, Seconded Councillor Ford

CARRIED UNANIMOUSLY



**Robert Dabrowski** | Executive Officer to the CEO & Mayor  
 City of Burnside | 401 Greenhill Road Tasmore SA 5065

P: 08 8366 4205 | F: 08 8366 4299  
[RDabrowski@burnside.sa.gov.au](mailto:RDabrowski@burnside.sa.gov.au)  
[www.burnside.sa.gov.au](http://www.burnside.sa.gov.au)



PD:MdB  
Container Ref: B3050

Enq: Simon Zbierski  
Ph: 8366 9289

19 July 2017

Mr Adam Faulkner  
General Manager  
East Waste  
PO Box 26  
MANSFIELD PARK SA 5012



Dear ~~Mr~~ <sup>Adam</sup> Faulkner

#### **Application from the City of Prospect to join East Waste**

I refer to your correspondence of 29 June 2017 and wish to advise that at its meeting held on Tuesday 18 July 2017 Council approved:

- (a) the City of Prospect's application to become a Constituent Council of East Waste, and the subsequent revision of shares
- (b) the definition of 'Constituent Council' as it appears in the East Waste Charter being amended to insert the words 'The City of Prospect' after the words 'Corporation of the Town of Walkerville' where it appears in clause 1 of the Charter
- (c) that clause 21.1 of the East Waste Charter, which deals with the 'Appointment of Directors', be amended to delete the word 'seven' where it appears in that clause and replace it with the word 'eight'.

If you have any queries please contact me on the above number.

Yours sincerely

Paul Di Iulio  
Chief Executive Officer





CITY OF  
MITCHAM

31 July 2017

Phone: 8372 8888  
Our Ref: 17.91302

Mr Shane Raymond  
Acting General Manager  
East Waste  
PO Box 26  
MANSFIELD PARK SA 5012

Dear Mr Raymond

**Re: City of Prospect's Application – Constituent Council of East Waste**

I write to advise that Council at its Full Council meeting on 25 July 2017 has endorsed the following recommendation in relation to the City of Prospect's application to become a Constituent Council of East Waste:

- (1) *That Council approves City of Prospect's application to become a Constituent Council of East Waste and the subsequent revision of shares.*
- (2) *That the East Waste Charter be updated as necessary to allow for the inclusion of the City of Prospect as a Constituent Council of East Waste, including:*
  - (a) *amending the definition of 'Constituent Council' as it appears in the East Waste Charter to insert the words 'The City of Prospect' after the words 'Corporation of the Town of Walkerville' where it appears in clause 1 of the Charter.*
  - (b) *amending clause 21.1 of the East Waste Charter which deals with the 'Appointment of Directors' to delete the word 'seven' where it appears in that clause and replace it with the word 'eight'.*
- (3) *That Administration writes to East Waste to notify them of the decision.*

For further information please contact Council's Waste Management Officer, Ms Gemma Chambers, via email at [gchambers@mitchamcouncil.sa.gov.au](mailto:gchambers@mitchamcouncil.sa.gov.au) or via telephone on 8272 8888.

Yours sincerely

MATTHEW PEARS  
CHIEF EXECUTIVE OFFICER

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131 Belair Road  
Torrens Park SA 5062

Postal Address:  
PO Box 21  
Mitcham Shopping Centre  
Torrens Park SA 5062

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[www.mitichamcouncil.sa.gov.au](http://www.mitichamcouncil.sa.gov.au)

File Number: S/00045  
Enquiries To: Mario Barone  
Direct Telephone: 8366 4539

87



**City of  
Norwood  
Payneham  
& St Peters**

11 August 2017

Mr Rob Gregory  
General Manager  
East Waste  
PO Box 26  
MANSFIELD PARK SA 5012

**CHIEF  
EXECUTIVE'S  
OFFICE**

Dear Rob

**CONFIDENTIAL – CITY OF PROSPECT**

I refer to our telephone discussion on Tuesday, 8 August 2017, regarding the City of Prospect's application to become a member of East Waste.

As discussed, I confirm that at its meeting held on 7 August 2017, the Council considered the City of Prospect's Application, the business case prepared on the East Waste Board's behalf (by Thomson Geer and BDO) and the proposed amendments to the East Waste Charter to accommodate the City of Prospect's membership and resolved the following:

1. *That the application from the City of Prospect to join East Waste as a Constituent Council be approved and in doing so the Council accepts the consequent revision of shares as detailed in the report.*
2. *That the Council agrees to the amendment of the definition of 'Constituent Council' as it appears in the East Waste Charter and to insert the words 'The City of Prospect' after the words 'Corporation of the Town of Walkerville' where it appears in Clause 1 of the Charter.*
3. *That the Council agrees to the amendment of Clause 21.1 of the East Waste Charter, which deals with the Appointment of Directors to delete the word 'seven' where it appears in that Clause and replace it with the word 'eight'.*

I have enclosed of your information and records, a copy of the report which was considered by the Council.

Should you require any further information or assistance, please do not hesitate to contact me.

Yours sincerely

  
Mario Barone PSM  
**CHIEF EXECUTIVE OFFICER**

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Norwood SA 5067

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TOWN OF



WALKERVILLE

## The Corporation of the Town of Walkerville

ABN 49 190 949 882

66 Walkerville Terrace, Gilberton SA 5081

PO Box 55, Walkerville SA 5081

File Number: 5.64.1.1

Please Quote Ref: OLT201718354

Contact Officer: Chief Executive Officer, Kiki Magro

Telephone: (08) 8342 7100

Facsimile: (08) 8269 7820

Email: [walkerville@walkerville.sa.gov.au](mailto:walkerville@walkerville.sa.gov.au)[/www.walkerville.sa.gov.au](http://www.walkerville.sa.gov.au)

19 July 2017

Mr Brian Cunningham  
 Chairperson  
 East Waste  
 PO Box 26  
 Mansfield Park SA 5012

**Via Email:** [adam@eastwaste.com](mailto:adam@eastwaste.com)

Dear Brian

### Re: East Waste Membership Request

Thank you for providing Council with the opportunity to review and comment on the City of Prospect's request to become a Constituent (Member) Council of East Waste.

Council at its Ordinary meeting held on 17 July 2017 considered this matter and resolved the following:

#### **CNC15/17-18**

*"That Council:*

1. *approve City of Prospects application to become a Constituent Council of East Waste, and accepts the subsequent revision of shares;*
2. *agree to amend the definition of 'Constituent Council' as it appears in the East Waste Charter to insert the words 'The City of Prospect' after the words 'Corporation of the Town of Walkerville' where it appears in clause 1 of the Charter;*
3. *further agree to amend clause 21.1 of the East Waste Charter, which deals with the 'Appointment of Directors' to delete the word 'seven' where it appears in that clause and replace it with the word 'eight'."*

I invite you to contact Council's Chief Executive Officer, Kiki Magro on <83427103> should you have any questions.

Yours Sincerely

Deb Bria  
 Protocol, Compliance & Governance Officer

## EAST WASTE

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 8.1

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<b>REPORT SUBJECT:</b>	<b>Annual Report 2016/17 Update</b>
<b>REPORT AUTHOR:</b>	<b>Business Improvement Manager (Corporate)</b>
<b>MEETING DATE:</b>	<b>Thursday 21 September 2017</b>
<b>ATTACHMENTS:</b>	<b>DRAFT Cover Page of the 2016/17 Annual Report</b>

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

To provide the Board with a brief update regarding the progress of the 2016/17 Annual Report.

#### **Report**

As per requirements of the East Waste Charter, the annual report must be delivered to Member Councils on or before 30 September in each year subsequent to the financial year to which the report relates.

The 2016/17 Annual Report is complete albeit minus the inclusion of the signed end of year financials. Upon Board endorsement of the financials, they will be included in the final version and the annual report will be distributed electronically to Member Councils in the week commencing 25 September 2017.

#### **RECOMMENDATION**

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

# EastWaste



## ANNUAL REPORT 2016-2017

## EAST WASTE

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 8.2

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<b>REPORT SUBJECT:</b>	<b>RFT 2017/02 Supply of Bulk Fuel</b>
<b>REPORT AUTHOR:</b>	<b>Business Improvement Manager (Corporate)</b>
<b>MEETING DATE:</b>	<b>Thursday 21 September 2017</b>
<b>ATTACHMENTS:</b>	<b>Confidential Evaluation Report</b>

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

To provide the Board with a report on the Request for Tender (RFT) process to engage a contractor to supply bulk fuel to East Waste.

#### **Background**

East Waste's current contract for the supply of bulk fuel expires in September 2017. As a result a RFT process was commenced seeking tender submissions from suitably qualified contractors for the supply of bulk fuel to East Waste for a period of five (5) years, with an option to extend for a period of two (2) years at the discretion of East Waste.

The attached Evaluation Report contains commercially sensitive information and has been treated as confidential in this Report pursuant to Section 90 (2) and (3) of the Local Government Act 1999.

#### **Report**

The RFT process followed a developed Probity and Evaluation Plan. An Evaluation Report has been produced which documents the Tender Evaluation Panel (TEP), the RFT evaluation process, and determinations (refer confidential attachment).

The TEP determined that the tender submission received that demonstrated the closest fit with the RFT requirements and scored highest when rated on relevant experience, service delivery and price was Logicoil.

The TEP was able to identify Logicoil as the preferred candidate based on the following:

- Known reliability of service delivery;
- The quality of infrastructure currently in-situ at East Waste; and
- Comparable pricing.

The attached evaluation report steps out the process, probity adherence and decision of the TEP.

## **EAST WASTE**

**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**

### **RECOMMENDATION**

**In regards to the CONFIDENTIAL attachment;**

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

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

**that the 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**

**And;**

**That the Board authorise the General Manager to enter into a contract with Logicoil for a period of five (5) years, for the supply of bulk fuel to East Waste.**