



**EASTERN WASTE MANAGEMENT  
AUTHORITY**

**AGENDA**

**ORDINARY MEETING OF THE BOARD OF MANAGEMENT**

**Meeting to be held on Thursday 23 February 2017 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 Special Board Meeting held on Thursday 8 December 2016 via teleconference, be received, confirmed and adopted

That the Minutes of the Eastern Waste Management Authority Audit and Risk Management Committee held on Tuesday 21 February 2017, be noted

**4. MATTERS ARISING FROM THE MINUTES**

Overloading of Vehicles

**5. QUESTIONS WITHOUT NOTICE**

**6. GENERAL MANAGERS REPORT**

**Reports requiring Decisions**

- 6.1 Draft 2017-2018 Annual Plan and Budget**
- 6.2 Financial Statements December 2016 Quarter**
- 6.3 Budget Review Two (BR2)**
- 6.4 Procurement of External Auditing Services**
- 6.5 Visa Card Line Limit**

**Reports for Information**

- 6.6 Zero Waste SA Recycling Infrastructure Grant**
- 6.7 WH&S Annual Audit**
- 6.8 Minutes of the Operations Assistance Committee**

**7. OTHER BUSINESS**

**8. NEXT MEETING OF THE BOARD**

The next Board Meeting to be held on Thursday 13 April 2017 at the City of Norwood Payneham & St Peters at 5.30pm

**9. CLOSURE OF MEETING**



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

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

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

**1. PRESENT**

**Directors:**

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

**In Attendance:**

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

**2. APOLOGIES**

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

**3. DECLARATIONS OF INTEREST**

Nil

**4. CONFIRMATION OF THE MINUTES**

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

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

**5. MATTERS ARISING FROM THE MINUTES**

Nil

**6. QUESTIONS WITHOUT NOTICE**

Nil

## **7. GENERAL MANAGERS REPORT**

### **REAPPOINTMENT OF DIRECTORS**

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

Seconded Mr Deb

**Carried**

### **REPORTS REQUIRING DECISIONS**

**The time being 4.37pm Cr Green left the room**

**The time being 4.40pm Cr Green returned to the room**

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

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

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

Seconded Mr Deb

**Carried**

#### **7.2 AUDIT & RISK MANAGEMENT COMMITTEE NOMINATIONS**

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

Seconded Mr Deb

**Carried**

#### **7.3 METROPOLITAN COUNCIL TENDER**

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

- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and would, on balance, be contrary to the public interest;

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

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

commercial information of a confidential nature (not being a trade secret) the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party as contained in Section 90 (3) (b )(i) until the matter is finalised

Seconded Mr Deb

**Carried**

**7.4 WASTE AND RECYCLING EDUCATION CAMPAIGN WHY WASTE IT? ROLLOUT**

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

Seconded Cr Green

**Carried**

**7.5 PURCHASE OF REAR-LOADER COLLECTION VEHICLE**

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

**7.5a OVERLOADING OF VEHICLES (LATE ITEM)**

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

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

Seconded Cr Hockley

**Carried**

**REPORTS FOR INFORMATION**

**7.6 REPORT ON FINANCIAL RESULTS 2015/2016**

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

Seconded Cr Green

**Carried**

**7.7 FIRST REVIEW OF BUDGETS REPORT**

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

Seconded Mr Deb

**Carried**

**7.8 ADELAIDE HILLS HARD WASTE TENDER**

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

Seconded Mr Deb

**Carried**

**7.9 ANNUAL PLAN 16/17 PROGRESS**

Moved Cr Hockley that the Report is received and noted

Seconded Cr Green **Carried**

**7.10 OPERATIONS ASSISTANCE COMMITTEE**

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

**7.11 GISA INFRASTRUCTURE GRANT APPLICATION**

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

**8. BUSINESS IMPROVEMENT MANAGER REPORT**

**8.1 SURVEILLANCE DEVICES ACT (AMENDMENTS)**

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

**8.2 CONFLICT OF INTEREST PROVISIONS (AMENDMENTS)**

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

**8.3 ACCOUNTANCY SERVICES RFQ**

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

**9. OTHER BUSINESS**

**9.1 GENERAL MANAGER PERFORMANCE APPRAISAL**

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

**10. NEXT MEETING OF THE BOARD**

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

**11. CLOSURE OF MEETING**

There being no further business the meeting closed at 5.48pm

**Confirmed**

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

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

## Agenda Item 4

---

<b>REPORT SUBJECT:</b>	<b>Overloading of Vehicles</b>
<b>REPORT AUTHOR:</b>	<b>General Manager</b>
<b>MEETING DATE:</b>	<b>Thursday 23 February 2017</b>
<b>ATTACHMENTS:</b>	<b>NIL</b>

---

### Purpose of the Report

To provide the Board with an update regarding the inaccurate load weighing systems fitted to East Waste vehicles which has resulted in vehicles being overloaded.

### Report

East Waste reported a late item to the 24 November 2016 Board Meeting, which provided details of three (3) incidence of East Waste vehicles presenting to waste receival facilities over the prescribed weight restrictions.

A risk assessment was conducted on the potential impact. The outcome of the risk assessment resulted in a rating of Catastrophic. The risk assessment was conducted on a safety and property/person damage only, and it is clear that there would also be financial and reputational impost caused by any realisation of the potential risk.

East Waste has continued instructing drivers to collect a (conservative) mandated maximum number of waste and green organics bins to ensure that loads will always be presented below prescribed weight limits, as well as enacting the previous reported corrective actions.

Concurrently East Waste developed a pathway to test the weighing system fitted to the vehicles in order to assess the technology's performance and capabilities around recording accurate load weights.

A technician completed a full audit in the week commencing 30 January 2017 on the 19 vehicles currently fitted with this weighing system and reported back to East Waste. It was found that some of the weighing equipment was not fitted correctly and this was the reason for the weights being inaccurate. It has also been reported that the weighing system is unable to provide progressive weights on some waste streams due to the lightness of the bins collected, however once the vehicle begins to reach its maximum weight carrying limit the system will become accurate allowing the operator to remain under the maximum weight limits.

East Waste has 19 vehicles fitted with this equipment, one vehicle is working correctly and another has been repaired and calibrated on 2 February 2017, which will be monitored for accuracy and reported back to the provider.

The proposed timeline and/or actions completed are as follows:

- Drivers instructed to collect a (conservative) mandated maximum number of waste and green organics bins – immediate and business as usual
- Unit #75 completed and working correctly - completed
- Unit #77 completed 03/02/2017, audit weight accuracy for 2 weeks and report to technology provider
- Calibrate remaining vehicles - proposed Saturday 25/02/2017
- Recalibrate all trucks with maximum weights - completed progressively, but with haste
- All vehicles calibrated and compliant - end of March 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**

- All future truck purchases fitted with full proof load weigh cells – 2017 and onwards
- Monitoring, feedback and continual improvement – April onwards

East Waste is focused on achieving full compliance across the fleet by the end of March 2017. By achieving this target further capital investment and retro fitting will not be required.

East Waste will continue to manage the load weighing system technology provider to achieve this target with 100% compliance. Should this target not be achieved then East Waste will consider all options, which may include the consideration of legal advice, and retrofitting load weigh cells.

### **RECOMMENDATION**

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



## Agenda Item 6.1

---

<b>REPORT SUBJECT:</b>	<b>Draft 2017/2018 Annual Plan and Budget</b>
<b>REPORT AUTHOR:</b>	<b>General Manager</b>
<b>MEETING DATE:</b>	<b>Thursday 23 February 2017</b>
<b>ATTACHMENTS:</b>	<b>Draft 2017/2018 Annual Plan Draft 2017/2018 Budget (profit and loss, common fleet) Treasury Management Review - Funding Purchase of Replacement Trucks</b>

---

### **Purpose of the Report**

To provide the Board with the opportunity to review the Draft 2017/2018 Annual Plan and the Draft 2017/2018 Budget (in profit and loss, common fleet format).

### **Background**

Clause 51 of the Charter mandates that East Waste must have an Annual Plan which supports and informs the Budget.

The Draft 2017/2018 Annual Plan and Draft Budget will be distributed to Member Councils for their review prior to the mandated 31 May timeframe.

The Draft 2017/2018 Budget has been developed using a series of assumptions, which are detailed for the Board below.

### **Report**

#### ***Draft Annual Plan***

The Draft Annual Plan identifies 23 programs and activities that will be undertaken throughout the year, in addition to the day to day operation of the Subsidiary. It is anticipated that the implementation of these programs will further position East Waste to provide responsive, high quality, low cost core services for Member Councils.

The Draft Annual Plan details programs across five (5) disciplines, being;

- Governance
- Operations
- WH&S
- Communications, and
- Finance

Performance against each Annual Plan implementation is reported to each Board Meeting.

As defined in the Charter, Member Councils must consider and endorse the Draft Annual Plan by 31 May 2017. Subject to the Board endorsing the Draft Annual Plan, East Waste will distribute the Draft Annual Plan and indicative fees to Member Councils in Feb/March 2017. The General Manager then makes himself available to attend each Member Council to discuss the Draft Annual Plan at a Council, Executive, or Officer level.

# 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

## **Draft 2017/2018 Budget**

The Budget has been set under a surplus scenario in order to demarcate a reserve for future truck procurement. The common fleet costing (Member Council Collection Fees) has been displayed in the surplus scenario, and also a balanced budget (nil surplus) scenario. The implications of both scenarios are discussed below.

East Wastes first Treasury Management Review is also stepped out below for Directors review.

The Board are referred to the appended Draft 2017/2018 Budget in both an income and expense format, and two (2) scenarios of common fleet costing modelling. The following assumptions were used to inform the Draft 2017/2018 Budget;

- *Draft 2017/2018 Annual Plan*
- *2015 – 2025 Business Plan*
- *2015 – 2025 Long Term Financial Plan*
- *\$514,845 modelled surplus to be demarcated for future truck replacement reserve*
- *2% wages growth for drivers, with a 1% performance based increase if prescribed KPI's are achieved, as defined in the 2015 East Waste Collective Workplace Agreement*
- *Restructure of the permanent staffing arrangements to reduce from four (4) line managers to two (2)*
- *Reduction in casual wages due to increased workforce participation of permanent employees*
- *Modest 1.5% increase in fuel expenditure on 2016/2017 budgeted expenditure, due to a likely continuation of the depressed diesel fuel price*
- *Proper treatment of Fuel Tax Credits*
- *Continued stringent monitoring of driver overtime*
- *CPI/local Government Price Index (LGPI)*
- *Increase in communications expenditure to facilitate waste management and recycling education and promotion activities*
- *Rebate for recyclables (income) at the top tier (\$35.50/tonne)*
- *Hard Waste expenditure (and corresponding income) including new participating Member Council, Adelaide Hills Council*
- *Purchase of four (4) new collection vehicles under the three-year supply agreement*

## **Surplus Scenario; \$514k Budget Common Fleet Costing modelling**

The Draft 2016/2017 Budget has been proposed with a \$514,845 operating surplus. The resultant collection fees for Member Councils would increase by an average of 3.26% or \$329,899, which is slightly above CPI and LGPI. This surplus would be quarantined in a reserve for truck replacements, as per the (Draft) preliminary Treasury Management Review (refer below). In drafting East Wastes first Treasury Management Policy, the General Manager will be seeking instruction from the Board on whether to commence a long term strategy of financing vehicle asset replacements with cash reserves, rather than through financing. The modelled surplus of \$514,845 is in line with this strategy, in order to bolster cash reserves for future truck purchases. The (Draft) Treasury Management Policy is modelling vehicle replacement as per the Asset Management Plan versus cash on hand, in order to reset the Long Term Financial Plan. Both pieces of work will be brought forward to a subsequent Board and Board Meeting prior to the new financial year.

## **Balanced Budget Scenario; Nil Surplus Common Fleet Costing modelling**

However, the Board may take a view that truck replacements will continue to be financed through borrowings, or that East Wastes current cash position is satisfactory to commence procuring vehicles with reserves. Therefore, for the Board's consideration, a balanced budget (nil surplus) has been modelled in terms of common fleet costing. Should the Board wish to present a balanced budget, this would reduce all Member Councils fees by an average of -1.96% or \$191,748 across all six (6) Member Councils.

## **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**

### ***Preliminary Treasury Management Review***

The Board is also referred to the preliminary Treasury Management Review undertaken in conjunction with East Wastes incoming accountancy firm, Dean Newberry & Partners. This review was undertaken to identify the potential savings on interest should East Waste use its cash reserves to purchase the four (4) new collection vehicles (value at approximately \$1.5M), rather than relying on finance as historically has been the case. The preliminary analysis indicates that over the life of the loan, East Waste could stand to gain \$115,984 in interest payments deferred (minus interest revenue lost).

This is clearly a move away from historical practices of 100% borrowings for fleet asset purchases. However, during the drafting of East Wastes Treasury Management Policy and updating the Long Term Financial Plan it is clear that following the missing out on securing the Ottoway (leased) depot site, East Waste does not currently have a documented strategic purpose for holding the current cash reserves. While moving to a full or partial cash funding of vehicle purchase would reduce East Wastes access to \$1.5M in cash, it would provide for savings in interest payments, and place a strategic and operational intent on current cash held.

This information is presented to the Board in order to provide an alternative funding strategy for the 2017/2018 (and ongoing) vehicle asset replacement program. Alternatively, the Board may wish to keep the existing loan borrowings model and reduce, or remove, the current budgeted surplus.

### **RECOMMENDATION**

**That the Board endorse the Draft 2017/2018 Annual Plan and authorise the General Manager to distribute to Member Councils along with Draft indicative fees; and**

**That the Board instruct the General Manager on the Draft 2017/2018 Budget scenario modelling**

## Draft Annual Plan 2017/2018

### 1. Introduction:

The Annual Plan, as prescribed in Clause 51 of the Charter, is to include an outline of East Waste’s objectives, that activities intended to be pursued, and the measurement tools defined to assess performance. It must also assess and summarise the financial requirements of East Waste, and set out the proposals to recover overheads and costs from the Member Councils.

The Draft 2017/2018 Annual Plan documents the objectives, activities, financial requirements and metrics for East Waste to undertake the collection and management of waste, organics, and recycling for Member Councils in a sustainable, efficient, and competitive manner. The Annual Plan is to be read in conjunction with the broader strategic planning framework including the 10 Year Business Plan, Asset Management Plan and Long Term Financial Plan, and Risk Management Planning Framework.

### 2. Objectives

- 2.1. To provide a **governance framework** that allows a participatory approach to management of the Subsidiary by Member Councils, the Board and East Waste Management Team
- 2.2. To actively seek **operational efficiencies** that improves East Waste’s competitive advantage
- 2.3. To incorporate **Workplace Health and Safety** into every decision making process
- 2.4. To **communicate** with Member Councils, staff and the Board in a manner that promotes collaboration
- 2.5. To provide a high-quality low-cost collection service to Member Councils where **financial performance** is underpinned by timely and accurate monitoring and reporting on the budget.

**Table 2.1: Current Service Levels by Member Council**

Council	Services														
	Weekly collection of waste	Fortnightly collection of recyclables	Fortnightly collection of organics	Hard Waste	Litter Collection	Customer Service	Bin Repairs/Maintenance/Replacements	GPS tracking	RFID tracking	TPI disposal	IWS disposal	Brinkley disposal	Recyclables Contract	Organics Contract	Education and Promotion
Adelaide Hills Council	x	x	x	x	x	x	x	x				x	x	x	x
City of Burnside	x	x	x	x		x		x	x		x		x	x	x
City of Campbelltown	x	x	x	x		x	x	x			x		x	x	x
City of Mitcham		x	x	x		x	x	x					x	x	x
City of Norwood Payneham & SP	x	x	x	Partial	x	x	x	x		x			x	x	x
Corp Town of Walkerville	x	x	x	x	x	x	x	x			x		x	x	x

## 3. Activities

### 3.1. Governance Framework

3.1.1. **Consultative Committee:** East Waste is determined to continue a workplace culture of inclusiveness and consultation in order to provide a “one team” approach to the benefit of Member Councils. To this effect, it is proposed that East Waste establish its first Consultative Committee. The aim of the Committee is for Management to genuinely and regularly seek the views of staff on policy and procedures, prior to decisions being made. Nominations will be called for three (3) committee positions, with one committee member representing;

- Administration (Customer Service, Finance/Payroll, Quality/Risk)
- Operations (Supervisors, Workshop, Bin Repair, Yard)
- Drivers (Kerbside Collections, Hard Waste, Litter)

Where more than one (1) nomination is received per work unit, an election will be held. Membership shall be for two (2) years, and a terms of reference will be developed. Management will be represented by East Waste’s Business Improvement Manager (Corporate) who will Chair the committee. It is anticipated that the Committee will meet quarterly, unless a matter arises requiring the Committee to form out of frequency. Matters to be brought to the Committee’s attention include;

- New services being offered (ie hard waste)
- Training
- Organisational restructure
- Timing and frequency of Staff/Customer Satisfaction Surveys
- Non safety related matters
- Non Collective Workplace Agreement matters

The Committee will not replace the current Workplace Health and Safety Committee or Collective Workplace Agreement Single Bargaining Unit, but more so work across the organisation in an effort of continuous improvement in workplace communication.

3.1.2. **Risk Management Software Platform (Skytrust):** Local Government Risk Services (LGRS), which is the entity established to self-manage local government insurance, have partnered with local software developers **Skytrust** to provide a sector wide injury, incident and hazard management solution. Following an initial rollout to 12 SA Councils, Skytrust is now available to the remaining local government authorities and subsidiaries.

An initial meeting between Skytrust representatives and East Waste was very promising, and it was immediately clear that East Waste could move away from a time consuming internal system, to a cloud based software solution for all of our incidents, accidents and claims. Not only will the integration of Skytrust save time and coordinate our records, it will also assist in annual reporting to the Scheme through a purpose built reporting function built into the software.

- 3.1.3. **Payroll Software Integration (Kronos):** Continuing with the improvement towards a modern workplace in order to provide repeatable quality to our Member Councils, East Waste will introduce an automated time and attendance labour tracking software solution. Following a procurement process, Kronos has been identified as the technology partner, and East Waste will roll out the solution and go live from 1 July 2017. The systems is simple, and will allow employees to monitor entitlements, and book leave, however importantly it will provide management with an additional tool to control labour costs, minimise compliance risk and monitor productivity.
- 3.1.4. **Business Continuity ITC:** In line with East Wastes Business Continuity Plan, a significant control to minimise disruption is moving East Wastes information technology and communication (ITC) systems to a single provider with significant back up, responsiveness, and cloud based capabilities. On several occasions in the past, East Waste has lost some of its ITC capabilities which limit its effectiveness in providing core services to Member Councils.
- 3.1.5. **Service Level Agreements:** A template Service Level Agreement (SLA) has been developed to document the minimum levels of acceptable customer service, and any bespoke operational requirements between East Waste and each Member Council (ie early start streets). Adelaide Hills Council and City of Burnside have a current Service Level Agreement in place with East Waste. East Waste is to establish Service Level Agreements with Member Councils that request to have one.

**Table 3.1: Summary of activities to deliver on the Governance Framework objective**

Activity number	Activity	10 Year Business Plan Linkage	Metric
3.1.1	Consultative Committee	Section 2.3.2	Consultative Committee established and quarterly meetings commenced
3.1.2	Risk Management Software (Skytrust)	Section 2.3.3	Skytrust implemented and integrated into business as usual
3.1.3	Payroll Software Integration	NA	Kronos system installed and integrated as business as usual
3.1.4	Business Continuity ITC	Section 2.3.3	Integration of East Wastes Information Technology and Communication to a single provider. Reduced number of network outages. Time taken to return network capabilities
3.1.5	Service Level Agreements	Section 2.4.2	Number of Service Level Agreements executed

## 3.2. Operational Efficiencies

3.2.1. **Detailed Investigation into Gas Fleet:** With the introduction into Australia of hydraulic High Density Compressed Natural Gas (HDCNG) waste collection vehicles, East Waste procured a high level preliminary diligence exercise into the HDCNG fuelled collection vehicles. While there are obvious barriers to entry, the high level exercise elicited encouraging results, most notably around reduced running costs, so East Waste is proposing to procure an independent detailed analysis around the following metrics;

- Capital cost of the establishment of HDCNG fleet, and estimated payback period;
- Capital costs associated with the purchase and installation of HDCNG refuelling infrastructure;
- Capital costs associated with the modification of maintenance and servicing depots;
- Operational costs associated with retraining in-house maintenance staff;
- Operational costs/savings associated with maintenance and servicing;
- Operational costs/savings associated with bulk natural gas purchase through potential long term contracts;
- Operational costs/savings associated with fuel consumption;
- Benefits of improved safety systems;
- Benefits associated with reduced noise emissions; and
- Benefits associated with reduced GHG and noxious atmospheric emissions.

It is envisaged that the works would be procured early in 17/18, with the detailed report being brought forward to the Board in late 2017 or early 2018. The draft Budget has incorporated costs for an independent consultancy to conduct the detailed investigations.

3.2.2. **Purchase of RACV:** Industry standards inform that the organisation replaces Robotic Arm Collection Vehicles (RACV) after 7 continuous years of service. Based on the current Asset Register, four (4) RACV will be due for replacement during the 2017/2018 financial year. In order to keep a fleet capable of providing services to Member Councils with minimal maintenance and downtime, it is recommended that four (4) new RACV be purchased.

Guided by the 10 Year Business Plan (Section 2.4.7), late in 2015 the General Manager led a procurement process, which resulted in East Waste entering into an agreement for the supply and contract maintenance of RACV for a period of three (3) years.

For budgeting purposes it has been assumed that the vehicles will be operational in July/August 2017, be financed through Local Government Finance Authority, be fitted with GPS, RFID and bin weighing technology and capability, and will follow the standard practice straight line depreciation over seven (7) years. The sale of the old RACV will be conducted by public auction as detailed in the *Sale and Disposal of Land and Other Assets Policy*. The vehicles will be fully maintained by the Contractor under a contract maintenance model at a fixed \$/hour rate. This contract maintenance program will allow the General Manager to ascertain the most competitive model of maintaining the collection fleet;

being the current model of internalising maintenance, or outsourcing under a contract maintenance model (or a combination of both).

- 3.2.3. **Recyclables Contract (Auditing):** Member Councils have been enjoying the financial and environmental benefit under the long term recyclables processing contract which commenced 1 July 2015. In order to continue to receive the top tier rebate, Member Councils must achieve a maximum contamination level of 10% as determined by an independent audit. Failure to achieve this contamination rate results in a reduction in the rebate of \$5.00/tonne.

An allowance has been made in the budget to provide for two independent audits in 2017/2018.

- 3.2.4. **Hard Waste:** East Waste currently provides an at-call hard waste collection service to City of Mitcham and Campbelltown City Council, City of Burnside, Town of Walkerville, and Adelaide Hills Council.

City of Norwood Payneham & St Peters are currently reviewing their hard waste service delivery model.

This service has grown from one (1) Member Council in 2014, to now five (5) Member Councils taking up the service offering through East Waste. The East Waste Board resolved to purchase a second hand rear loader collection vehicle to accommodate the additional demand.

The Annual Plan 4.1 requests capital approval for the purchase of a new rear loader compaction vehicle should utilisation justify the purchase. The truck purchase has been incorporated into the three (3) year truck supply procurement process (refer 3.2.2 of the Annual Plan) as an optional item, and will be enacted if demand outweighs current capacity of East Waste's rear loader fleet.

Subject to a cost benefit analysis, East Waste would either then sell the second hand unit, or keep it as a backup unit for the two front line rear loader collection vehicles.

- 3.2.5. **Multi-Unit Dwelling/Council Building Servicing:** East Waste has the capability to service larger bins (360L, 660L and 1100L) with its rear loader fleet. Larger bins, and less truck movements are appealing to Member Councils in order to reduce bin storage requirements, minimise bin presentation on the kerb, and improve visual amenity.

East Waste intends to keep developing its service delivery capabilities in this area. As urban density increases, this service offering may become a higher priority for Member Councils.

- 3.2.6. **Generator (back-up power supply):** The interrupted power supply issues in South Australia impacted East Wastes ability to provide seamless core services to Member Councils. East Waste intends to move its ITC to a single provider with offline/cloud based capability, however as a direct business continuity measure East Waste will also purchase a generator or uninterrupted power supply



(UPS). It is envisaged that East Waste will call on the back-up power supply in times of power outages to run our front line communications systems and baseline information technology software.

- 3.2.7. **Bin Sensor Technology (public place bins):** East Waste has been trialling the use of remotely monitored public place bin sensors in street, park and litter bins. 50 bin sensors have been leased for the Adelaide Hills Council area. The sensors advise when the “fullness” of each bin, and when each public place bin requires emptying. The sensors are monitored by operations staff, so that a service run can be established based on bin fullness, rather than a standard set collection frequency. It is common for a public place bin to be serviced before it reaches capacity, while at times East Waste is servicing bins that are over-full. The aim of the trial is to develop a more mature public place bin collection run sheet based on actual usage rather than a mandated collection frequency.

More work needs to be done to understand all of the capabilities of the bin sensors, however preliminary data from the trial indicates significant savings from moving towards a more intervention style service delivery model for public place bins. The draft budget includes capital to lease an additional 100 sensors to roll out across high usage public place bins for Member Council that use East Waste as their litter bin collection contractor (refer 3.2.8).

- 3.2.8. **Litter Collection:** An at-cost public place/street/park litter bin collection service is being provided to Adelaide Hills Council, City of Norwood, Payneham & St Peters, and Town of Walkerville. The service is being provide without difficulty, and the bespoke collection vehicles are being used to service difficult access streets and larger bins (refer 3.2.5 of the Annual Plan) when not required for the litter collections. The difficult to access streets are defined in consultation with operational staff from Member Councils. The litter bin collection service could be expanded and replicated to other willing Member Councils, and could also include public place recycling bins subject to the interest from Member Councils.

The Annual Plan 4.1 requests capital approval for the purchase of an additional rear loader compaction vehicle should utilisation justify the purchase.

- 3.2.9. **Weekly Organics Collection Analysis:** East Waste has been approached by several Member Councils about trialling the weekly collection of household organics bins in order to maximise the amount of food and garden organic material recycled. Currently all East Waste Member Councils provide a fortnightly household organics collection service. However due to increasing waste levy costs, there is a rising emphasis on diverting more material out of the landfill bin, and into the organics and recycling bins.

East Waste intends to procure an independent firm to conduct a desktop analysis of the costs and benefits of moving to a weekly collection frequency of kerbside organics. Subject to the analysis, East Waste may partner with one or more Member Councils to conduct a trial of the weekly collection frequency to measure the increase in landfill diversion and document the direct costs.

**Table 3.2: Summary of activities to deliver on the Operational Efficiency objective**

Activity number	Activity	10 Year Business Plan Linkage	Metric
3.2.1	Detailed Investigation into Gas Fleet	Section 2.4.7.1	Production of a preliminary investigation report
3.2.2	Purchase of 4 Robotic Arm Collection Vehicles (RACV)	Section 2.4.7	Purchase of 5 RACV in accordance with Policy
3.2.3	Receipt of Recyclables Contract (Auditing)	Section 2.4.5	SKM Contract audit conducted Kerbside comparative audit conducted
3.2.4	Hard waste services	Section 2.4.1	Provision of service to willing Councils at cost. Purchase of new rear loader collection vehicle if utilisation is justified
3.2.5	Multi-Unit Dwellings/Council Buildings	Section 2.4.1	NA
3.2.6	Generator (back-up power supply)	Section 2.3.3	Uninterrupted power supply installed and tested
3.2.7	Bin Sensor Technology (public place bins)	Section 2.4.1	Rollout of an additional 100 public place bin sensors. Movement to an intervention service delivery model
3.2.8	Litter collection services	Section 2.4.1	Provision of litter collection service at cost. Purchase of new rear loader collection vehicle if utilisation is justified
3.2.9	Weekly Organics Collection Analysis	Section 2.4.1	Desktop analysis conducted Field trial completed if justified by desktop

### 3.3. Workplace Health & Safety

3.3.1. **Risk Management Software Platform (Skytrust):** Refer 3.1.2

3.3.2. **Quarterly WH&S Meetings:** The General Manager and Incident and Quality Control Officer will continue to facilitate a WH&S Committee at least six (6) times a year. The Committee is not governed by the Charter, but is an important internal control. Minutes of the meetings are distributed to all staff, and key messages communicated through toolbox and staff meetings.

3.3.3. **Independent Fleet Audit:** As part of East Wastes continual improvement process, an independent suitably qualified contractor is engaged each year to undertake a mechanical audit process of the entire collection vehicle fleet. Each vehicle is subjected to a series of mechanical tests, and any identifies rectification works are undertaken prior to the vehicle being released for duty.

The annual independent fleet audit is an important part of providing a safe workplace, but has also improved our vehicle utilisation by identifying preventative maintenance works and reducing downtime.

3.3.4. **Certificate IV Training and Assessment:** The Draft Budget includes a provision for 1-2 East Waste staff to undertake the Certificate IV in Training and Assessment. This will enable the internal rollout of critical safety and performance related training such as *Working near Powerlines, Manual Handling, and Driver Performance*. It is anticipated that this will reduce expenditure on external training, while also increase the ability to deliver the training in-house more often, and to smaller groups of drivers.

**Table 3.3: Summary of activities to deliver on the Workplace Health & Safety objective**

Activity number	Activity	10 Year Business Plan Linkage	Metric
3.3.1	Risk Management Software (Skytrust)	Section 2.6.1	Skytrust implemented and integrated into business as usual
3.3.2	WH&S Committee meetings	Section 2.3.5	Facilitation of a minimum of six (6) meetings
3.3.3	Independent Fleet Audit	Section 2.6.2	Number of fleet audited during the reporting year >33
3.3.4	Certificate IV in Training and Assessment	Section 2.6.1	1-2 staff completing the Cert IV Number of internal training courses delivered

## 3.4. Communications

- 3.4.1. **Why Waste It? Phase Two Rollout:** In conjunction with the Operations Assistance Committee (refer 3.4.2) East Waste has developed a bespoke waste minimisation and education campaign with the tagline **Why Waste It?** The aim of the program is to encourage residents to change their behaviour and place more food and organics into the green organics bin, and more recyclables and less contamination in the recycling bin.

The East Waste Board resolved on 24 November 2016 to resource the program in the 16/17 Budget Review One (BR1) for the initial rollout. This included traditional print media, posters and flyers, street banners and bus shelter adshels, in conjunction with the development of a dedicated stand-alone microsite.

Phase Two of the rollout has been included in the Draft 17/18 Budget and will include measuring and evaluating household behaviour, intervening where possible to continue to support sustained behaviour change, and development of congratulatory messaging to reward communities who have improved their recycling patterns. East Waste is also in discussions with the Local Government Association (LGA) about using their MyLocal mobile phone application to push out recycling messages to Member Council residents who have downloaded the App. The discussions to date are at a preliminary point, however it is looking promising that East Waste can use this existing platform rather than develop another App.

- 3.4.2. **Operations Assistance Committee:** The East Waste Operations Assistance Committee has been operating since early 2016, and has encouraged knowledge sharing and promoted a common approach to waste management initiatives. The Committee was also responsible for assisting in the development and rollout out of the **Why Waste It?** waste minimisation and recycling education platform. The Committee is represented by each Council at Officer Level, and it is proposed that the Committee will continue in 2017/2018 and meet quarterly. The minutes are presented to the East Waste Board for noting.

- 3.4.3. **Staff Satisfaction Survey (full):** The East Waste Board have requested that the staff satisfaction survey process be repeated every second year, with an abbreviated pulse survey to be conducted in the alternate "off" year. A pulse survey will be completed in 2016/2017.

An allowance has been made in the Draft Budget for the full Survey to be conducted in 2017/2018.

- 3.4.4. **Customer Satisfaction Survey (full):** The East Waste Board have requested that a council/customer satisfaction survey process be repeated every second year, with an abbreviated pulse survey to be conducted in the alternate "off" year. A pulse survey will be completed in 2016/2017.

An allowance has been made in the Draft Budget for the full Survey to be conducted in 2017/2018.

3.4.5. **10 Year Business Plan Consultation:** The East Waste Business Plan 2014 – 2024 was developed with a 1 year Annual Plan, 4 year Delivery Plan and 10 Year Strategic Intent. 2017/2018 will form the final year of the Delivery Plan phase, so it is timely that East Waste coordinate a round of consultations with Member Councils and additional identified stakeholders. It is envisaged that consultation will take the following shape;

- Consultation with Officers at each respective Member Council
- Consultation with identified external stakeholders (auditors, industry, government, commercial, suppliers)
- Consultation with East Waste staff
- Consultation with East Waste Board, and Audit & Risk Management Committee
- Combined Round Table with Member Councils/Board

The findings of the consultation rounds will help update the East Waste Business Plan, with an updated Business Plan document being presented to the East Waste Board in 2018.

**Table 3.4: Summary of activities to deliver on the Communications objective**

Activity number	Activity	10 Year Business Plan Linkage	Metric
3.4.1	<i>Why Waste It?</i> Phase Two Rollout	Section 2.5.2	Phase I rollout Phase II rollout Increased recycling Decreased contamination
3.4.2	Operation Assistance Committee	Section 4.4	Quarterly meetings of the Committee
3.4.3	Staff satisfaction survey (Full)	Action 9	Development of abbreviated staff satisfaction survey Report to the Board on results of staff satisfaction survey results
3.4.4	Customer satisfaction survey (Full)	Action 13	Development of abbreviated customer satisfaction survey Report to the Board on results of customer satisfaction survey results
3.4.5	10 Year Business Plan Consultation	10 Year BP	Consultation completed Final Draft (updated) Business plan presented to Board

**Table 3.5: Summary of Annual Plan activities**

		2017_2018 Annual Plan	
Activities	Reference	Comments	
Consultative Committee	3.1.1		
Risk Management Software (Skytrust)	3.1.2		
Payroll Software Integration	3.1.3		
Business Continuity ITC	3.1.4		
Service Level Agreements	3.1.5		
Detailed Investigation into Gas Fleet	3.2.1		
Purchase of 4 Robotic Arm Collection Vehicles (RACV)	3.2.2		
Receipt of Recyclables Contract (Auditing)	3.2.3		
Hard waste services	3.2.4		
Multi-Unit Dwellings/Council Buildings	3.2.5		
Generator (back-up power supply)	3.2.6		
Bin Sensor Technology (public place bins)	3.2.7		
Litter collection services	3.2.8		
Weekly Organics Collection Analysis	3.2.9		
Risk Management Software (Skytrust)	3.3.1		
WH&S Committee meetings	3.3.2		
Independent Fleet Audit	3.3.3		
Certificate IV in Training and Assessment	3.3.4		
Why Waste It? Phase Two Rollout	3.4.1		
Operation Assistance Committee	3.4.2		
Staff satisfaction survey (Full)	3.4.3		
Customer satisfaction survey (Full)	3.4.4		
10 Year Business Plan Consultation	3.4.5		



## 4. Financial Requirements

### 4.1. Capital Requirements

4.1.1. The capital requirements to undertake services associated with this Annual Plan are detailed in Table 4.1. The capital is proposed to be financed with a mix of borrowings and use of existing equity finance from cash reserves. The full Draft Budget can be found in Appendix A including the capital listed here.

**Table 4.1: Capital requirements**

Capital item	Approximate cost	Finance mechanism	Comment
4 x RACV	\$1,587,181	LGFA	As per Item 3.2.2 Depreciation and interest included in Budget
1 x rear compactor (hard waste)	\$410,785	LGFA	Only to be purchased if utilisation is justified. Not included in Budget
1 x rear compactor (litter)	\$270,428	LGFA	Only to be purchased if utilisation is justified. Not included in Budget

### 4.2. Proposed Member Councils fees for 2017/2018

4.2.1. The proposed East Waste fees are outlined in the appended **Table 4.2**. The fees are based on the Draft Budget which is appended in full to the Annual Plan.

### 4.3. Proposed collection fees

4.3.1. The draft collection fees are presented in **Table 4.3** as determined by common fleet. The draft collection fees are presented against the adopted FY16 common fleet fees, with a variance column (\$) and a variance by percentage. The overall average collection fee increase is 2.05%.

### 4.4. Treasury Management Policy

4.4.1. East Waste has developed a Draft Treasury Management Policy which will be presented to the June 2017 Board Meeting. It is envisaged that the Policy will be adopted in its final form in 2017/2018, and become business as usual in 2018.

The Draft Treasury Management Policy includes parameters around;

- Member Council Billing Cycles
- Distribution of Surpluses
- Borrowings
- Investments
- Reserves (for truck replacement, entitlements)
- Reporting, and
- Review and Evaluation

5. The Draft 2017/2018 Budget (**Appendix A**) has been constructed in tandem with the development of the Draft Annual Plan and contains;

- Profit and Loss Statement
- Common Fleet Costing
- Treasury Management Review

The following financial papers will be appended to the Final Draft Annual Plan and Budget;

- *Statutory Financial Statements as required by the Regulations*
- *Statement of Changes in Equity*
- *Cash Flow Statement*
- *Statement of Comprehensive Income*
- *Statement of Financial Position*

DRAFT

**EAST WASTE**
**DETAILED PROJECTED PROFIT & LOSS REPORT (BUDGET)**

for the Financial Year Ending 30 June 2018

	FY 2017	FY 2018	ESTIMATED	ESTIMATED
	ADOPTED BUDGET	PROPOSED BUDGET	MOVEMENT	MOVEMENT
	\$	\$	\$	%
<b>WASTE COLLECTION ACTIVITIES</b>				
<b>Waste Collection Income</b>				
3Logix Reporting Fee	-	2,000	2,000	100.00%
Administration	215,800	215,800	-	0.00%
Bin maintenance/Replacement Bins	204,069	155,000	(49,069)	-31.66%
Bin Supply - AHC	64,578	64,578	-	0.00%
Burnside 2nd Bins	60,000	90,000	30,000	33.33%
G/O Disposal Income	1,025,950	1,232,705	206,755	16.77%
Green Organics	2,549,179	2,686,579	137,400	5.11%
Hard Refuse	362,368	434,157	71,789	16.54%
Hard Refuse Disposal Income	154,844	285,156	130,312	45.70%
Household Refuse	4,266,425	4,336,204	69,778	1.61%
Litter	300,051	309,868	9,817	3.17%
Recyclables	3,256,221	3,303,068	46,846	1.42%
Recyclables Rebate	732,000	807,978	75,978	9.40%
Waste Disposal Income	795,000	880,000	85,000	9.66%
Workers Compensation Rebates	-	-	-	0.00%
<b>Total Income</b>	<b>13,986,486</b>	<b>14,803,093</b>	<b>816,607</b>	<b>5.52%</b>
<b>Cost of Operations</b>				
Depreciation	1,861,453	1,842,220	(19,233)	-1.04%
Disposal Fees - G/O	1,025,950	1,232,705	206,755	16.77%
Disposal Fees - Hard	154,844	285,156	130,312	45.70%
Disposal Fees - Waste	795,000	880,000	85,000	9.66%
Disposal Fees - Audits/Contamination	50,000	40,000	(10,000)	-25.00%
Fuel Tax Credits	-	(240,000)	(240,000)	100.00%
Fuel; Gas & Oil	1,006,762	975,065	(31,697)	-3.25%
Interest Expense	363,066	340,490	(22,576)	-6.63%
Maintenance - Trucks	1,113,693	1,130,917	17,224	1.52%
Maintenance - Bins	204,069	219,186	15,117	6.90%
Registration & Insurance - Trucks	279,943	229,973	(49,970)	-21.73%
Superannuation	361,306	313,146	(48,160)	-15.38%
Wages & Salaries	3,803,224	3,947,227	144,003	3.65%
Wages: Casual Agency	550,000	587,632	37,632	6.40%
Workers' Compensation	161,637	150,000	(11,637)	-7.76%
<b>Total Cost of Operations</b>	<b>11,730,947</b>	<b>11,933,717</b>	<b>202,770</b>	<b>1.70%</b>
<b>Waste Collection Operations Surplus / (Deficit)</b>	<b>2,255,539</b>	<b>2,869,376</b>	<b>613,837</b>	<b>21.39%</b>
<b>ADMINISTRATIVE &amp; CORPORATE OVERHEAD ACTIVITIES</b>				
<b>Other Income</b>				
Sundry Income	10,330	10,485	155	1.48%
Profit from Sale of Fixed Assets	25,000	20,000	(5,000)	-25.00%
Interest Income	47,841	32,000	(15,841)	-49.50%
<b>Total Other Income</b>	<b>83,171</b>	<b>62,485</b>	<b>(20,686)</b>	<b>-33.11%</b>
<b>Other Administration &amp; Overhead Expenses</b>				
Account Fees	1,000	5,000	4,000	80.00%
Accounting & Audit	36,155	29,000	(7,155)	-24.67%
Bank Charges	2,066	2,100	34	1.62%
Board Fees	25,500	25,500	0	0.00%
Burnside 2nd Bin Reimbursement	60,000	90,000	30,000	33.33%
Communications	115,850	150,000	34,150	22.77%
Conference	16,000	16,000	-	0.00%
Consulting	85,475	85,000	(475)	-0.56%
Depreciation	7,000	7,780	780	10.03%
Education & Training	25,495	30,000	4,505	15.02%
Equipment Hire	81,000	50,000	(31,000)	-62.00%
Fire / Security Service	19,000	15,000	(4,000)	-26.67%
GPS Monthly Tracking	45,803	65,000	19,197	29.53%

Insurance	25,825	22,000	(3,825)	-17.39%
Kerbside Audits (comparative)	15,330	15,000	(330)	-2.20%
Lease: Two-way Radio	5,028	8,000	2,972	37.15%
Legal Fees	30,608	35,000	4,392	12.55%
Licence Fees	2,417	2,500	83	3.32%
Maintenance - Motor Vehicles	30,990	32,000	1,010	3.16%
Maintenance - Truck Contract	208,000	210,000	2,000	0.95%
Other Items - Ottoway	52,476	43,554	(8,922)	-20.49%
Outgoings Ottoway Depot	46,485	43,027	(3,458)	-8.04%
Power	45,000	49,500	4,500	9.09%
Printing, Stationary, Postage & Courier	43,000	41,406	(1,594)	-3.85%
Promotion & Advertising	51,403	51,971	568	1.09%
Protective Clothing	25,825	17,784	(8,041)	-45.22%
Provisions	70,820	81,940	11,120	13.57%
Recyclables Rebate	732,000	807,978	75,978	9.40%
Rent - Ottoway	186,576	200,659	14,083	7.02%
Risk Assessment Expenses	10,330	10,000	(330)	-3.30%
Staff Amenities	46,381	56,851	10,470	18.42%
Staff Medical	1,033	1,000	(33)	-3.30%
Subscriptions	6,508	2,144	(4,364)	-203.59%
Sundry Items	16,354	7,111	(9,243)	-129.98%
Telephone	44,160	44,822	662	1.48%
Tools, Minor Equipment	55,000	62,390	7,390	11.84%
<b>Total Administration &amp; Corporate Overhead Expenses</b>	<b>2,271,893</b>	<b>2,417,016</b>	<b>145,123</b>	<b>6.00%</b>
<b>Surplus / (Deficit) Administration &amp; Corporate Overhead Activities</b>	<b>(2,188,722)</b>	<b>(2,354,531)</b>	<b>(165,809)</b>	<b>7.04%</b>
<b>Net Surplus / (Deficit)</b>	<b>66,817</b>	<b>514,845</b>	<b>448,028</b>	<b>87.02%</b>

**EAST WASTE****COMMON FLEET COSTING WORKSHEET (BUDGET)**  
for the Financial Year Ending 30 June 2018

	2017 \$	2018 \$
	ADOPTED BUDGET	PROPOSED BUDGET
Total Waste Collection Costs	11,730,947	11,933,717
Total Administrative & Corporate Overhead Costs	2,271,893	2,417,016
<b>Total Expenses Per Profit &amp; Loss</b>	<b>14,002,840</b>	<b>14,350,734</b>

**Less: Member Council Non-Collection Costs**

Disposal Fees-Waste	795,000	880,000
Disposal Fees-G/O	1,025,950	1,232,705
Bin Maintenance	279,943	219,186
Sundry	16,354	7,111
	<b>2,117,247</b>	<b>2,339,003</b>

**Less: Member Council Non-Collection Income**

Burnside Second Bins	60,000	90,000
Bin Supply AHC	64,578	64,578
Fixed Admin (Revenue)	215,800	215,800
Hardwaste	517,212	719,313
Litter	300,051	309,868
Recycling Rebate	732,000	807,978
	<b>1,889,641</b>	<b>2,207,537</b>

<b>Total Recoverable Collection Costs - Member Councils</b>	<b>9,995,952</b>	<b>9,804,194</b>
---	------------------	------------------

**Balanced Budget (\$nil Surplus) Common Fleet Costing Modelling**

Member Council	C&T %	Estimated Costs to be Allocated	FY 2017 Budget Estimate	Variance
Adelaide Hills Council	24.45%	2,397,125	2,444,010	(46,885)
City of Burnside	19.12%	1,874,562	1,911,226	(36,664)
Campbelltown City Council	20.76%	2,035,351	2,075,160	(39,809)
City of Mitcham	15.71%	1,540,239	1,570,364	(30,125)
City of Norwood Payneham & St Peters	16.51%	1,618,672	1,650,332	(31,659)
Corporation Town of Walkerville	3.45%	338,245	344,860	(6,616)
<b>Total</b>		<b>9,804,194</b>	<b>9,995,952</b>	<b>(191,758)</b>

**Budget \$514,845 Surplus Common Fleet Costing Modelling**

Budget Description	\$
Green Organics	2,686,579
Household Refuse	4,336,204
Recyclables	3,303,068
	<b>10,325,851</b>

Member Council	C&T %	Estimated Costs to be Allocated	FY 2017 Budget Estimate	Variance
Adelaide Hills Council	24.45%	2,524,671	2,444,010	80,660
City of Burnside	19.12%	1,974,303	1,911,226	63,077
Campbelltown City Council	20.76%	2,143,647	2,075,160	68,487
City of Mitcham	15.71%	1,622,191	1,570,364	51,827
City of Norwood Payneham & St Peters	16.51%	1,704,798	1,650,332	54,466
Corporation Town of Walkerville	3.45%	356,242	344,860	11,382
<b>Total</b>		<b>10,325,851</b>	<b>9,995,952</b>	<b>329,899</b>

**EAST WASTE****PROJECTED STATEMENT OF COMPREHENSIVE INCOME (BUDGET)**  
for the Financial Year Ending 30 June 2018

FY 2016		FY 2017	FY 2018
AUDITED ACTUALS		ADOPTED BUDGET	PROPOSED BUDGET
\$		\$	\$
	<b>INCOME</b>		
12,573,410	User Charges	13,657,839	14,493,515
36,129	Investment income	47,841	32,000
381,540	Other	338,977	320,063
<b>12,991,079</b>	<b>TOTAL INCOME</b>	<b>14,044,657</b>	<b>14,845,578</b>
	<b>EXPENSES</b>		
4,803,231	Employee Costs	4,326,167	4,410,373
6,267,459	Materials, contracts & other expenses	7,445,154	7,749,871
1,595,423	Depreciation, amortisation & impairment	1,868,453	1,850,000
334,865	Finance costs	363,066	340,490
<b>13,000,978</b>	<b>TOTAL EXPENSES</b>	<b>14,002,840</b>	<b>14,350,734</b>
<b>(9,899)</b>	<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>41,817</b>	<b>494,845</b>
37,882	Asset disposals & fair value adjustments	25,000	20,000
<b>27,983</b>	<b>NET SURPLUS / (DEFICIT)</b>	<b>66,817</b>	<b>514,845</b>
-	Other Comprehensive Income	-	-
<b>27,983</b>	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>66,817</b>	<b>514,845</b>

**EAST WASTE**

Treasury Management Review - Funding Purchase of Replacement Trucks

Financial Analysis on Funding Options for Replacement of East Waste Trucks - internal versus external funding.

**Key Assumptions:**

- 1 Loans are fixed interest, principal and interest loan repayments with the Local Government Finance Authority (LGFA). Payments on 6 monthly repayment basis.
- 2 Loan term = 7 years (represents the expected life of the truck).
- 3 Cash Deposits are held with the LGFA.
- 4 Interest on Borrowings = 4.75%
- 5 Rate of Return on LGFA Deposit = 1.5% (interest paid annually).
- 6 Interest on LGFA Cash reserve account does not change over the life of the analysis.
- 7 Loan Borrowings = \$1,500,000

**Loan Repayment Schedule**

Year	Beginning Balance	Principal Repayment	Interest Cost	Closing Balance
1	1,500,000	185,318	69,075	1,314,682
2	1,314,682	194,225	60,168	1,120,457
3	1,120,457	203,560	50,833	916,897
4	916,897	213,344	41,049	703,553
5	703,553	223,598	30,795	479,954
6	479,954	234,345	20,048	245,609
7	245,609	245,609	8,784	0
<b>Total Interest</b>			<b>280,751</b>	

**Return on Investment Schedule**

1.5%

Year	Beginning Balance	Interest Revenue	Closing Balance	Annual Difference - Interest Expense versus Interest Revenue
1	1,500,000	22,500	1,522,500	- 46,575
2	1,522,500	22,838	1,545,338	- 37,331
3	1,545,338	23,180	1,568,518	- 27,653
4	1,568,518	23,528	1,592,045	- 17,521
5	1,592,045	23,881	1,615,926	- 6,914
6	1,615,926	24,239	1,640,165	4,191
7	1,640,165	24,602	1,664,767	15,818
<b>Total Interest</b>			<b>164,767</b>	<b>- 115,984</b>

**Conclusion of Analysis:**

The analysis projects that East Waste would save a total of \$115,984 over the life of the loan if it funded the purchase of the replacement trucks with its own cash reserves.

Savings in future years will be compounded by continued reduction on reliance on external loan facilities to fund truck purchases (on the provision that East Waste has sufficient cash reserves available to invest in replacement of trucks). East Waste annually replaces trucks within its fleet with new external loan borrowings.

**Key Risks & Sensitivities:**

- 1 If the rate of return on deposits increases over the 8 year period, the variance between total interest expense and interest revenue diminishes given deposits are on variable rate facilities versus loans at fixed rate arrangements.
- 2 East Waste will not have access to the \$1.5 million cash to fund other expenses or projects that may be arise during the course of the loan period.





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 6.2

---

<b>REPORT SUBJECT:</b>	<b>Financial Statements – December Quarter 2016</b>
<b>REPORT AUTHOR:</b>	<b>General Manager</b>
<b>MEETING DATE:</b>	<b>Thursday 23 February 2017</b>
<b>ATTACHMENTS:</b>	<b>Financial Report December Quarter 2017, Year to Date, Extrapolated</b>

---

### Purpose of the Report

To provide the Board with the financial statements for the December Quarter 2016, with Income Statement and Common Fleet Costing year to date and extrapolated for entire year.

### Report

The Subsidiary performed strongly in the December Quarter 2016, achieving an operating surplus of \$213,963. This equates to a current operating surplus of \$518,863 year to date. However East Waste reduced its Quarter 3 member Council collection fee invoices by \$232,948 as per Budget Review 1, so the predicted operating surplus for the year when extrapolated is anticipated to remain steady at \$549,890.

All Member Councils tracked a positive variance in December Quarter 2016 Common Fleet Costing, and this is mirrored in the year to date Common Fleet Costing with, again, all Member Councils tracking a positive variance.

In relation to the remainder of the December Quarter 2016 Financial Statements, the following commentary is offered for the Board;

### Statement of Financial Position

- Cash & Equivalents – Significant decrease due to purchase of new trucks and payment of accrued rebate to Member Councils
- Infrastructure, Plant & Equipment – Significant increase due to purchase of new trucks
- Other current liabilities – Significant decrease due to payment of accrued rebate to Member Councils
- Trade Payable - Significant decrease

### Statement of Changes in Equity

- Opening balance for Quarter 1 at \$150,000 as per retained operating surplus from 2016/2017

### Cash Flow

- Large negative cash flow from change in Other Current Liabilities due to the payment of accrued rebate to Member Councils
- Large negative cash flow from change in Infrastructure, Plant & Equipment due to purchase of new trucks

### December Qtr. Income & Expense Budget Analysis

- Negative variance vs budget from all Disposal fees are offset with positive variance from corresponding income accounts
- No actual amount for Audit/Contamination against budget figure of \$12,500 as Audits are scheduled for March 2017
- Positive variance for Fuel: GAS & Oil

## **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**

- Significant variances with Wages & Salary, Wages: Casual and Superannuation due to less permanent staff and more casual hired during the period during restructure
- Significant negative variance for annual leave accrued in comparison to budget due to upfront accrual at beginning of financial year
- Education & Training over budget due to Chain of Responsibility training for all staff
- Maintenance: Motor Vehicle slightly over budget due to four new vehicle registrations and fees
- Promotion and Advertising over budget due to Member Councils waste calendars and first phase partial rollout of Why Waste It? campaign
- Recycling rebate to councils lower than budget, however three rebates for the quarter have been processed
- Positive variance vs budget for Sundry Income due to LGRS rebates (self-insurance distributions)

### **RECOMMENDATION**

**That the December Quarter 2016 Financial Statements are endorsed**

# Statement of Financial Position

<b>December 2016 Quarter</b>	Q2 2016/2017	Q1 2016/2017	Variance %
<b>Assets</b>			
Cash & Equivalents	\$1,843,483	\$4,443,931	-58.5%
Trade Receivable	\$589,003	\$407,069	44.7%
Other Current Assets	\$207,967	\$295,125	-29.5%
<b>Total Current Assets</b>	<b>\$2,640,453</b>	<b>\$5,146,125</b>	<b>-48.7%</b>
Infrastructure, Plant & Equipment	\$6,758,454	\$5,705,914	18.4%
<b>Total Non-Current Assets</b>	<b>\$6,758,454</b>	<b>\$5,705,914</b>	<b>18.4%</b>
<b>Total Assets</b>	<b>\$9,398,907</b>	<b>\$10,852,039</b>	<b>-13.4%</b>
<b>Liabilities</b>			
Short Term Borrowings	\$380,638	\$502,749	-24.3%
Trade Payable	\$807,440	\$1,176,779	-31.4%
GST Liability	-\$96,458	-\$128,877	25.2%
Other Current Liabilities	\$2,313,697	\$3,404,721	-32.0%
<b>Total Current Liabilities</b>	<b>\$3,405,317</b>	<b>\$4,955,372</b>	<b>-31.3%</b>
Long Term Borrowings	\$4,695,665	\$4,812,705	-2.4%
Other Non-Current Liabilities	\$507,044	\$507,044	0%
<b>Total Non-Current Liabilities</b>	<b>\$5,202,709</b>	<b>\$5,319,749</b>	<b>-2.2%</b>
<b>Total Liabilities</b>	<b>\$8,608,026</b>	<b>\$10,275,121</b>	<b>-16.2%</b>
<b>Equity</b>			
Retained Earnings	\$304,746	\$304,746	0%
Current Earnings	\$518,863	\$304,900	70.2%
Other Equity	-\$32,728	-\$32,728	0%
<b>Total Equity</b>	<b>\$790,881</b>	<b>\$576,918</b>	<b>37.1%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$9,398,907</b>	<b>\$10,852,039</b>	<b>-13.4%</b>

## Statement of Changes in Equity

<b>December 2016 Quarter</b>	Q2 2016/2017	Q1 2016/2017	Variance
Balance at End of Previous Reporting Period	\$583,860	\$150,000	\$433,860
Adjustments Due to Compliance	\$0	\$0	\$0
Other Adjustments	(\$6,942)	\$0	(\$6,942)
<b>Restated Opening Balance</b>	<b>\$576,918</b>	<b>\$150,000</b>	<b>\$426,918</b>
Net Surplus / (Deficit)	\$213,963	\$311,842	(\$97,879)
Gain on Revaluation of Property, Plant & Equipment	\$0	\$0	\$0
Transfers Between Reserves	\$0	\$0	\$0
Capital Contributed by Members	\$0	\$122,018	(\$122,018)
Distributions to Members	\$0	\$0	\$0
<b>Balance at End of Current Reporting Period</b>	<b>\$790,881</b>	<b>\$583,860</b>	<b>\$207,021</b>

# Cash Flow Summary

## Operating Cash Flow

**-\$846,377**

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

## Free Cash Flow

**-\$2,341,210**

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

## Net Cash Flow

**-\$2,361,297**

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

December 2016 Quarter	Q2 2016/2017	Q1 2016/2017	Variance
<b>Operating Cash Flow</b>			
Total Income	\$3,669,365	\$3,619,275	\$50,090
Total Cost Of Operations	(\$2,538,658)	(\$2,380,333)	(\$158,324)
Total Expenses Less Depreciation	(\$470,071)	(\$523,660)	\$53,589
Total Other Income	\$24,316	\$21,137	\$3,179
Cash Tax Paid	\$23,810	(\$13,170)	\$36,980
Change In Trade Payable	(\$369,339)	\$541,439	(\$910,778)
Change In Other Current Liabilities	(\$1,091,024)	\$1,879,886	(\$2,970,910)
Change In Trade Receivable	(\$181,935)	(\$49,476)	(\$132,459)
Change In Other Current Assets	\$87,158	(\$294,135)	\$381,293
<b>Operating Cash Flow Total</b>	<b>(\$846,377)</b>	<b>\$2,800,963</b>	<b>(\$3,647,340)</b>
<b>Free Cash Flow</b>			
Change In Infrastructure, Plant & Equipment Less Depreciation	(\$1,494,833)	(\$793,826)	(\$701,007)
Change in Other Non-Current Assets	\$0	\$0	\$0
<b>Free Cash Flow Total</b>	<b>(\$2,341,210)</b>	<b>\$2,007,137</b>	<b>(\$4,348,347)</b>
<b>Net Cash Flow</b>			
Net Interest (after Tax)	(\$20,087)	(\$7,803)	(\$12,284)
Change in Other Non-Current Liabilities	\$0	\$0	\$0
Change in Retained Earnings & Other Equity	\$0	\$122,018	(\$122,018)
Adjustments	\$0	\$0	\$0
<b>Net Cash Flow Total</b>	<b>(\$2,361,297)</b>	<b>\$2,121,352</b>	<b>(\$4,482,649)</b>
<b>Net Cash Flow Resulting From</b>			
Change In Cash On Hand	(\$2,600,448)	\$1,646,361	(\$4,246,809)
Change In Short Term Debt	\$122,111	\$64,222	\$57,889
Change In Long Term Debt	\$117,040	\$410,769	(\$293,730)
<b>Net Cash Flow Total</b>	<b>(\$2,361,297)</b>	<b>\$2,121,352</b>	<b>(\$4,482,649)</b>

# Income & Expense Budget Analysis

December 2016 Quarter	Q2 2016/2017	Budget	Variance
<b>Income</b>			
Collection Fees	\$3,669,365	\$3,548,063	\$121,303
<b>Total Income</b>	<b>\$3,669,365</b>	<b>\$3,548,063</b>	<b>\$121,303</b>
<b>Cost of Operations</b>			
Disposal Fees - G/O	\$288,132	\$256,487	(\$31,645)
Disposal Fees - HARD	\$77,449	\$53,711	(\$23,738)
Disposal Fees - Waste	\$237,869	\$198,750	(\$39,119)
Audit/Contamination	\$0	\$12,500	\$12,500
Fuel: Gas & Oil	\$246,617	\$315,132	\$68,515
Maintenance: Bins	\$61,919	\$51,017	(\$10,901)
Maintenance: Trucks	\$271,249	\$278,423	\$7,175
Regist'n & Insurance: Trucks	\$58,918	\$69,986	\$11,067
Superannuation	\$72,624	\$94,672	\$22,048
Wages & Salaries	\$940,225	\$996,544	\$56,319
Wages: Casual Agency	\$241,156	\$136,557	(\$104,599)
Workers Compensation	\$42,500	\$39,235	(\$3,265)
<b>Total Cost of Operations</b>	<b>\$2,538,658</b>	<b>\$2,503,015</b>	<b>(\$35,642)</b>
<b>Operating Surplus (Deficit)</b>	<b>\$1,130,708</b>	<b>\$1,045,048</b>	<b>\$85,660</b>
<b>Expenses</b>			
Account Fees	\$1,792	\$250	(\$1,542)
Accounting & Audit	\$6,900	\$9,039	\$2,139
Annual Leave Accrued	(\$67,971)	\$7,375	\$75,346
Bank Charges	\$336	\$517	\$180
Board Fees	\$6,100	\$6,375	\$275
Burnside 2nd Bin Reimbursement	\$6,867	\$3,000	(\$3,867)
Communications	\$26,546	\$28,963	\$2,416
Conference	\$3,902	\$4,000	\$98
Consulting	\$11,269	\$21,369	\$10,100
Depreciation	\$442,293	\$467,113	\$24,820
Education & Training	\$12,739	\$6,374	(\$6,365)
Equipment Hire	\$11,434	\$20,250	\$8,816
Fire / Security Service	\$3,326	\$4,750	\$1,424
GPS Monthly Tracking	\$16,011	\$11,451	(\$4,560)
Insurance	\$5,371	\$6,456	\$1,085
Kerbside Audits	\$0	\$3,833	\$3,833
Lease: Two-way Radio	\$0	\$1,257	\$1,257
Legal Fees	\$10,044	\$7,652	(\$2,392)
Licence Fees	\$0	\$604	\$604
Maintenance: Motor Vehicle	\$10,104	\$7,748	(\$2,356)
Maintenance: Trucks Contract	\$47,100	\$52,000	\$4,900
Other Items - Ottoway	\$8,836	\$13,119	\$4,283
Outgoings Ottoway Depot	\$9,436	\$11,621	\$2,185
Power	\$6,861	\$11,250	\$4,389
Print/Stationery/Post/Courier	\$11,494	\$10,750	(\$744)
Promotion & Advertising	\$25,601	\$12,851	(\$12,751)
Protective Clothing	\$6,443	\$9,051	\$2,607
Recycling Rebate to Councils	\$200,598	\$183,000	(\$17,598)
Rent - Ottoway	\$48,672	\$46,644	(\$2,028)

## Income & Expense Budget Analysis

Risk Management Expenses	\$0	\$2,582	\$2,582
Staff Amenities	\$14,597	\$11,595	(\$3,002)
Staff Medical	\$0	\$258	\$258
Sub Depot - Adelaide Hills	(\$599)	\$0	\$599
Subscriptions	\$511	\$1,627	\$1,116
Sundry Items	\$1,258	\$4,088	\$2,830
Telephone	\$9,067	\$11,040	\$1,973
Tools, Minor Equipment	\$15,425	\$13,750	(\$1,675)
<b>Total Expenses</b>	<b>\$912,364</b>	<b>\$1,013,601</b>	<b>\$101,236</b>
<b>Surplus (Deficit) After Overheads</b>	<b>\$218,343</b>	<b>\$31,447</b>	<b>\$186,897</b>
<b>Other Income</b>			
Sundry Income	\$24,316	\$2,582	\$21,734
Profit / Loss on Sale of Asset	\$0	\$6,250	(\$6,250)
<b>Total Other Income</b>	<b>\$24,316</b>	<b>\$8,832</b>	<b>\$15,484</b>
<b>Net Surplus (Deficit) Before Interest</b>	<b>\$242,659</b>	<b>\$40,279</b>	<b>\$202,380</b>
<b>Interest Income</b>			
Interest	\$2,962	\$11,960	(\$8,998)
<b>Total Interest Income</b>	<b>\$2,962</b>	<b>\$11,960</b>	<b>(\$8,998)</b>
<b>Interest Expenses</b>			
Interest Expense	\$17,250	\$37,315	\$20,065
Interest - Equity Loan	\$14,409	\$0	(\$14,409)
<b>Total Interest Expenses</b>	<b>\$31,658</b>	<b>\$37,315</b>	<b>\$5,657</b>
<b>Total Comprehensive Income</b>	<b>\$213,963</b>	<b>\$14,925</b>	<b>\$199,039</b>

# Income & Expense Budget Analysis

2017 Financial Year To Date	2015/2016 FYTD	Budget	Variance
<b>Income</b>			
Collection Fees	\$7,288,640	\$7,144,125	\$144,515
<b>Total Income</b>	<b>\$7,288,640</b>	<b>\$7,144,125</b>	<b>\$144,515</b>
<b>Cost of Operations</b>			
Disposal Fees - G/O	\$553,752	\$512,975	(\$40,777)
Disposal Fees - HARD	\$129,179	\$92,422	(\$36,757)
Disposal Fees - Waste	\$439,877	\$397,500	(\$42,377)
Audit/Contamination	\$0	\$25,000	\$25,000
Fuel: Gas & Oil	\$479,160	\$630,264	\$151,104
Maintenance: Bins	\$107,974	\$102,035	(\$5,939)
Maintenance: Trucks	\$553,712	\$556,847	\$3,134
Regist'n & Insurance: Trucks	\$113,287	\$139,972	\$26,685
Superannuation	\$149,040	\$179,346	\$30,306
Wages & Salaries	\$1,889,427	\$1,887,852	(\$1,575)
Wages: Casual Agency	\$418,584	\$254,106	(\$164,477)
Workers Compensation	\$85,000	\$81,403	(\$3,597)
<b>Total Cost of Operations</b>	<b>\$4,918,991</b>	<b>\$4,859,721</b>	<b>(\$59,269)</b>
<b>Operating Surplus (Deficit)</b>	<b>\$2,369,650</b>	<b>\$2,284,404</b>	<b>\$85,246</b>
<b>Expenses</b>			
Account Fees	\$2,431	\$500	(\$1,931)
Accounting & Audit	\$14,300	\$18,077	\$3,777
Annual Leave Accrued	(\$13,926)	\$14,750	\$28,676
Bank Charges	\$899	\$1,033	\$134
Board Fees	\$12,200	\$12,750	\$550
Burnside 2nd Bin Reimbursement	\$83,053	\$54,000	(\$29,053)
Communications	\$35,525	\$57,925	\$22,400
Conference	\$9,890	\$8,000	(\$1,890)
Consulting	\$52,850	\$42,737	(\$10,113)
Depreciation	\$862,665	\$934,226	\$71,562
Education & Training	\$17,336	\$12,747	(\$4,589)
Equipment Hire	\$18,026	\$40,500	\$22,474
Fire / Security Service	\$6,604	\$9,500	\$2,896
GPS Monthly Tracking	\$31,517	\$22,902	(\$8,615)
Insurance	\$10,742	\$12,913	\$2,170
Kerbside Audits	\$633	\$7,665	\$7,033
Lease: Two-way Radio	\$2,505	\$2,514	\$9
Legal Fees	\$24,567	\$15,304	(\$9,263)
Licence Fees	\$0	\$1,208	\$1,208
LSL Accrued	\$0	\$41,320	\$41,320
Maintenance: Motor Vehicle	\$15,650	\$15,495	(\$155)
Maintenance: Trucks Contract	\$47,100	\$52,000	\$4,900
Other Items - Ottoway	\$21,455	\$26,238	\$4,783
Outgoings Ottoway Depot	\$21,196	\$23,243	\$2,047
Power	\$12,262	\$22,500	\$10,238
Print/Stationery/Post/Courier	\$20,397	\$21,500	\$1,103
Promotion & Advertising	\$25,601	\$25,701	\$100
Protective Clothing	\$8,761	\$10,551	\$1,790
Recycling Rebate to Councils	\$336,103	\$366,000	\$29,897



## Income & Expense Budget Analysis

Rent - Ottoway	\$96,470	\$93,288	(\$3,182)
Risk Management Expenses	\$0	\$5,165	\$5,165
Staff Amenities	\$28,006	\$23,190	(\$4,815)
Staff Medical	\$0	\$516	\$516
Subscriptions	\$1,056	\$3,254	\$2,198
Sundry Items	\$3,503	\$8,177	\$4,674
Telephone	\$16,284	\$22,080	\$5,796
Tools, Minor Equipment	\$30,734	\$27,500	(\$3,234)
<b>Total Expenses</b>	<b>\$1,856,396</b>	<b>\$2,056,971</b>	<b>\$200,575</b>
<b>Surplus (Deficit) After Overheads</b>	<b>\$513,253</b>	<b>\$227,433</b>	<b>\$285,820</b>
<b>Other Income</b>			
Sundry Income	\$25,048	\$5,165	\$19,883
Profit / Loss on Sale of Asset	\$20,405	\$12,500	\$7,905
<b>Total Other Income</b>	<b>\$45,453</b>	<b>\$17,665</b>	<b>\$27,789</b>
<b>Net Surplus (Deficit) Before Interest</b>	<b>\$558,707</b>	<b>\$245,098</b>	<b>\$313,609</b>
<b>Interest Income</b>			
Interest	\$13,213	\$23,921	(\$10,707)
<b>Total Interest Income</b>	<b>\$13,213</b>	<b>\$23,921</b>	<b>(\$10,707)</b>
<b>Interest Expenses</b>			
Interest Expense	\$49,502	\$171,761	\$122,259
Interest - AHC Bins	(\$404)	\$0	\$404
Interest - Equity Loan	\$3,958	\$0	(\$3,958)
<b>Total Interest Expenses</b>	<b>\$53,056</b>	<b>\$171,761</b>	<b>\$118,704</b>
<b>Total Comprehensive Income</b>	<b>\$518,863</b>	<b>\$97,258</b>	<b>\$421,605</b>

# Income & Expense Budget Analysis

Extrapolated 2017 Financial Year	Extrapolated 16/17	Budget	Variance
<b>Income</b>			
Collection Fees	\$14,383,004	\$14,007,304	\$375,700
<b>Total Income</b>	<b>\$14,383,004</b>	<b>\$14,007,304</b>	<b>\$375,700</b>
<b>Cost of Operations</b>			
Disposal Fees - G/O	\$1,107,504	\$1,025,950	(\$81,554)
Disposal Fees - HARD	\$258,358	\$199,844	(\$58,514)
Disposal Fees - Waste	\$879,754	\$795,000	(\$84,754)
Audit/Contamination	\$40,000	\$50,000	\$10,000
Fuel: Gas & Oil	\$958,319	\$1,260,528	\$302,209
Maintenance: Bins	\$215,947	\$204,069	(\$11,878)
Maintenance: Trucks	\$1,107,425	\$1,113,693	\$6,268
Regist'n & Insurance: Trucks	\$226,574	\$279,943	\$53,369
Superannuation	\$307,579	\$361,306	\$53,727
Wages & Salaries	\$3,856,931	\$3,803,224	(\$53,707)
Wages: Casual Agency	\$567,167	\$550,000	(\$17,167)
Workers Compensation	\$170,000	\$161,637	(\$8,363)
<b>Total Cost of Operations</b>	<b>\$9,695,559</b>	<b>\$9,805,194</b>	<b>\$109,636</b>
<b>Operating Surplus (Deficit)</b>	<b>\$4,687,446</b>	<b>\$4,202,110</b>	<b>\$485,336</b>
<b>Expenses</b>			
Account Fees	\$4,863	\$1,000	(\$3,863)
Accounting & Audit	\$28,600	\$36,155	\$7,555
Annual Leave Accrued	(\$27,851)	\$29,500	\$57,351
Bank Charges	\$1,798	\$2,066	\$268
Board Fees	\$25,500	\$25,500	\$0
Burnside 2nd Bin Reimbursement	\$87,079	\$60,000	(\$27,079)
Communications	\$115,850	\$115,850	\$0
Conference	\$16,000	\$16,000	\$0
Consulting	\$85,475	\$85,475	\$0
Depreciation	\$1,767,615	\$1,868,453	\$100,838
Education & Training	\$34,673	\$25,495	(\$9,178)
Equipment Hire	\$36,053	\$81,000	\$44,947
Fire / Security Service	\$13,208	\$19,000	\$5,792
GPS Monthly Tracking	\$63,033	\$45,803	(\$17,230)
Insurance	\$21,485	\$25,825	\$4,340
Kerbside Audits	\$15,330	\$15,330	\$0
Lease: Two-way Radio	\$5,028	\$5,028	\$0
Legal Fees	\$30,608	\$30,608	\$0
Licence Fees	\$0	\$2,417	\$2,417
LSL Accrued	\$40,000	\$41,320	\$1,320
Maintenance: Motor Vehicle	\$31,300	\$30,990	(\$310)
Maintenance: Trucks Contract	\$156,000	\$156,000	\$0
Other Items - Ottoway	\$42,910	\$52,476	\$9,566
Outgoings Ottoway Depot	\$42,391	\$46,485	\$4,094
Power	\$45,000	\$45,000	\$0
Print/Stationery/Post/Courier	\$40,794	\$43,000	\$2,206
Promotion & Advertising	\$51,203	\$51,403	\$200
Protective Clothing	\$17,521	\$25,825	\$8,304
Recycling Rebate to Councils	\$732,000	\$732,000	\$0

## Income & Expense Budget Analysis

Rent - Ottoway	\$192,941	\$186,576	(\$6,365)
Risk Management Expenses	\$0	\$10,330	\$10,330
Staff Amenities	\$56,011	\$46,381	(\$9,630)
Staff Medical	\$0	\$1,033	\$1,033
Subscriptions	\$2,112	\$6,508	\$4,396
Sundry Items	\$7,007	\$16,354	\$9,347
Telephone	\$44,160	\$44,160	\$0
Tools, Minor Equipment	\$61,468	\$55,000	(\$6,468)
<b>Total Expenses</b>	<b>\$3,887,164</b>	<b>\$4,081,346</b>	<b>\$194,182</b>
<b>Surplus (Deficit) After Overheads</b>	<b>\$800,282</b>	<b>\$120,764</b>	<b>\$679,518</b>
<b>Other Income</b>			
Sundry Income	\$10,330	\$10,330	\$0
Profit / Loss on Sale of Asset	\$25,000	\$25,000	\$0
<b>Total Other Income</b>	<b>\$35,330</b>	<b>\$35,330</b>	<b>\$0</b>
<b>Net Surplus (Deficit) Before Interest</b>	<b>\$835,612</b>	<b>\$156,094</b>	<b>\$679,518</b>
<b>Interest Income</b>			
Interest	\$26,426	\$47,841	(\$21,415)
<b>Total Interest Income</b>	<b>\$26,426</b>	<b>\$47,841</b>	<b>(\$21,415)</b>
<b>Interest Expenses</b>			
Interest Expense	\$285,735	\$363,066	\$77,331
Interest - AHC Bins	(\$808)	\$0	\$808
Interest - Equity Loan	\$27,221	\$0	(\$27,221)
<b>Total Interest Expenses</b>	<b>\$312,149</b>	<b>\$363,066</b>	<b>\$50,917</b>
<b>Total Comprehensive Income</b>	<b>\$549,890</b>	<b>(\$159,131)</b>	<b>\$709,021</b>

# Common Fleet Costing

December 2016 Quarter	Q2 2016/2017	Budget Q2 16/17
Total Expenses	\$3,482,680	\$3,553,931
Less:		
Disposal Fees - Waste	\$237,869	\$198,750
Disposal Fees - G/O	\$288,132	\$256,487
Interest - Equity Loan	\$14,409	\$0
Maintenance: Bins	\$61,919	\$51,017
Sundry Items	\$1,258	\$4,088
Burnside 2nd Bins	\$7,273	\$3,000
Recycling Rebate	\$200,598	\$183,000
Rebate to Member Councils	\$0	\$0
Fixed Admin (Revenue)	\$127,788	\$74,743
Hard Waste Expenses	\$177,556	\$129,303
Litter Expenses	\$68,544	\$75,013
Bins Expenses	\$9,548	\$16,145
Total Member Council Non-Collection Costs	\$1,194,893	\$991,546
Total Collection Costs	\$2,287,787	\$2,562,385

Overhead Allocation		Total Costs	Budget	Variance
Adelaide Hills	24.89%	\$569,430	\$637,778	\$68,347
Burnside	18.73%	\$428,502	\$479,935	\$51,432
Campbelltown	20.61%	\$471,513	\$528,107	\$56,595
Mitcham	15.89%	\$363,529	\$407,163	\$43,634
Norwood	16.47%	\$376,798	\$422,025	\$45,226
Walkerville	3.41%	\$78,014	\$87,377	\$9,364
Total	100%	\$2,287,787	\$2,562,385	\$274,598

# Common Fleet Costing

2017 Financial Year To Date	2016/2017 FY	Budget 16/17 FY
Total Expenses	\$6,828,443	\$7,088,453
Less:		
Disposal Fees - Waste	\$439,877	\$397,500
Disposal Fees - G/O	\$553,752	\$512,975
Interest - Equity Loan	\$3,958	\$0
Maintenance: Bins	\$107,974	\$102,035
Sundry Items	\$3,503	\$8,177
Burnside 2nd Bins	\$81,079	\$54,000
Recycling Rebate	\$336,103	\$366,000
Rebate to Member Councils	\$0	\$0
Fixed Admin (Revenue)	\$161,596	\$149,485
Hard Waste Expenses	\$295,203	\$258,606
Litter Expenses	\$127,126	\$150,026
Bins Expenses	\$19,096	\$32,289
Total Member Council Non-Collection Costs	\$2,129,268	\$2,031,092
Total Collection Costs	\$4,699,175	\$5,057,360

Overhead Allocation		Total Costs	Budget	Variance
Adelaide Hills	24.89%	\$1,169,625	\$1,258,777	\$89,152
Burnside	18.73%	\$880,156	\$947,244	\$67,088
Campbelltown	20.61%	\$968,500	\$1,042,322	\$73,822
Mitcham	15.89%	\$746,699	\$803,615	\$56,916
Norwood	16.47%	\$773,954	\$832,947	\$58,993
Walkerville	3.41%	\$160,242	\$172,456	\$12,214
Total	100%	\$4,699,175	\$5,057,360	\$358,185

## Agenda Item 6.3

---

<b>REPORT SUBJECT:</b>	<b>Second Review of Budgets; Budget Review Two (BR2)</b>
<b>REPORT AUTHOR:</b>	<b>General Manager</b>
<b>MEETING DATE:</b>	<b>Thursday 23 February 2017</b>
<b>ATTACHMENTS:</b>	<b>Second Review of Budget Report</b>

---

### **Purpose of the Report**

To provide the Board with a report on Budget Review Two (BR2) as prescribed by the Regulations.

### **Background**

As per the Local Government (Financial Management) Regulations 2011;

#### *9—Review of budgets*

*(1) A council, council subsidiary or regional subsidiary must prepare and consider the following reports:*

*(a) at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year (where at least 1 report must be considered before the consideration of the report under subregulation (1)(b), and at least 1 report must be considered after consideration of the report under subregulation (1)(b))—a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;*

*(b) between 30 November and 15 March (both dates inclusive) in the relevant financial year—a report showing a revised forecast of each item shown in its budgeted financial statements for the relevant financial year compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.*

### **Report**

As reported to the 24 November 2016 East Waste Board Meeting, East Waste was successfully appointed as the at-call hard waste collection contractor for Member Council, Adelaide Hills Council. While East Waste was responding to a tender process, Adelaide Hills Council procured the service as a Member Council, and therefore as per the Charter, East Waste simply charges Member Councils the actual cost of providing the service.

Irrespective of the operating result being financially neutral, the Regulations require a Subsidiary to review the operating and investment activity within the Budget and make any material changes to the Budget in the form of a Budget Review. This report serves to function as the second review of budgets, commonly referred to as BR2.

The at-call hard waste service for Adelaide Hills Council represents a prospective additional operating income of approximately \$66,000 for the remainder of 2016/2017. This income is offset by expected costs across fuel, labour, depreciation, and other running costs to provide the service (at cost).

## **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**

Given the new service came online in November 2016, East Waste is requesting the Board vary the budget in BR2 to reflect the additional income and expenditure attributable to the service over the remaining financial year.

East Wastes external accountancy firm Hood Sweeny have prepared the Second Review of Budgets report in the prescribed format which details the varied budget papers. The Board are referred to the attached Report.

### **RECOMMENDATION**

**That the Second Review of Budgets Report is accepted and endorsed**

## **Second Review of Budgets For the year ended 30 June 2017**

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

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

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



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

	ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	SECOND BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
<b>Total Income</b>	13,566,422	(486,714)	364,771	13,444,479
<b>Less Expenses</b>	13,591,422	(486,714)	364,771	13,469,479
<b>Operating Surplus/(Deficit)</b>	<b>(25,000)</b>	-	-	<b>(25,000)</b>
<b>Net Outlay on Assets</b>				
Capital expenditure on renewal & replacement of existing assets	1,926,100	603,900	-	2,530,000
Depreciation, amortisation & impairment	(1,868,453)	-	(6,240)	(1,874,693)
Proceeds from sale of replaced assets	(27,500)	-	-	(27,500)
<b>Less Net Outlay on Assets</b>	<b>30,147</b>	<b>603,900</b>	<b>(6,240)</b>	<b>627,807</b>
<b>Net Lending/(Borrowing) for Financial Year</b>	<b>(55,147)</b>	<b>(603,900)</b>	<b>6,240</b>	<b>(652,807)</b>

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

AUDITED ACTUAL 2015/16 \$		ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	SECOND BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
<b>INCOME</b>					
12,573,410	Collection Charges	12,925,838	(232,948)	110,410	12,803,300
36,129	Investment income	47,841	-	-	47,841
381,540	Other income	592,743	(253,766)	254,361	593,338
<b>12,991,079</b>	<b>TOTAL INCOME</b>	<b>13,566,422</b>	<b>(486,714)</b>	<b>364,771</b>	<b>13,444,479</b>
<b>EXPENSES</b>					
4,803,231	Employee costs	4,946,987	-	22,764	4,969,751
6,267,459	Materials, contracts & other expenses	6,412,916	(486,714)	335,767	6,261,969
1,595,423	Depreciation, amortisation & impairment	1,868,453	-	6,240	1,874,693
334,865	Finance costs	363,066	-	-	363,066
<b>13,000,978</b>	<b>TOTAL EXPENSES</b>	<b>13,591,422</b>	<b>(486,714)</b>	<b>364,771</b>	<b>13,469,479</b>
<b>(9,899)</b>	<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(25,000)</b>	-	-	<b>(25,000)</b>
37,882	Net gain (loss) on disposal of assets	25,000	-	-	25,000
<b>27,984</b>	<b>NET SURPLUS</b>	-	-	-	-
-	Other Comprehensive Income	-	-	-	-
<b>27,984</b>	<b>Total Comprehensive Income</b>	-	-	-	-

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

AUDITED ACTUAL 2015/16 \$		ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	SECOND BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
	<u>Receipts</u>				
13,720,757	Operating Receipts	15,588,280	(475,501)	419,952	15,532,731
36,129	Investment Receipts	47,841	-	-	47,841
	<u>Payments</u>				
(10,937,720)	Operating Payments to Suppliers & Employees	(13,139,730)	502,053	(323,145)	(12,960,822)
(390,947)	Finance Payments	(363,066)	-	-	(363,066)
(62,503)	Other Payments	-	-	-	-
(276,764)	Distribution to Member Councils	(779,064)	(339,585)	-	(1,118,649)
<b>2,088,953</b>	<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>1,354,261</b>	<b>(313,033)</b>	<b>96,807</b>	<b>1,138,035</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
-	Loans Received	1,751,000	779,000	-	2,530,000
(1,412,598)	Loan Repayments	(1,515,045)	663,315	-	(851,730)
<b>(1,412,598)</b>	<b>Net Cash Provided/(Used) by Financing Activities</b>	<b>235,955</b>	<b>1,442,315</b>	<b>-</b>	<b>1,678,270</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
	<u>Receipts</u>				
105,490	Sale of Replaced Assets	27,500	-	-	27,500
122,018	Capital Contributed by Members	122,018	-	-	122,018
	<u>Payments</u>				
(202,487)	Expenditure on renewal / replacements of assets	(1,926,100)	(603,900)	-	(2,530,000)
	Expenditure on new / upgraded assets	-	-	-	-
<b>25,021</b>	<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>(1,776,582)</b>	<b>(603,900)</b>	<b>-</b>	<b>(2,380,482)</b>
<b>701,376</b>	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(186,366)</b>	<b>525,382</b>	<b>96,807</b>	<b>435,823</b>
<b>2,096,194</b>	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD</b>	<b>2,861,782</b>	<b>(64,212)</b>	<b>-</b>	<b>2,797,570</b>
<b>2,797,570</b>	<b>CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD</b>	<b>2,675,415</b>	<b>461,170</b>	<b>96,807</b>	<b>3,233,393</b>

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

AUDITED ACTUAL 2015/16 \$		ADOPTED BUDGET 2016/17 \$	FIRST BUDGET REVIEW \$	SECOND BUDGET REVIEW \$	REVISED BUDGET 2016/17 \$
<b>CURRENT ASSETS</b>					
2,797,570	Cash and Cash Equivalents	2,675,415	461,170	96,807	3,233,393
358,583	Trade & Other Receivables	114,594	269,172	(44,449)	339,316
<b>3,156,153</b>	<b>TOTAL CURRENT ASSETS</b>	<b>2,790,009</b>	<b>730,342</b>	<b>52,358</b>	<b>3,572,709</b>
<b>CURRENT LIABILITIES</b>					
1,869,862	Trade & Other Payables	883,391	(3,271)	46,118	926,238
608,909	Provisions	172,661	380,128	-	552,789
1,416,593	Borrowings	1,622,419	(120,935)	-	1,501,484
<b>3,895,364</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>2,678,470</b>	<b>255,922</b>	<b>46,118</b>	<b>2,980,511</b>
<b>(739,211)</b>	<b>NET CURRENT ASSETS/(CURRENT LIABILITIES)</b>	<b>111,539</b>	<b>474,420</b>	<b>6,240</b>	<b>592,199</b>
<b>NON-CURRENT ASSETS</b>					
5,332,461	Equipment	6,741,522	(977,514)	(6,240)	5,757,768
<b>5,332,461</b>	<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,741,522</b>	<b>(977,514)</b>	<b>(6,240)</b>	<b>5,757,768</b>
<b>NON-CURRENT LIABILITIES</b>					
69,398	Provisions	536,237	(425,519)	-	110,718
4,373,852	Borrowings	5,796,025	171,206	-	5,967,231
<b>4,443,250</b>	<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,332,262</b>	<b>(254,313)</b>	<b>-</b>	<b>6,077,949</b>
<b>150,000</b>	<b>NET ASSETS</b>	<b>520,799</b>	<b>(248,781)</b>	<b>-</b>	<b>272,018</b>
<b>EQUITY</b>					
150,000	Accumulated Surplus/(Deficit)	520,799	(248,781)	-	272,018
<b>150,000</b>	<b>TOTAL EQUITY</b>	<b>520,799</b>	<b>(248,781)</b>	<b>-</b>	<b>272,018</b>

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

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

## Agenda Item 6.4

---

<b>REPORT SUBJECT:</b>	<b>Engagement of External Auditor</b>
<b>REPORT AUTHOR:</b>	<b>General Manager</b>
<b>MEETING DATE:</b>	<b>Thursday 23 February 2017</b>
<b>ATTACHMENTS:</b>	<b>Confidential Evaluation Report</b>

---

### **Purpose of the Report**

To provide the Board with a report on the procurement process to engage an external auditor to provide external audit services to East Waste.

### **Background**

Consistent with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 East Waste must have an auditor.

In November 2016 East Waste undertook a Request for Quotation (RFQ) process for the provision of accountancy services to East Waste. The outcome resulted in East Waste's (then current) external auditor, Dean Newbery & partners being awarded the contract to provide accountancy services. Upon being awarded the accountancy services contract, Dean Newbery & Partners resigned, effective immediately, from their appointment as external auditor to East Waste.

As a result a RFQ process was commenced seeking quotations from suitably qualified auditor's to provide external audit services to the management, Board and Committees of East Waste. The term was three (3) years, with a two (2) year extension option taking the engagement to the five (5) year maximum allowable per the *Regulations*.

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 RFQ process was chaired by the General Manager and followed a developed Probitry and Evaluation Plan. An Evaluation Report has been produced which documents the RFQ Evaluation Group, the RFQ evaluation process, and resultant recommendations (refer confidential attachment).

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

The RFQ Evaluation Group was able to identify Bentleys as the preferred candidate based on the following:

- Local Government experience;
- Bentleys proposed audit team consists of a previous auditor who has had previous audit exposure to East Waste, so brings a baseline understanding of the Subsidiary model and the costing methodology; and

## **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**

- The quoted price from Bentleys is the most competitive received and indicates only a CPI increase for years 2 & 3 of the contract.

Based on experience, capability, and value for money the evaluation group unanimously identified Bentleys as the preferred candidate.

### **RECOMMENDATION**

**In regards to the CONFIDENTIAL attachment;**

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

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

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

**And,**

**That the General Manager advise Bentleys of their successful submission, and award as per the scope of works and in accordance with the proposed contract terms.**

## Agenda Item 6.5

---

<b>REPORT SUBJECT:</b>	<b>Visa Business Card Line Limit Increase</b>
<b>REPORT AUTHOR:</b>	<b>General Manager</b>
<b>MEETING DATE:</b>	<b>Thursday 23 February 2017</b>
<b>ATTACHMENTS:</b>	<b>NIL</b>

---

### **Purpose of the Report**

To seek Board approval to increase East Waste's Visa Business Card Line Limit and provide the Board with a report on East Waste's Visa Business Card Line Limit with our banking institution, Bank SA.

### **Report**

At Monday 20 February 2017, East Waste has a Visa Business Card Line of \$13,000. Three (3) Visa Business Cards are held within the organisation, to the above limit. The cards are currently allocated internally as follows:

General Manager	\$5,000
Operations Manager	\$5,000
Office Administrator	\$3,000

In accordance with Bank SA's terms and conditions, it is necessary to have any limit increase for an 'incorporated' company approved by the Board. East Waste is seeking to increase the Visa Business Card Line Limit from \$13,000 to \$25,000. If approved, the cards will be allocated internally as follows:

General Manager	\$9,000 (increase)
Operations Manager	\$3,000 (decrease)
Office Administrator	\$3,000
<i>Business Improvement Manager (Operations)</i>	<i>\$5,000 (new card)</i>
<i>Business Improvement Manager (Corporate)</i>	<i>\$5,000 (new card)</i>

All of East Wastes procurement and purchasing is conducted strictly in accordance with the *Purchase of Goods and Services Policy* and internal control settings. However, the uplift in credit line limit will increase the flexibility in engaging with our supply chain and also reflects the new structure of the Subsidiary.

### **RECOMMENDATION**

**That the Board approve the Visa Business Card Line Limit increase of \$12,000, from \$13,000 to \$25,000.**



## Agenda Item 6.6

---

<b>REPORT SUBJECT:</b>	<b>Zero Waste SA Recycling Infrastructure Grant (successful)</b>
<b>REPORT AUTHOR:</b>	<b>General Manager</b>
<b>MEETING DATE:</b>	<b>Thursday 23 February 2017</b>
<b>ATTACHMENTS:</b>	<b>Correspondence from Zero Waste SA</b>

---

### **Purpose of the Report**

To seek Board with the outcome of a recent grant funding application to the State Government Department Zero Waste SA (now transitioned to Office of Green Industries).

### **Background**

East Waste reported to the 24 November 2016 Board Meeting about its intention to apply to a grant funding round issued by Zero Waste SA. The funding sought was \$58,500 to install industrial scales on three (3) collection vehicles in order to collect real time weigh information of household bins.

### **Report**

The General Manager is pleased to report that East Wastes grant funding application of \$58,500 for its *Kerbside Collection Vehicle Bin Weighing System* was approved by the Zero Waste SA Board.

East Waste will now install the industrial bin scales to commence collecting baseline household bin weight data. East Waste will then initiate an education and promotion program and measure the resultant shift in recyclable material from the residual waste bin, into the recyclables bin and green organics bin.

This grant funding provides access for Member Councils to the Solid Waste Levy fund, and also aims to drive waste costs down by direct intervention and measurement of household waste and recycling behaviour.

### **RECOMMENDATION**

**That the Report is received and noted**



ABN 76 149 388 126

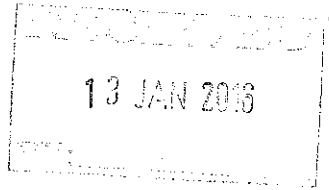
Level 4  
81-95 Waymouth Street  
Adelaide SA 5001

GPO Box 1047  
Adelaide SA 5001

DX138

Tel +61 8 8204 2051  
Fax +61 8 204 1911

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



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

Dear Mr Faulkner

### Infrastructure Grant 2016-17

Thank you for your application for funding under the Office of Green Industries SA (GISA) Infrastructure Grants Program. I am pleased to advise that the Zero Waste SA Board has approved a \$58,500 (GST exclusive) grant for East Waste to implement the project titled; '*Kerbside collection vehicle bin weighing system*'.

As indicated in the guideline for the program, all grant funding is subject to

- Signing a funding agreement,
- Providing evidence that all necessary environmental and planning approvals are in place and current for the duration of the project,
- Meeting any conditions placed upon the grant funding,
- Providing evidence (copy of invoice) of purchase of infrastructure and recycling equipment, and
- Providing a satisfactory performance report.

Please find enclosed two copies of the funding agreement; please sign and return them, so I can then counter-sign them and return one copy for your records.

I would like to congratulate you on obtaining a grant under the scheme and wish you well with the success of your project. I look forward to updates on your progress from GISA staff working with you to promote the benefits of your project.

If you would like to discuss any aspect of your grant agreement with the Office of Green Industries SA or any other matter please feel free to contact Mr Justin Lang, Program Manager on (08) 8204 2634.

Yours sincerely

Ian Harvey  
Acting Chief Executive  
Office of Green Industries SA

Date: 5 January 2017

## Agenda Item 6.7

---

<b>REPORT SUBJECT:</b>	<b>WHS Annual Audit</b>
<b>REPORT AUTHOR:</b>	<b>General Manager</b>
<b>MEETING DATE:</b>	<b>Thursday 23 February 2017</b>
<b>ATTACHMENTS:</b>	<b>2016 KPI Audit Report</b>

---

### Purpose of the Report

To provide the Board with the results of the WHS Key Performance Indicator Audit undertaken in accordance with the standards determined for self-insured employers.

### Report

East Waste holds membership with the Local Government Association Worker's Compensation Scheme (LGAWCS) under the classification of self-insured employer. This class of membership requires an annual Key Performance Indicator (KPI) audit to be undertaken by a suitably qualified and appointed person against an agreed set of performance criteria.

The 2016 KPI Audit was undertaken in early December 2016 and the following performance standards were assessed, as referred to in the Audit Report (attached):

- 1.2.1 Supporting policies and procedures are in place
- 2.1.1 Legislative compliance is addressed as part of the system
- 3.2.1 A relevant training program is in place and being implemented
- 3.3.2 Accountability mechanisms are being used where relevant
- 3.7.1 The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required
- 3.8.1 Hazard management systems including identification, evaluation and control are in place
- 3.8.6 Contractor and volunteer managements systems are in place to meet the organisations duty of care to all persons
- 3.8.7 Work related injury/illness and accidents/incidents are investigated and action taken where relevant
- 3.11.1 Appropriate reporting, records and documentation to support system programs and legislative compliance
- 4.1.1 The organisation must ensure planned objectives, targets and performance indicators for key elements of program(s) are maintained, monitored and reported
- 5.3.1 The organisation must ensure the system is reviewed and revised, if required, in line with current legislation, the workplace and work practices.

East Waste demonstrated compliance in all performance standards assessed, thus demonstrating East Waste's on-going commitment to WHS requirements and the established "safety first" culture.

### RECOMMENDATION

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

**2016**  
**Local Government Association Workers Compensation Scheme**  
**KPI Audit Summary Report EastWaste**

**CLIENT: LGAWCS**

**AUDITEE: EASTWASTE**

---

**AUDIT OBJECTIVE/S:**

To complete an annual audit of LGAWCS membership and test conformance against the ReturnToWorkSA (RTWSA) Code of Conduct for Self Insured Employers and specifically nominated elements within the Performance Standards for Self Insurers.

Also, to provide recommendations to the audited organisation with regard to closing out identified non-conformances, with the aim of assisting those organisations to continuously improve their WHS management systems and any required IM processes.

**AUDIT SCOPE:**

The audit scope was agreed to cover the following locations/departments:

- Administration Buildings
- Work Shop and Yard

The audit was completed over the following agreed time period:

1st and 2<sup>nd</sup> December

**NAME OF AUDITOR/S: Vicky Smith**

Report Provided By: Vicky Smith

RRC/WHSC Name: Vicky Smith

Position Title: WHS Consultant

Region: Metropolitan

**On: 22/12/2016**

**2016**  
**Local Government Association Workers Compensation Scheme**  
**KPI Audit Summary Report EastWaste**

### Table of Contents

1.	Introduction .....	3
2.	Methodology .....	5
3.	Performance .....	<b>Error! Bookmark not defined.</b>
4.	Summary of Non-Conformances .....	7
5.	Conclusion .....	7
6.	Comments and Recommendations .....	<b>Error! Bookmark not defined.</b>

**Attachment 1**          Copy of completed KPI Audit adequacy checklist provided to EastWaste.

# 2016

## Local Government Association Workers Compensation Scheme KPI Audit Summary Report EastWaste

### 1. INTRODUCTION

---

Vicky Smith WHS Consultant on behalf of the Local Government Association Workers Compensation Scheme (LGAWCS) conducted an audit of EastWaste WHS Management and IM System on 1st and 2nd December.

The objective of the annual KPI Audit is:

- To complete an annual audit of LGAWCS Organisations and test conformance against the ReturnToWorkSA Code of Conduct for Self Insured Employers and specifically nominated elements within the Performance Standards for Self Insurers.
- Also, to provide recommendations to the audited Organisations with regard to closing out identified non-conformances, with the aim of assisting those Organisations to continuously improve their WHS management systems and any required IM processes.

The scope of the 2016 audit involved (11) sub-elements of the PSSI.

A timeframe of 9am to 430pm was allocated for the audit completion which included discussions with employees and work site visit.

The following sub-elements of the PSSI were allocated by LGAWCS for completion:

1.2.1	Supporting policies and procedures are in place
2.1.1	Legislative compliance is addressed as part of the system
3.2.1	A relevant Training program is in place and being implemented (relating to the TNA and subsequent plan and effective delivery thereof)
3.3.2	Accountability mechanisms are being used where relevant
3.7.1	The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required.
3.8.1	Hazard management systems including identification, evaluation and control are in place
3.8.6	Contractor and volunteer management systems are in place to meet the organisations duty of care to all persons
3.8.7	Work related injury/illness and accidents/Incidents are investigated and action taken where relevant
3.11.1	Appropriate reporting, records and documentation to support system programs and legislative compliance (this includes notifiable incidents)
4.1.1	The organisation must ensure planned objectives, targets and performance indicators for key elements of program(s) are maintained, and monitored and reported.

## 2016

# Local Government Association Workers Compensation Scheme KPI Audit Summary Report EastWaste

5.3.1	The organisation must ensure the system is reviewed and revised, if required, in line with current legislation, the workplace and work practices.
-------	---

And the following aspects of EastWaste' injury management systems:

1.2.1	Documented job descriptions for injury management personnel and where relevant management, supervisors and employees
1.2.2	Ensuring injury management personnel are competent to administer their role in a reasonable manner.
1.2.3	Ensuring the allocation of resources is appropriate for the organisations type, volume and complexity of the case load
1.2.4	Suitability of facilities and accommodation to ensure restricted access to information, including maintaining confidentiality during interaction with injured workers and service providers.
1.2.5	A Scheme Member is required to appoint a return to work coordinator and ensure the person appointed to this role has successfully completed relevant LGAWCS training. Where this role becomes vacant, the Scheme Member is required to re-appoint an employee within 3 months and ensure the employee(s) appointed have received relevant LGAWCS training within 3 months of the appointment being made.
1.6.1	How to report a work related injury
1.6.2	The process for lodging a claim for compensation
1.6.3	Location of claim forms
1.6.6	Overview of the early intervention and return to work process
1.6.7	Injured worker rights and responsibilities
1.6.8	Rights and responsibilities of the employer
1.6.9	Complaints management processes
2.8.5	Where a worker has not returned to pre-injury employment within 6 months from date of first incapacity and is not working to their full capacity, new or other employment options are considered for the worker by the Scheme Member in conjunction with the LGAWCS.
2.8.6	Where a Scheme Member does not provide suitable employment to a former work injured employee the Scheme Member notifies and consults with LGAWCS.

# 2016

## Local Government Association Workers Compensation Scheme KPI Audit Summary Report EastWaste

### 2. METHODOLOGY

---

The audit of the specified components of EastWaste WHS Management System and IM processes included a review of existing documentation and meeting with employees. Comments and recommendations, including action items will provide management with some suggested ways to improve their WHS and Injury Management systems. It may be appropriate to implement an alternative action and this is at the discretion of each individual organisation and their management team.

**Employee’s involved in the audit process included:**

- Catherine Thiele WHS Manger
- Shane Raymond Business Improvement Manager
- James Stewart Work Shop Mechanic

**Documentation Review**

The review included reviewing policies, procedures and supporting documentation within the EastWaste WHS & IM Management System and IM system.

It should be recognised that the findings of this report should be used for:

- Planning and continuous improvement by EastWaste of their Work Health, Safety, and Injury Management Systems
- Conformance with the RTWSA Performance Standards for Self Insurers



## 2016

### Local Government Association Workers Compensation Scheme KPI Audit Summary Report EastWaste

#### 3. AUDIT FINDINGS

---

STANDARD ELEMENT	Finding
1.2.1	C
2.1.1	C
3.2.1	C
3.3.2	C
3.7.1	C
3.8.1	C
3.8.6	C
3.8.7	C
3.11.1	C
4.1.1	C
5.3.1	C

EastWaste demonstrated compliance in all sub-elements audited which included the following system areas – e.g. policies and procedures in place, Training plans and accountability systems these areas were all sufficiently developed to merit a conforming evaluation.

The final result sees EastWaste achieve 11 conformances on the WHS question set and full compliance on the IM question set this is a great result well done to all involved.

# 2016

## Local Government Association Workers Compensation Scheme KPI Audit Summary Report EastWaste

### 4. COMMENTS and RECOMMENDATIONS

---

During the audit it was apparent that EastWaste WHS Manger is committed to the safety and wellbeing of the staff and to ensuring that the Injury Management processes in place are effective.

EastWaste needs to continue to maintain the WHS System and IM processes in order to ensure its Employees remain safe whilst at work.

The Mechanics Work Shop is undergoing a revamp and this should continue.

The WHS Manger in consultation with myself (Vicky Smith) have developed the KPI action Plan for 2017.

### 5. CONCLUSION

---

I would like to thank all those involved in the EastWaste KPI Audit. It has been a positive experience with all staff and management involved keen to put forward what they are doing in relation to the organisation's WHS management systems.

As part of the audit scope, I conducted a desktop review of evidence provided against the KPI audit checklist, followed by some testing of implementation via staff and management interviews, a Work Shop and Yard walk through. The timeframe provided for on-site and document review was 2 days and hence this can only be a sampling process. I did extend the document review timeframe by another day to review the evidence provided, prior to my audit visit.

Please note that KPI action plans need to be submitted for review by the end of January 2017.

**N.B THE ABOVE ARE RECOMMENDATIONS ONLY. THE RESPONSIBILITY SITS WITH EASTWASTE TO IDENTIFY SYSTEMIC CORRECTIVE ACTIONS THAT ADDRESS THE NON-CONFORMANCE AND MEET THEIR BUSINESS NEEDS**



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 6.8**

---

**REPORT SUBJECT:** Operations Assistance Committee  
**REPORT AUTHOR:** General Manager  
**MEETING DATE:** Thursday 23 February 2017  
**ATTACHMENTS:** Agenda and Minutes

---

**Purpose of the Report**

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

**Report**

East Waste convened a meeting of the Operations Assistance Committee, held at Adelaide Hills Council on 10 February 2017.

Discussions and outcomes were again positive and worthwhile. A number of items continue to progress, together with new initiatives being put forward, which speaks to the commitment of all Committee Members to knowledge sharing and innovation in waste management.

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

**RECOMMENDATION**

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

## EASTERN WASTE MANAGEMENT AUTHORITY

### AGENDA

#### ORDINARY MEETING OF THE OPERATIONS ASSISTANCE COMMITTEE

Meeting to be held on Friday 10 February 2017 at Stirling Council Chambers of  
Adelaide Hills Council, 9:30am

1. PRESENT
2. APOLOGIES
3. CONFIRMATION OF THE MINUTES  
  
RECOMMENDED: That the Minutes of the 7 November 2016 East Waste Operations Assistance Committee are received and noted
4. MATTERS ARISING FROM THE MINUTES Update on GISA Recycling Infrastructure Funding Round
5. QUESTIONS WITHOUT NOTICE
6. GENERAL MANAGER'S REPORT

David Bland, Group Team Leader Adelaide City Council will be delivering a PowerPoint presentation on assessing waste management plans in high density dwellings at 9:30am (approx. 15mins)

- 6.1 Introduce Brian Krombholz, East Waste Business Improvement Manager - Operations
- 6.2 10 Year Business Plan Consultation Rounds
- 6.3 Why Waste It? Rollout update (including microsite demonstration)
- 6.4 GISA FOGO Funding Round Application
- 6.5 Illegal/illegitimate second bin audit City of NP&SP
- 6.6 RFID retrofit Town of Walkerville
- 6.7 At-call Hard Waste service update – potential social enterprise
- 6.8 Solar Compactor Bin Trial City of Burnside
- 6.9 Remote sensor litter bin rollout trial Adelaide Hills Council
- 6.10 Use of Council Transfer Station trial to bulk up green waste, City of Mitcham
7. OTHER BUSINESS
8. NEXT MEETING OF THE BOARD  
The next Operations Assistance Committee Meeting date and location to be advised
9. CLOSURE OF MEETING

# EastWaste

## MINUTES OF THE OPERATIONS ASSISTANCE COMMITTEE MEETING HELD FRIDAY 10 FEBRUARY 2017 AT ADELAIDE HILLS COUNCIL, MT BARKER ROAD STIRLING

1. **PRESENT**

Mr A Faulkner	General Manager East Waste
Mr J McArthur	Adelaide Hills Council
Ms A Fuller	Adelaide Hills Council
Mr J Draper	City of Burnside
Mr J Bowen	Corporation of the Town of Walkerville
Mr A Wiguna	Campbelltown City Council
Mr D Deer	City of Mitcham
Ms G Chambers	City of Mitcham
Ms M Siebert	City of Norwood, Payneham & St Peters
Mr R Gregory	City of Norwood, Payneham & St Peters
Ms M Bekesi	East Waste
Mr S Raymond	East Waste
Mr B Krombholz	East Waste
Mr D Bland	Guest Presenter – Adelaide City Council
  
2. **APOLOGIES** Nil
  
3. **CONFIRMATION OF MINUTES** meeting held 7 November 2016 – CONFIRMED
  
4. **MATTERS ARISING FROM MINUTES** – Update of GISA Recycling Infrastructure Funding Round
  - Adam F provided update. Advised grant application was successful and East Waste has received funding from Green Industries SA to support the install of bin weighing technology on selected East Waste Collection Vehicles. Updates will be provided to the Committee as data and results are collected and collated.
  
5. **QUESTIONS WITHOUT NOTICE** – Nil
  
6. **GENERAL MANAGER’S REPORT**

David Bland, Group Team Leader Adelaide City Council delivered a presentation on assessing waste management plans in high density dwellings. Handout provided to attendee’s.

Questions/Items of note arising from presentation:

  - Engagement with Council Waste Management professionals at time of planning is critical to ensure appropriate planning design for waste collection services
  - Establish good relationship with Department of Planning, Transport and Infrastructure
  - Traffic and waste planning need to be in unison
  - Time of day servicing is of importance
  - Individual MUD Servicing Agreements can be in place
  - Adam F will circulate David Bland’s email address to Committee members and will provide Adelaide City Councils recently established MUD (Waste Servicing) Guidelines.

### *6.3. Why Waste It? rollout update – item brought forward in the Agenda*

- Update provided by Megan Bekesi. Update included demonstration on the use and capabilities of the Microsite
- M Bekesi provided timelines for roll-out of identified communication mediums
  - 20 Adshel sites for commencing recycling message 6 – 19 March 2017
  - AHC will utilise corflute’s instead of Adshels as Adshels are not a viable option for AHC
  - 20 Adshel sites for commencing composting message 12 – 25 June 2017
  - Street banner roll-out March – April 2017
- M Bekesi made available to all Member Council’s posters, flyers and use of banners relating to the campaign
- Adam F reiterated the Board’s strong support for the campaign and continuing education and encouraged Member Council’s to utilise East Waste’s services and education resources. The ultimate goal is to get more food into the G/O organics bin and continue the reduction of contamination in the recycling bin.

### *6.1. Introduction of East Waste’s Business Improvement Manager – Operations, Brian Krombolz*

#### *6.2. 10 Year Business Plan Consultation Rounds*

- Adam F indicated to the Committee that he will shortly be undertaking consultation rounds with Member Councils at Officer level.

#### *6.4. GISA FOGO Funding Round Application*

- Adam F advised the Committee that East Waste had partnered with KESAB and recently submitted an application in response to GISA’s FOGO funding release. Committee will be updated as to the progress of the application.

#### *6.5. Illegal/Illegitimate second bin audit City of NP&SP*

- Adam F advised that East Waste was currently undertaking an audit of illegal/illegitimate bin presentations for the City of NP&SP. Results will be provided to NP&SP by the end of February 2017.
- Andrian W enquired as to how RFID can assist with illegal services. Adam F advised that RFID technology provides for tracking and monitoring of each individual bin, thus providing the ability to monitor exceptions and/or illegal presentations. RFID is the cleanest option to manage the number and location of bin collections services, and the best time for install RFID is at the time of a new bin roll-out.
- Illegal/illegitimate bin audits are available to all Member Councils, however as an interim East Waste will share the findings from NP&SP audit to provide an indication as to the magnitude of the issue
- John M – question to Adam F: What’s the trigger to identify an illegal bin presentation? Response: Some are obvious but there can be some difficulties with identification, particularly G/O bins. Reliant on drivers to identify, who have good knowledge in this area.

#### *6.6. RFID retrofit Town of Walkerville*

- Adam F indicated that East Waste was working with Town of Walkerville in an attempt to undertake a retrofit of ToWs waste and recycling bins. Went to market seeking quotations to undertake the retrofit and costs came back very high in relation to the actual retrofit. RFID chips pricing as anticipated. East Waste is looking at undertaking retrofit in-house, but still in the early enquiry stages at this time. Josh B provided some background as to how this project had come about

- Andrian W – question to Adam F: With GPS you can compare bin lifts against tenements. Is East Waste able to share this data with Member Councils? Response: Yes, East Waste will provide this data to Member Councils.
- Andrian W – question to Adam F: What happens with mattresses that are currently collected? Response: East Waste understands that Campbelltown’s current contractor is advising that he may not continue. For others, depends on the Member Council and the contract that they have in place i.e. mattresses will be disposed of at Suez ResourceCo or Cleanaway, but recycling rate is low. A new contractor has presented itself in the City of Onkaparinga, so will update Member Councils once further information is to hand.

#### *6.7. At-call Hard Waste service update – potential social enterprise*

- Adam F indicated to the Committee that East Waste was continuing to look into social enterprise models to support the hard waste service. Whilst discussions were on-going, as an interim measure, East Waste has arranged to include a Finding Workable (FWS) Flyer with its correspondence to residents regarding their hard waste collection. The flyer provides an option to residents to consider reusable items to be collected by FWS prior to the hard waste collection occurring.
- John M – question to Adam F: Can we obtain a copy of that flyer? Response: Yes, will provide to Member Councils.

#### *6.8. Solar Compactor Bin Trial City of Burnside*

- Adam F provided update regarding a trial that was undertaken at the Burnside Pool. It works well, with the collection frequency dropping by 50-70%. This was a trial only, however for a purchase arrangement the upfront capital cost is high, but savings over time will be realised. There is also a lease option which is less capital intensive. East Waste has all the details if any Member Council is interested.
- David B advised that a trial of weekly green organics collections had been undertaken in North Adelaide and the contact person for results is Sarah Wigley.

#### *6.9. Remote sensor litter bin rollout trial Adelaide Hills Council*

- Adam F advised that East Waste is currently undertaking a trial of 50 sensors in AHC public litter bins. The sensors provide for content levels within the bins to be tracked and early data is very positive. This technology allows for service levels to be adapted based on content level, therefore there is no over or under servicing. The technology is quite affordable, and payback period will be minimal.

#### *6.10. Use of Council Transfer Station to bulk up green waste, City of Mitcham*

- Adam F provided an update regarding the use of the Lynton Transfer Station for six (6) months in 2016 to dispose of G/O. Results of the trial were positive and would be good to see the future use of sites of this nature. Discussions with City of Mitcham are on-going.

### **7. OTHER BUSINESS**

- John D – question to Adam F: Street sweeping; what will East Waste need from Member Council’s to do this? Response: As indicated, Adam F is soon to commence consultation rounds with Member Councils and each Council can put this on the Agenda if it is something they want East Waste to consider. Any outcomes can then be tabled before the Board. East Waste is always open to suggestions and considerations put forward by Member Councils, so please bring forward anything you would like East Waste to consider.

8. The next meeting of the Operations Assistance Committee Meeting to be advised.

Meeting closed at 10.58am.