



**EASTERN WASTE MANAGEMENT  
AUTHORITY**

**AGENDA**

**ORDINARY MEETING OF THE BOARD OF MANAGEMENT**

**Meeting to be held on Thursday 29 June 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 25 May 2017 via teleconference, be received, confirmed and adopted

That the Minutes of the Eastern Waste Management Authority Audit and Risk Management Committee held on Tuesday 27 June 2017, be noted (tabled at meeting)

**4. CONFLICTS OF INTEREST**

**5. MATTERS ARISING FROM THE MINUTES**

**6. QUESTIONS WITHOUT NOTICE**

**7. GENERAL MANAGERS REPORT**

**Reports requiring Decisions**

- 7.1 Financial Statements (March Quarter & April Monthly)**
- 7.2 Draft Long Term Financial Plan**
- 7.3 FY18 Annual Plan & Budget Endorsement**
- 7.4 Capital Expenditure Borrowings – REL Vehicle**
- 7.5 Review of Charter**
- 7.6 Potential Incoming Constituent Council Update**

**Reports for Information**

- 7.7 2017 Satisfaction Survey Results**
- 7.8 Related Party Disclosures**
- 7.9 Register of Interests**
- 7.10 Why Waste It? Update**
- 7.11 Annual Plan Progress Update**
- 7.12 South Australian Government Report: Benefits of a Circular Economy in South Australia**

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

- 8.1 KESAB 17/18 Proposal**
- 8.2 RFT 2017/01 Supply of Mobile Garbage Bins**
- 8.3 Terms of Reference Amendments**
- 8.4 Financial Delegations**

**9. OTHER BUSINESS**

- 9.1 General Manager Recruitment Committee Report**
- 9.2 Acting General Manager Authorisation & Delegations**
- 9.3 Reappointment of Independent Chairman**

**10. NEXT MEETING OF THE BOARD**

The next Board Meeting to be held on Thursday 21 September 2017 at the City of Norwood Payneham & St Peters at 5.30pm

**11. CLOSURE OF MEETING**



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

## MINUTES OF THE SPECIAL BOARD MEETING OF THE EASTERN WASTE MANAGEMENT AUTHORITY

Meeting held pursuant to Clause 35.10.1 of the East Waste Charter involving the linking together by telephone (08 8347 5111) of Directors on Thursday 25 May 2017 commencing at 9.04am

### 1. PRESENT

#### Directors:

|                 |                                       |
|-----------------|---------------------------------------|
| Mr B Cunningham | Independent Chairperson               |
| Mr L Miller     | Adelaide Hills Council (Deputy)       |
| Mr P Di Iulio   | Campbelltown City Council             |
| Cr K Hockley    | City of Mitcham                       |
| Mr M Barone     | City of Norwood, Payneham & St Peters |

#### In Attendance:

|                  |   |
|------------------|---|
| Mr A Faulkner    | General Manager                           |
| Mr S Raymond     | Business Improvement Manager – Corporate  |
| Mr B Krombholz   | Business Improvement Manager – Operations |
| Miss A Quintrell | Office Administrator                      |

### 2. APOLOGIES

|              |  |
|--------------|--|
| Cr L Green   | Adelaide Hills Council                 |
| Cr G Piggott | City of Burnside                       |
| Cr G Busato  | Corporation of the Town of Walkerville |

### 3. CONFIRMATION OF THE MINUTES

Moved Cr Hockley that the Minutes of the Eastern Waste Management Authority Board Meeting held on Thursday 27 April 2017 be received, noted, and adopted  
 Seconded Mr Di Iulio **Carried**

### 4. MATTERS ARISING FROM THE MINUTES

Nil

### 5. QUESTIONS WITHOUT NOTICE

Nil

### 6. GENERAL MANAGERS REPORT

## REPORTS REQUIRING DECISIONS

### 6.1 PURCHASE OF FOUR (4) ROBOTIC ARM COLLECTION VEHICLES

Moved Mr Di Iulio that the Board endorse the purchase of four (4) Robotic Arm Collection Vehicles in line with East Wastes Asset Management Plan, and under the three (3) year supply agreement with Bucher Municipal to the value of \$1,496,585.40, and that the Chairman and General Manager be authorised to execute the Local Government Finance Authority borrow (finance) agreement under the Common Seal for \$1,496,585.40 plus GST

Seconded Mr Miller **Carried**

## REPORTS FOR INFORMATION

### 6.2 CITY OF PROSPECT INCOMING CONSTITUENT COUNCIL

Moved Mr Barone that

1. the General Manager provide regular updates to the Chairman and Board, on the progress of City of Prospect joining East Waste as a Constituent Council and,
2. the General Manager be authorised to engage a suitably qualified and experienced Consultant to assess the implications of the City of Prospect joining East Waste as a Constituent Council, including whether the City of Prospect should pay a joining fee to reflect the reduction in shares by the Constituent Councils, and prepare a Business Case for the Board's consideration

Seconded Mr Di Iulio

**Carried**

### 7. OTHER BUSINESS

Nil

### 8. NEXT MEETING OF THE BOARD

The next Board Meeting will be held on Thursday 29 June 2017 at 5.30pm at City of Norwood, Payneham and St Peters Council Chambers, Norwood

### 9. CLOSURE OF MEETING

There being no further business the meeting closed at 9.26am

**Confirmed**

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

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



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

## **Agenda Item 7.1**

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**REPORT SUBJECT:** Financial Statements

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 29 June 2017

**ATTACHMENTS:** Financial Report, March Quarter, April Monthly

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### **Purpose of the Report**

To provide the Board with the financial statements for the March Quarter 2017, and the April 2017 Monthly Report. At the time of writing this Report, the May financial statements were not available from East Wastes external accountancy firm Hood Sweeney.

### **Report**

#### ***March Quarter 2017***

The Subsidiary recorded an operating loss of \$49,992 for March Quarter 2017, against a budgeted loss of \$209,400. East Wastes Year to Date financial position illustrates a \$468,321 operating surplus, which is consistent with the financial position reported to the Board in April 2017.

Specific variances identified by East Wastes General Manager and Office Administrator in relation to the March Quarter 2017 Financial Statements, the following is offered to the Board;

#### **Significant Income and Expense variances;**

- Negative variance vs budget for Waste Disposal fees are offset with positive variance from corresponding income accounts.
- Negative variance vs budget for Green Organics Disposal fees are offset with positive variance from corresponding income accounts.
- Negative variance vs budget for Hard Refuse Disposal fees are offset with positive variance from corresponding income accounts.
- Positive variance for Fuel: GAS & Oil vs budget due to fuel tax credit variance as explained to the Board previously.
- Registration & Insurance – Trucks is over budget, which is due to new payment schedule (common expiry date for all vehicles) going forward
- Significant variances with Wages & Salary, Wages: Casual and Superannuation due to less permanent staff and more casual hired during the period
  - Some redundancies made in January, superannuation was not included in these payouts
  - Heavy reliance on casuals during this period, which will be the last financial report with this trend, as East Waste has now finished its workforce transition
- Consulting expense is over budget as a result of customer and staff surveys being expensed in this quarter
- Communications expense is over budget as a result of Why Waste it? recycling education campaign
- Infrastructure Grant Income received for 'Zero Waste SA' technology project currently has no budget figure
- Promotion and Advertising over budget due to calendars and Why Waste It? campaign
- Recycling rebate to councils higher than budget, this is due to Decembers rebate being processed in the March quarter

## **EAST WASTE**

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

- Large negative figure for Rebate to Member councils due to MYOB account adjustments made. This is due to the operating surplus from the 2016 financial year not being fully paid out to the Member Councils as per the calculations. This negative offsets the overstated expense from last financial year.
- Interest income under budget due to \$1M transferred from LGFA account into East Wastes primary “everyday” account

### Statement of Financial Position

- Trade Payables – Significant increase due general rise in payables. Specific large increases from following:
  - ATO (All cleared out in April 2017)
  - Bucher Municipal (Mostly cleared out in April 2017)
  - Cleanaway (Still high in April 2017)
  - Jefferies (Still high in April 2017)
- Other Current Liabilities – Significant decrease due to clearing out rebates to member councils, and decrease in finance amount for trucks

### Cash Flow

- Large positive cash flow from change in Trade Payables as per description above
- Significant change in cash flow from Q2 to Q3 for change in Infrastructure, Plant & Equipment due to no major new assets purchased in the quarter

### Common fleet Year to Date

- All Member Councils are currently showing a positive variance against budget which is in line with the current operating surplus Year to Date position

### **April 2017**

The Subsidiary recorded a \$31,590 operating surplus, against a mostly balanced budget for April 2017.

Specific variances identified by East Wastes General Manager and Office Administrator in relation to April 2017 Financial Statements, the following is offered to the Board;

### Statement of Financial Position

- Change in Cash & Equivalents position
  - As per notes regarding Cashflow below
- Significantly less Trade Debtors compared to 2016
  - Due to less accruals for all councils except City of Burnside
- Significantly more Plant & Equipment
  - Due to additional trucks purchased this financial year

### Cashflow

- Increase in cash due to increase in Other Current Liabilities
  - Due to accrual of Member Council Income for the quarter
- Decrease in cash due to increase in Trade Receivables

### Income & Expense Budget Analysis

- Annual Leave is a negative, which reflects the movement against the upfront accrual in July 2016
- Fuel Tax Credits Expense is a negative as per BR3 changes

### **RECOMMENDATION**

**That the Financial Statements are received and noted**

## Statement of Comprehensive Income

| March 2017 Quarter                          | Q3 2016/2017 | Q2 2016/2017 | Variance % |
|---|--------------|--------------|------------|
| Income                                      | \$3,664,113  | \$3,669,365  | -0.14%     |
| Cost of Operations                          | \$2,653,179  | \$2,538,658  | 4.5%       |
| Operating Surplus (Deficit)                 | \$1,010,934  | \$1,130,708  | -10.6%     |
| Expenses                                    | \$965,692    | \$912,914    | 5.8%       |
| Operating Surplus (Deficit) After Overheads | \$45,243     | \$217,793    | -79.2%     |
| Other Income                                | \$40,355     | \$24,316     | 66.0%      |
| Earnings Before Interest & Tax              | \$85,598     | \$242,109    | -64.6%     |
| Interest Income                             | \$1,860      | \$2,962      | -37.2%     |
| Interest Expenses                           | \$137,450    | \$31,658     | 334.2%     |
| Net Surplus (Deficit)                       | -\$49,992    | \$213,413    | -123.4%    |
| Distributions to Councils                   | \$0          | \$0          | -          |
| Retained Income                             | -\$49,992    | \$213,413    | -123.4%    |

# Statement of Financial Position

| March 2017 Quarter                    | Q3 2016/2017       | Q2 2016/2017       | Variance %   |
|---------------------------------------|--------------------|--------------------|--------------|
| <b>Assets</b>                         |                    |                    |              |
| Cash & Equivalents                    | \$2,398,384        | \$2,125,226        | 12.9%        |
| Trade Receivable                      | \$417,938          | \$589,003          | -29.0%       |
| Other Current Assets                  | \$122,789          | \$207,967          | -41.0%       |
| <b>Total Current Assets</b>           | <b>\$2,939,110</b> | <b>\$2,922,196</b> | <b>0.58%</b> |
| Infrastructure, Plant & Equipment     | \$6,420,238        | \$6,758,454        | -5.0%        |
| <b>Total Non-Current Assets</b>       | <b>\$6,420,238</b> | <b>\$6,758,454</b> | <b>-5.0%</b> |
| <b>Total Assets</b>                   | <b>\$9,359,349</b> | <b>\$9,680,650</b> | <b>-3.3%</b> |
| <b>Liabilities</b>                    |                    |                    |              |
| Short Term Borrowings                 | \$314,168          | \$380,638          | -17.5%       |
| Trade Payable                         | \$1,387,557        | \$807,440          | 71.8%        |
| GST Liability                         | -\$35,464          | -\$99,895          | 64.5%        |
| Other Current Liabilities             | \$2,171,291        | \$2,599,427        | -16.5%       |
| <b>Total Current Liabilities</b>      | <b>\$3,837,551</b> | <b>\$3,687,610</b> | <b>4.1%</b>  |
| Long Term Borrowings                  | \$4,274,414        | \$4,695,665        | -9.0%        |
| Other Non-Current Liabilities         | \$507,044          | \$507,044          | 0%           |
| <b>Total Non-Current Liabilities</b>  | <b>\$4,781,458</b> | <b>\$5,202,709</b> | <b>-8.1%</b> |
| <b>Total Liabilities</b>              | <b>\$8,619,009</b> | <b>\$8,890,319</b> | <b>-3.1%</b> |
| <b>Equity</b>                         |                    |                    |              |
| Retained Earnings                     | \$304,746          | \$304,746          | 0%           |
| Current Earnings                      | \$468,321          | \$518,313          | -9.6%        |
| Other Equity                          | -\$32,728          | -\$32,728          | 0%           |
| <b>Total Equity</b>                   | <b>\$740,339</b>   | <b>\$790,331</b>   | <b>-6.3%</b> |
| <b>Total Liabilities &amp; Equity</b> | <b>\$9,359,349</b> | <b>\$9,680,650</b> | <b>-3.3%</b> |

## Statement of Changes in Equity

| March 2017 Quarter                                 | Q3 2016/2017     | Q2 2016/2017     | Variance          |
|--|------------------|------------------|-------------------|
| Balance at End of Previous Reporting Period        | \$790,881        | \$583,860        | \$207,021         |
| Adjustments Due to Compliance                      | \$0              | \$0              | \$0               |
| Other Adjustments                                  | (\$550)          | (\$6,942)        | \$6,392           |
| <b>Restated Opening Balance</b>                    | <b>\$790,331</b> | <b>\$576,918</b> | <b>\$213,413</b>  |
| Net Surplus / (Deficit)                            | (\$49,992)       | \$213,963        | (\$263,955)       |
| Gain on Revaluation of Property, Plant & Equipment | \$0              | \$0              | \$0               |
| Transfers Between Reserves                         | \$0              | \$0              | \$0               |
| Capital Contributed by Members                     | \$0              | \$0              | \$0               |
| Distributions to Members                           | \$0              | \$0              | \$0               |
| <b>Balance at End of Current Reporting Period</b>  | <b>\$740,339</b> | <b>\$790,881</b> | <b>(\$50,542)</b> |



# Cash Flow Summary

## Operating Cash Flow

**\$967,184**

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

**\$855,792**

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

**\$760,879**

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.

| March 2017 Quarter  | Q3 2016/2017     | Q2 2016/2017         | Variance           |
|---|------------------|----------------------|--------------------|
| <b>Operating Cash Flow</b>                                    |                  |                      |                    |
| Total Income  | \$3,664,113      | \$3,669,365          | (\$5,252)          |
| Total Cost Of Operations                                      | (\$2,653,179)    | (\$2,538,658)        | (\$114,521)        |
| Total Expenses Less Depreciation                              | (\$516,084)      | (\$470,621)          | (\$45,463)         |
| Total Other Income  | \$40,355         | \$24,316             | \$16,039           |
| Cash Tax Paid   | \$23,755         | \$23,810             | (\$55)             |
| Change In Trade Payable                                       | \$580,116        | (\$369,339)          | \$949,455          |
| Change In Other Current Liabilities                           | (\$428,136)      | (\$808,731)          | \$380,595          |
| Change In Trade Receivable                                    | \$171,066        | (\$181,935)          | \$353,000          |
| Change In Other Current Assets                                | \$85,178         | \$87,158             | (\$1,980)          |
| <b>Operating Cash Flow Total</b>                              | <b>\$967,184</b> | <b>(\$564,634)</b>   | <b>\$1,531,818</b> |
| <b>Free Cash Flow</b>   |                  |                      |                    |
| Change In Infrastructure, Plant & Equipment Less Depreciation | (\$111,392)      | (\$1,494,833)        | \$1,383,441        |
| Change in Other Non-Current Assets                            | \$0              | \$0                  | \$0                |
| <b>Free Cash Flow Total</b>                                   | <b>\$855,792</b> | <b>(\$2,059,467)</b> | <b>\$2,915,259</b> |
| <b>Net Cash Flow</b>  |                  |                      |                    |
| Net Interest (after Tax)                                      | (\$94,913)       | (\$20,087)           | (\$74,825)         |
| Change in Other Non-Current Liabilities                       | \$0              | \$0                  | \$0                |
| Change in Retained Earnings & Other Equity                    | \$0              | \$0                  | \$0                |
| Adjustments   | \$0              | \$0                  | \$0                |
| <b>Net Cash Flow Total</b>                                    | <b>\$760,879</b> | <b>(\$2,079,554)</b> | <b>\$2,840,434</b> |
| <b>Net Cash Flow Resulting From</b>                           |                  |                      |                    |
| Change In Cash On Hand  | \$273,158        | (\$2,318,705)        | \$2,591,863        |
| Change In Short Term Debt                                     | \$66,470         | \$122,111            | (\$55,641)         |
| Change In Long Term Debt                                      | \$421,251        | \$117,040            | \$304,211          |
| <b>Net Cash Flow Total</b>                                    | <b>\$760,879</b> | <b>(\$2,079,554)</b> | <b>\$2,840,434</b> |

# Income & Expense Budget Analysis

| March 2017 Quarter                 | Q3 2016/2017       | Budget             | Variance           |
|------------------------------------|--------------------|--------------------|--------------------|
| <b>Income</b>                      |                    |                    |                    |
| Collection Fees                    | \$3,664,113        | \$3,471,341        | \$192,772          |
| <b>Total Income</b>                | <b>\$3,664,113</b> | <b>\$3,471,341</b> | <b>\$192,772</b>   |
| <b>Cost of Operations</b>          |                    |                    |                    |
| Disposal Fees - G/O                | \$281,027          | \$256,488          | (\$24,540)         |
| Disposal Fees - HARD               | \$78,986           | \$60,484           | (\$18,502)         |
| Disposal Fees - Waste              | \$241,831          | \$198,750          | (\$43,081)         |
| Audit/Contamination                | \$19,696           | \$23,948           | \$4,252            |
| Fuel: Gas & Oil                    | \$247,426          | \$316,008          | \$68,582           |
| Maintenance: Bins                  | \$73,243           | \$51,017           | (\$22,226)         |
| Maintenance: Trucks                | \$288,116          | \$280,965          | (\$7,151)          |
| Regist'n & Insurance: Trucks       | \$85,682           | \$69,986           | (\$15,696)         |
| Superannuation                     | \$74,724           | \$94,610           | \$19,886           |
| Wages & Salaries                   | \$1,020,817        | \$995,949          | (\$24,868)         |
| Wages: Casual Agency               | \$197,048          | \$131,073          | (\$65,975)         |
| Workers Compensation               | \$44,583           | \$37,881           | (\$6,703)          |
| <b>Total Cost of Operations</b>    | <b>\$2,653,179</b> | <b>\$2,517,157</b> | <b>(\$136,022)</b> |
| <b>Operating Surplus (Deficit)</b> | <b>\$1,010,934</b> | <b>\$954,184</b>   | <b>\$56,751</b>    |
| <b>Expenses</b>                    |                    |                    |                    |
| Account Fees                       | \$427              | \$250              | (\$177)            |
| Accounting & Audit                 | \$9,300            | \$9,039            | (\$261)            |
| Annual Leave Accrued               | (\$56,226)         | \$7,375            | \$63,601           |
| Bank Charges                       | \$379              | \$517              | \$138              |
| Board Fees                         | \$6,100            | \$5,500            | (\$600)            |
| Burnside 2nd Bin Reimbursement     | \$11,546           | \$3,000            | (\$8,546)          |
| Communications                     | \$51,340           | \$28,963           | (\$22,377)         |
| Conference                         | \$4,230            | \$4,000            | (\$230)            |
| Consulting                         | \$33,572           | \$21,369           | (\$12,204)         |
| Depreciation                       | \$449,608          | \$469,452          | \$19,844           |
| Education & Training               | \$10,882           | \$6,374            | (\$4,508)          |
| Equipment Hire                     | \$8,743            | \$23,805           | \$15,063           |
| Fire / Security Service            | \$3,354            | \$4,750            | \$1,396            |
| GPS Monthly Tracking               | \$16,132           | \$11,578           | (\$4,554)          |
| Infrastructure Grant Expense       | \$1,220            | \$0                | (\$1,220)          |
| Insurance                          | \$5,198            | \$6,456            | \$1,258            |
| Kerbside Audits                    | \$11,872           | \$14,698           | \$2,826            |
| Lease: Two-way Radio               | \$1,005            | \$1,257            | \$252              |
| Legal Fees                         | \$1,248            | \$7,652            | \$6,404            |
| Licence Fees                       | \$0                | \$604              | \$604              |
| Maintenance: Motor Vehicle         | \$9,236            | \$7,748            | (\$1,488)          |
| Maintenance: Trucks Contract       | \$47,257           | \$52,000           | \$4,743            |
| Other Items - Ottoway              | \$14,168           | \$13,119           | (\$1,049)          |
| Outgoings Ottoway Depot            | \$9,436            | \$11,621           | \$2,185            |
| Power                              | \$13,103           | \$11,250           | (\$1,853)          |
| Print/Stationery/Post/Courier      | \$12,680           | \$10,750           | (\$1,930)          |
| Promotion & Advertising            | \$26,261           | \$12,851           | (\$13,410)         |
| Protective Clothing                | \$1,661            | \$1,804            | \$143              |
| Recycling Rebate to Councils       | \$291,489          | \$183,000          | (\$108,489)        |
| Rebate to Member Councils          | (\$121,261)        | \$0                | \$121,261          |

## Income & Expense Budget Analysis

|  |                   |                    |                   |
|--|-------------------|--------------------|-------------------|
| Rent - Ottoway                               | \$48,672          | \$46,644           | (\$2,028)         |
| Risk Management Expenses                     | \$0               | \$2,583            | \$2,583           |
| Staff Amenities                              | \$13,476          | \$11,595           | (\$1,880)         |
| Staff Medical                                | \$0               | \$258              | \$258             |
| Subscriptions                                | \$2,332           | \$1,627            | (\$705)           |
| Sundry Items                                 | \$2,671           | \$4,089            | \$1,418           |
| Telephone                                    | \$9,708           | \$11,040           | \$1,332           |
| Tools, Minor Equipment                       | \$12,960          | \$13,750           | \$790             |
| Walkerville 2nd Bin Reimburse                | \$1,912           | \$0                | (\$1,912)         |
| <b>Total Expenses</b>                        | <b>\$965,692</b>  | <b>\$1,022,366</b> | <b>\$56,674</b>   |
| <b>Surplus (Deficit) After Overheads</b>     | <b>\$45,243</b>   | <b>(\$68,182)</b>  | <b>\$113,425</b>  |
| <b>Other Income</b>                          |                   |                    |                   |
| Infrastructure Grant Income                  | \$40,000          | \$0                | \$40,000          |
| Sundry Income                                | \$355             | \$2,583            | (\$2,228)         |
| Profit / Loss on Sale of Asset               | \$0               | \$6,250            | (\$6,250)         |
| <b>Total Other Income</b>                    | <b>\$40,355</b>   | <b>\$8,833</b>     | <b>\$31,522</b>   |
| <b>Net Surplus (Deficit) Before Interest</b> | <b>\$85,597</b>   | <b>(\$59,350)</b>  | <b>\$144,947</b>  |
| <b>Interest Income</b>                       |                   |                    |                   |
| Interest                                     | \$1,860           | \$11,960           | (\$10,100)        |
| <b>Total Interest Income</b>                 | <b>\$1,860</b>    | <b>\$11,960</b>    | <b>(\$10,100)</b> |
| <b>Interest Expenses</b>                     |                   |                    |                   |
| Interest Expense                             | \$137,450         | \$162,010          | \$24,560          |
| <b>Total Interest Expenses</b>               | <b>\$137,450</b>  | <b>\$162,010</b>   | <b>\$24,560</b>   |
| <b>Total Comprehensive Income</b>            | <b>(\$49,992)</b> | <b>(\$209,400)</b> | <b>\$159,407</b>  |

# Income & Expense Budget Analysis

| 2017 Financial Year To Date        | 2015/2016 FYTD      | Budget              | Variance           |
|------------------------------------|---------------------|---------------------|--------------------|
| <b>Income</b>                      |                     |                     |                    |
| Collection Fees                    | \$10,952,754        | \$10,646,967        | \$305,786          |
| Walkerville 2nd Bins               | \$1,912             | \$0                 | \$1,912            |
| <b>Total Income</b>                | <b>\$10,952,754</b> | <b>\$10,646,967</b> | <b>\$305,786</b>   |
| <b>Cost of Operations</b>          |                     |                     |                    |
| Disposal Fees - G/O                | \$834,779           | \$769,462           | (\$65,317)         |
| Disposal Fees - HARD               | \$208,165           | \$157,422           | (\$50,744)         |
| Disposal Fees - Waste              | \$681,707           | \$596,250           | (\$85,457)         |
| Audit/Contamination                | \$19,696            | \$41,316            | \$21,620           |
| Fuel: Gas & Oil                    | \$726,586           | \$946,856           | \$220,270          |
| Maintenance: Bins                  | \$181,217           | \$153,052           | (\$28,165)         |
| Maintenance: Trucks                | \$841,828           | \$839,507           | (\$2,322)          |
| Regist'n & Insurance: Trucks       | \$198,969           | \$209,957           | \$10,988           |
| Superannuation                     | \$223,764           | \$274,190           | \$50,427           |
| Wages & Salaries                   | \$2,910,243         | \$2,886,311         | (\$23,933)         |
| Wages: Casual Agency               | \$615,632           | \$388,124           | (\$227,507)        |
| Workers Compensation               | \$129,583           | \$119,284           | (\$10,300)         |
| <b>Total Cost of Operations</b>    | <b>\$7,572,170</b>  | <b>\$7,381,731</b>  | <b>(\$190,439)</b> |
| <b>Operating Surplus (Deficit)</b> | <b>\$3,380,584</b>  | <b>\$3,265,236</b>  | <b>\$115,348</b>   |
| <b>Expenses</b>                    |                     |                     |                    |
| Account Fees                       | \$2,858             | \$750               | (\$2,108)          |
| Accounting & Audit                 | \$23,600            | \$27,116            | \$3,516            |
| Annual Leave Accrued               | (\$70,151)          | \$22,125            | \$92,276           |
| Bank Charges                       | \$1,278             | \$1,549             | \$272              |
| Board Fees                         | \$18,850            | \$18,250            | (\$600)            |
| Burnside 2nd Bin Reimbursement     | \$94,599            | \$57,000            | (\$37,599)         |
| Communications                     | \$86,865            | \$86,887            | \$23               |
| Conference                         | \$14,120            | \$12,000            | (\$2,120)          |
| Consulting                         | \$86,423            | \$64,106            | (\$22,317)         |
| Depreciation                       | \$1,312,273         | \$1,405,238         | \$92,965           |
| Education & Training               | \$28,218            | \$19,121            | (\$9,097)          |
| Equipment Hire                     | \$26,769            | \$66,676            | \$39,907           |
| Fire / Security Service            | \$9,958             | \$14,250            | \$4,292            |
| GPS Monthly Tracking               | \$47,649            | \$34,564            | (\$13,085)         |
| Infrastructure Grant Expense       | \$1,220             | \$0                 | (\$1,220)          |
| Insurance                          | \$15,940            | \$19,369            | \$3,428            |
| Kerbside Audits                    | \$12,505            | \$15,330            | \$2,826            |
| Lease: Two-way Radio               | \$3,511             | \$3,771             | \$260              |
| Legal Fees                         | \$25,815            | \$22,956            | (\$2,859)          |
| Licence Fees                       | \$0                 | \$1,813             | \$1,813            |
| LSL Accrued                        | \$0                 | \$41,320            | \$41,320           |
| Maintenance: Motor Vehicle         | \$24,885            | \$23,243            | (\$1,643)          |
| Maintenance: Trucks Contract       | \$94,357            | \$104,000           | \$9,643            |
| Other Items - Ottoway              | \$35,623            | \$39,357            | \$3,734            |
| Outgoings Ottoway Depot            | \$30,632            | \$34,864            | \$4,232            |
| Power                              | \$25,365            | \$33,750            | \$8,385            |
| Print/Stationery/Post/Courier      | \$33,077            | \$32,250            | (\$827)            |
| Promotion & Advertising            | \$51,862            | \$38,552            | (\$13,310)         |

## Income & Expense Budget Analysis

|  |                    |                    |                   |
|--|--------------------|--------------------|-------------------|
| Protective Clothing                          | \$10,422           | \$10,736           | \$315             |
| Rebate to Member Councils                    | (\$121,261)        | \$0                | \$121,261         |
| Recycling Rebate to Councils                 | \$627,593          | \$549,000          | (\$78,593)        |
| Rent - Ottoway                               | \$145,143          | \$139,932          | (\$5,211)         |
| Risk Management Expenses                     | \$0                | \$7,747            | \$7,747           |
| Staff Amenities                              | \$41,481           | \$34,786           | (\$6,696)         |
| Staff Medical                                | \$0                | \$775              | \$775             |
| Subscriptions                                | \$3,388            | \$4,881            | \$1,493           |
| Sundry Items                                 | \$6,174            | \$12,265           | \$6,092           |
| Telephone                                    | \$25,992           | \$33,120           | \$7,128           |
| Tools, Minor Equipment                       | \$43,694           | \$41,250           | (\$2,444)         |
| Walkerville 2nd Bin Reimburse                | \$1,912            | \$0                | (\$1,912)         |
| <b>Total Expenses</b>                        | <b>\$2,822,638</b> | <b>\$3,074,700</b> | <b>\$252,062</b>  |
| <b>Surplus (Deficit) After Overheads</b>     | <b>\$557,946</b>   | <b>\$190,536</b>   | <b>\$367,410</b>  |
| <b>Other Income</b>                          |                    |                    |                   |
| Infrastructure Grant Income                  | \$40,000           | \$0                | \$40,000          |
| Sundry Income                                | \$25,403           | \$7,747            | \$17,656          |
| Profit / Loss on Sale of Asset               | \$20,405           | \$18,750           | \$1,655           |
| <b>Total Other Income</b>                    | <b>\$85,808</b>    | <b>\$26,497</b>    | <b>\$59,311</b>   |
| <b>Net Surplus (Deficit) Before Interest</b> | <b>\$643,754</b>   | <b>\$217,034</b>   | <b>\$426,721</b>  |
| <b>Interest Income</b>                       |                    |                    |                   |
| Interest                                     | \$15,074           | \$35,881           | (\$20,807)        |
| <b>Total Interest Income</b>                 | <b>\$15,074</b>    | <b>\$35,881</b>    | <b>(\$20,807)</b> |
| <b>Interest Expenses</b>                     |                    |                    |                   |
| Interest Expense                             | \$186,952          | \$333,771          | \$146,819         |
| Interest - AHC Bins                          | (\$404)            | \$0                | \$404             |
| Interest - Equity Loan                       | \$3,958            | \$0                | (\$3,958)         |
| <b>Total Interest Expenses</b>               | <b>\$190,507</b>   | <b>\$333,771</b>   | <b>\$143,264</b>  |
| <b>Total Comprehensive Income</b>            | <b>\$468,321</b>   | <b>(\$80,857)</b>  | <b>\$549,178</b>  |

# Common Fleet Costing

| March 2017 Quarter                        | Q3 2016/2017 | Budget Q2 16/17 |
|---|--------------|-----------------|
| Total Expenses                            | \$3,756,321  | \$3,701,533     |
| Less:                                     |              |                 |
| Disposal Fees - Waste                     | \$241,831    | \$198,750       |
| Disposal Fees - G/O                       | \$281,027    | \$256,488       |
| Interest - Equity Loan                    | \$0          | \$0             |
| Maintenance: Bins                         | \$73,243     | \$51,017        |
| Sundry Items                              | \$2,671      | \$4,089         |
| Burnside 2nd Bins                         | \$11,096     | \$3,000         |
| Recycling Rebate                          | \$291,489    | \$183,000       |
| Rebate to Member Councils                 | (\$121,261)  | \$0             |
| Fixed Admin (Revenue)                     | \$214,195    | \$74,743        |
| Hard Waste Expenses                       | \$200,504    | \$168,829       |
| Litter Expenses                           | \$74,772     | \$75,013        |
| Bins Expenses                             | \$9,340      | \$16,145        |
| Total Member Council Non-Collection Costs | \$1,278,907  | \$1,031,072     |
| Total Collection Costs                    | \$2,477,413  | \$2,670,461     |

| Overhead Allocation |        | Total Costs | Budget      | Variance  |
|---------------------|--------|-------------|-------------|-----------|
| Adelaide Hills      | 24.50% | \$606,966   | \$654,263   | \$47,297  |
| Burnside            | 19.81% | \$490,776   | \$529,018   | \$38,243  |
| Campbelltown        | 20.18% | \$499,942   | \$538,899   | \$38,957  |
| Mitcham             | 15.73% | \$389,697   | \$420,064   | \$30,366  |
| Norwood             | 16.33% | \$404,562   | \$436,086   | \$31,525  |
| Walkerville         | 3.45%  | \$85,471    | \$92,131    | \$6,660   |
| Total               | 100%   | \$2,477,413 | \$2,670,461 | \$193,048 |

## Common Fleet Costing

| 2017 Financial Year To Date               | 2016/2017 FY | Budget 16/17 FY |
|---|--------------|-----------------|
| Total Expenses                            | \$10,585,314 | \$10,790,202    |
| Less:                                     |              |                 |
| Disposal Fees - Waste                     | \$681,707    | \$596,250       |
| Disposal Fees - G/O                       | \$834,779    | \$769,462       |
| Interest - Equity Loan                    | \$3,958      | \$0             |
| Maintenance: Bins                         | \$181,217    | \$153,052       |
| Sundry Items                              | \$6,174      | \$12,265        |
| Burnside 2nd Bins                         | \$92,176     | \$57,000        |
| Recycling Rebate                          | \$627,593    | \$549,000       |
| Rebate to Member Councils                 | (\$121,261)  | \$0             |
| Fixed Admin (Revenue)                     | \$344,290    | \$224,228       |
| Hard Waste Expenses                       | \$495,707    | \$458,785       |
| Litter Expenses                           | \$201,898    | \$225,038       |
| Bins Expenses                             | \$28,436     | \$48,434        |
| Total Member Council Non-Collection Costs | \$3,376,674  | \$3,093,515     |
| Total Collection Costs                    | \$7,208,640  | \$7,696,687     |

| Overhead Allocation |        | Total Costs | Budget      | Variance  |
|---------------------|--------|-------------|-------------|-----------|
| Adelaide Hills      | 24.50% | \$1,766,117 | \$1,885,688 | \$119,572 |
| Burnside            | 19.81% | \$1,428,032 | \$1,524,714 | \$96,682  |
| Campbelltown        | 20.18% | \$1,454,704 | \$1,553,191 | \$98,488  |
| Mitcham             | 15.73% | \$1,133,919 | \$1,210,689 | \$76,770  |
| Norwood             | 16.33% | \$1,177,171 | \$1,256,869 | \$79,698  |
| Walkerville         | 3.45%  | \$248,698   | \$265,536   | \$16,838  |
| Total               | 100%   | \$7,208,640 | \$7,696,687 | \$488,047 |

## Statement of Comprehensive Income

| Month of April 2017                         | Apr 2017    | Apr 2016    | Variance % |
|---|-------------|-------------|------------|
| Income                                      | \$1,098,607 | \$1,130,317 | -2.8%      |
| Cost of Operations                          | \$740,770   | \$664,123   | 11.5%      |
| Operating Surplus (Deficit)                 | \$357,837   | \$466,194   | -23.2%     |
| Expenses                                    | \$321,312   | \$296,031   | 8.5%       |
| Operating Surplus (Deficit) After Overheads | \$36,525    | \$170,163   | -78.5%     |
| Other Income                                | \$0         | \$248       | -100.0%    |
| Net Surplus (Deficit) Before Interest       | \$36,525    | \$170,411   | -78.6%     |
| Interest Income                             | \$623       | \$2,874     | -78.3%     |
| Interest Expenses                           | \$5,558     | \$5,181     | 7.3%       |
| Net Surplus (Deficit)                       | \$31,590    | \$168,104   | -81.2%     |
| Distributions to Councils                   | \$0         | \$0         | -          |
| Retained Income                             | \$31,590    | \$168,104   | -81.2%     |



# Statement of Financial Position

| Month of April 2017                   | Apr 2017            | Apr 2016            | Variance %    |
|---------------------------------------|---------------------|---------------------|---------------|
| <b>Assets</b>                         |                     |                     |               |
| Cash & Equivalents                    | \$3,550,465         | \$2,512,575         | 41.3%         |
| Trade Receivable                      | \$1,049,018         | \$2,540,739         | -58.7%        |
| Other Current Assets                  | \$93,736            | \$58,323            | 60.7%         |
| <b>Total Current Assets</b>           | <b>\$4,693,218</b>  | <b>\$5,111,637</b>  | <b>-8.2%</b>  |
| Infrastructure, Plant & Equipment     | \$6,303,600         | \$5,544,946         | 13.7%         |
| <b>Total Non-Current Assets</b>       | <b>\$6,303,600</b>  | <b>\$5,544,946</b>  | <b>13.7%</b>  |
| <b>Total Assets</b>                   | <b>\$10,996,818</b> | <b>\$10,656,583</b> | <b>3.2%</b>   |
| <b>Liabilities</b>                    |                     |                     |               |
| Short Term Borrowings                 | \$291,756           | \$667,358           | -56.3%        |
| Trade Payable                         | \$1,192,450         | \$958,165           | 24.5%         |
| GST Liability                         | -\$32,947           | -\$340              | -9,582.1%     |
| Other Current Liabilities             | \$1,914,284         | \$2,149,129         | -10.9%        |
| <b>Total Current Liabilities</b>      | <b>\$3,365,543</b>  | <b>\$3,774,312</b>  | <b>-10.8%</b> |
| Long Term Borrowings                  | \$6,342,818         | \$5,337,770         | 18.8%         |
| Other Non-Current Liabilities         | \$507,044           | \$494,917           | 2.5%          |
| <b>Total Non-Current Liabilities</b>  | <b>\$6,849,862</b>  | <b>\$5,832,687</b>  | <b>17.4%</b>  |
| <b>Total Liabilities</b>              | <b>\$10,215,405</b> | <b>\$9,606,999</b>  | <b>6.3%</b>   |
| <b>Equity</b>                         |                     |                     |               |
| Retained Earnings                     | \$304,746           | \$276,764           | 10.1%         |
| Current Earnings                      | \$509,395           | \$927,565           | -45.1%        |
| Other Equity                          | -\$32,728           | -\$154,746          | 78.9%         |
| <b>Total Equity</b>                   | <b>\$781,413</b>    | <b>\$1,049,584</b>  | <b>-25.6%</b> |
| <b>Total Liabilities &amp; Equity</b> | <b>\$10,996,818</b> | <b>\$10,656,583</b> | <b>3.2%</b>   |

# Cash Flow

## Operating Cash Flow

# \$1,220,736

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

# \$1,186,736

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

# \$1,183,281

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.

| Month of April 2017   | April 2017         | March 2017         | Variance           |
|---|--------------------|--------------------|--------------------|
| <b>Operating Cash Flow</b>                                    |                    |                    |                    |
| Total Income  | \$1,098,607        | \$1,070,983        | \$27,624           |
| Total Cost Of Operations                                      | (\$740,770)        | (\$924,616)        | \$183,846          |
| Total Expenses Less Depreciation                              | (\$170,673)        | \$8,296            | (\$178,969)        |
| Total Other Income  | \$0                | \$40,000           | (\$40,000)         |
| Cash Tax Paid   | \$1,002            | \$71,211           | (\$70,209)         |
| Change In Trade Payable                                       | (\$194,734)        | \$5,190            | (\$199,924)        |
| Change In Other Current Liabilities                           | \$1,829,332        | (\$1,167,465)      | \$2,996,797        |
| Change In Trade Receivable                                    | (\$631,080)        | \$699,740          | (\$1,330,820)      |
| Change In Other Current Assets                                | \$29,053           | \$29,053           | \$0                |
| <b>Operating Cash Flow Total</b>                              | <b>\$1,220,736</b> | <b>(\$167,609)</b> | <b>\$1,388,345</b> |
| <b>Free Cash Flow</b>   |                    |                    |                    |
| Change In Infrastructure, Plant & Equipment Less Depreciation | (\$34,000)         | (\$3,092)          | (\$30,908)         |
| <b>Free Cash Flow Total</b>                                   | <b>\$1,186,736</b> | <b>(\$170,701)</b> | <b>\$1,357,437</b> |
| <b>Net Cash Flow</b>  |                    |                    |                    |
| Net Interest (after Tax)                                      | (\$3,455)          | (\$13,387)         | \$9,933            |
| Change in Retained Earnings & Other Equity                    | (\$0)              | (\$0)              | \$0                |
| <b>Net Cash Flow Total</b>                                    | <b>\$1,183,281</b> | <b>(\$184,088)</b> | <b>\$1,367,370</b> |
| <b>Net Cash Flow Resulting From</b>                           |                    |                    |                    |
| Change In Cash On Hand  | \$1,142,935        | (\$326,691)        | \$1,469,626        |
| Change In Short Term Debt                                     | \$22,412           | \$22,284           | \$128              |
| Change In Long Term Debt                                      | \$17,935           | \$120,319          | (\$102,384)        |
| <b>Net Cash Flow Total</b>                                    | <b>\$1,183,281</b> | <b>(\$184,088)</b> | <b>\$1,367,370</b> |

# Income & Expense Budget Analysis

| Month of April 2017                | April 2017         | Budget             | Variance          |
|------------------------------------|--------------------|--------------------|-------------------|
| <b>Income</b>                      |                    |                    |                   |
| Collection Fees                    | \$1,098,607        | \$1,136,591        | (\$37,984)        |
| <b>Total Income</b>                | <b>\$1,098,607</b> | <b>\$1,136,591</b> | <b>(\$37,984)</b> |
| <b>Cost of Operations</b>          |                    |                    |                   |
| Audit/Contamination                | \$0                | \$2,895            | \$2,895           |
| Disposal Fees - G/O                | \$70,742           | \$85,496           | \$14,754          |
| Disposal Fees - HARD               | \$17,762           | \$20,161           | \$2,400           |
| Disposal Fees - Waste              | \$67,362           | \$66,250           | (\$1,112)         |
| Fuel: Gas & Oil                    | \$78,490           | \$84,092           | \$5,601           |
| Maintenance: Bins                  | \$16,814           | \$17,006           | \$192             |
| Maintenance: Trucks                | \$61,499           | \$93,655           | \$32,157          |
| Regist'n & Insurance: Trucks       | \$21,288           | \$23,329           | \$2,041           |
| Superannuation                     | \$27,334           | \$28,064           | \$731             |
| Wages & Salaries                   | \$331,763          | \$295,434          | (\$36,329)        |
| Wages: Casual Agency               | \$33,549           | \$59,109           | \$25,560          |
| Workers Compensation               | \$14,167           | \$13,462           | (\$704)           |
| <b>Total Cost of Operations</b>    | <b>\$740,770</b>   | <b>\$788,953</b>   | <b>\$48,183</b>   |
| <b>Operating Surplus (Deficit)</b> | <b>\$357,837</b>   | <b>\$347,638</b>   | <b>\$10,199</b>   |
| <b>Expenses</b>                    |                    |                    |                   |
| Account Fees                       | \$56               | \$83               | \$28              |
| Accounting & Audit                 | \$4,978            | \$3,013            | (\$1,965)         |
| Annual Leave Accrued               | (\$9,486)          | \$2,458            | \$11,944          |
| Bank Charges                       | \$136              | \$172              | \$36              |
| Board Fees                         | \$0                | \$1,750            | \$1,750           |
| Burnside 2nd Bin Reimbursement     | \$1,811            | \$1,000            | (\$811)           |
| Communications                     | \$14,853           | \$9,654            | (\$5,199)         |
| Conference                         | \$1,221            | \$1,333            | \$112             |
| Consulting                         | \$6,089            | \$7,123            | \$1,034           |
| Depreciation                       | \$150,639          | \$156,484          | \$5,845           |
| Education & Training               | \$4,086            | \$2,125            | (\$1,962)         |
| Equipment Hire                     | \$1,081            | \$7,935            | \$6,854           |
| Fire / Security Service            | \$1,085            | \$1,583            | \$498             |
| Fuel Tax Credits Expense           | (\$18,286)         | (\$21,197)         | (\$2,912)         |
| GPS Monthly Tracking               | \$5,379            | \$3,859            | (\$1,520)         |
| Infrastructure Grant Expense       | \$2,774            | \$9,695            | \$6,921           |
| Insurance                          | \$1,733            | \$2,152            | \$419             |
| Lease: Two-way Radio               | \$585              | \$419              | (\$166)           |
| Legal Fees                         | \$1,456            | \$2,551            | \$1,095           |
| Licence Fees                       | \$1,798            | \$2,417            | \$619             |
| Maintenance: Motor Vehicle         | \$4,047            | \$2,583            | (\$1,464)         |
| Maintenance: Trucks Contract       | \$15,680           | \$17,333           | \$1,653           |
| Other Items - Ottoway              | \$2,629            | \$4,373            | \$1,744           |
| Outgoings Ottoway Depot            | \$3,145            | \$3,874            | \$729             |
| Power                              | \$8,264            | \$11,250           | \$2,986           |
| Print/Stationery/Post/Courier      | \$5,407            | \$3,583            | (\$1,824)         |
| Promotion & Advertising            | \$6,035            | \$4,284            | (\$1,752)         |
| Protective Clothing                | \$15,379           | \$14,696           | (\$683)           |
| Recycling Rebate to Councils       | \$60,684           | \$61,000           | \$316             |

## Income & Expense Budget Analysis

|  |                  |                  |                  |
|--|------------------|------------------|------------------|
| Rent - Ottoway                               | \$16,224         | \$15,548         | (\$676)          |
| Risk Management Expenses                     | \$0              | \$861            | \$861            |
| Staff Amenities                              | \$4,498          | \$3,865          | (\$633)          |
| Staff Medical                                | (\$139)          | \$86             | \$225            |
| Subscriptions                                | \$125            | \$542            | \$417            |
| Sundry Items                                 | \$381            | \$1,363          | \$982            |
| Telephone                                    | \$3,423          | \$3,680          | \$257            |
| Tools, Minor Equipment                       | \$3,540          | \$4,583          | \$1,043          |
| Walkerville 2nd Bin Reimburse                | \$0              | \$700            | \$700            |
| <b>Total Expenses</b>                        | <b>\$321,312</b> | <b>\$348,814</b> | <b>\$27,502</b>  |
| <b>Surplus (Deficit) After Overheads</b>     | <b>\$36,525</b>  | <b>(\$1,176)</b> | <b>\$37,701</b>  |
| <b>Other Income</b>                          |                  |                  |                  |
| Sundry Income                                | \$0              | \$861            | (\$861)          |
| Profit / Loss on Sale of Asset               | \$0              | \$2,083          | (\$2,083)        |
| <b>Total Other Income</b>                    | <b>\$0</b>       | <b>\$2,944</b>   | <b>(\$2,944)</b> |
| <b>Net Surplus (Deficit) Before Interest</b> | <b>\$36,525</b>  | <b>\$1,768</b>   | <b>\$34,757</b>  |
| <b>Interest Income</b>                       |                  |                  |                  |
| Interest                                     | \$623            | \$3,987          | (\$3,364)        |
| <b>Total Interest Income</b>                 | <b>\$623</b>     | <b>\$3,987</b>   | <b>(\$3,364)</b> |
| <b>Interest Expenses</b>                     |                  |                  |                  |
| Interest Expense                             | \$5,558          | \$5,739          | \$182            |
| <b>Total Interest Expenses</b>               | <b>\$5,558</b>   | <b>\$5,739</b>   | <b>\$182</b>     |
| <b>Total Comprehensive Income</b>            | <b>\$31,590</b>  | <b>\$16</b>      | <b>\$31,574</b>  |



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

## **Agenda Item 7.2**

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**REPORT SUBJECT: Draft Long Term Financial Plan**

**REPORT AUTHOR: General Manager**

**MEETING DATE: Thursday 29 June 2017**

**ATTACHMENTS: Draft Long Term Financial Plan**

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### **Purpose of the Report**

To provide the Board with an opportunity to review the East Waste Long Term Financial Plan.

### **Background**

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

- ~~Draft LTFP will be tabled at the 15 June 2017 East Waste Audit & Risk Committee~~
- Final Draft LTFP will be tabled at the June 2017 East Waste Board Meeting for review
- Final LTFP will be tabled for adoption at the September 2017 East Waste Committee and Board Meeting respectively
- Biannual review and updates based on actual performance

Below are details of the key assumptions considered and used in formulating the DRAFT LTFP:

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

The attached LTFP is provided as a DRAFT and will be subject to amendment based on input and expertise provided by the East Waste Audit and Risk Management Committee and Board.

### **RECOMMENDATION**

**That Board provide input into the Final Draft Long Term Financial Plan, before the General Manager finalises the LTFP for adoption at the scheduled September 2017 East Waste Board Meeting**

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

[illegible]

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

|   | FINANCIAL YEAR     |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|   | 1                  | 2                  | 3                  | 4                  | 5                  | 6                  | 7                  | 8                  | 9                  | 10                 |
|   | 2018               | 2019               | 2020               | 2021               | 2022               | 2023               | 2024               | 2025               | 2026               | 2027               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>RECEIPTS</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Operating Receipts  | 15,760,523         | 16,242,068         | 16,688,236         | 17,177,596         | 17,156,483         | 17,814,407         | 18,326,504         | 18,732,776         | 19,522,583         | 20,191,801         |
| Investment Receipts   | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>PAYMENTS</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Operating Payments  | (13,283,665)       | (13,824,396)       | (14,272,348)       | (14,665,593)       | (14,660,918)       | (15,144,626)       | (15,645,844)       | (16,165,284)       | (16,733,958)       | (17,321,212)       |
| Interest Payments   | (340,490)          | (284,464)          | (287,421)          | (300,506)          | (318,285)          | (336,849)          | (352,127)          | (375,834)          | (294,226)          | (317,394)          |
| <b>NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES</b> | <b>2,136,368</b>   | <b>2,133,208</b>   | <b>2,128,467</b>   | <b>2,211,497</b>   | <b>2,177,280</b>   | <b>2,332,932</b>   | <b>2,328,533</b>   | <b>2,191,658</b>   | <b>2,494,399</b>   | <b>2,553,196</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>RECEIPTS</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Sale of Replaced Assets                                       | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| Capital Contributed by Members                                | 122,018            | 122,018            | 122,018            | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>PAYMENTS</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Expenditure on Renewal/Replaced Assets                        | (50,000)           | (50,000)           | (50,000)           | (50,000)           | (50,000)           | (50,000)           | (50,000)           | (50,000)           | (50,000)           | (50,000)           |
| Expenditure of New/Upgraded Assets                            | (3,344,717)        | (327,710)          | (2,015,916)        | (2,070,797)        | (2,064,819)        | (2,106,351)        | (2,262,815)        | (2,332,800)        | (2,391,631)        | (2,370,717)        |
| Distribution to Councils                                      | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  | -                  |
| <b>NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES</b> | <b>(3,272,698)</b> | <b>(255,692)</b>   | <b>(1,943,898)</b> | <b>(2,120,797)</b> | <b>(2,114,819)</b> | <b>(2,156,351)</b> | <b>(2,312,815)</b> | <b>(2,382,800)</b> | <b>(2,441,631)</b> | <b>(2,420,717)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>RECEIPTS</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Proceeds from Borrowings                                      | 1,847,000          | -                  | 2,016,000          | 2,071,000          | 2,065,000          | 2,100,000          | 2,300,000          | 2,350,000          | 2,400,000          | 2,400,000          |
| <b>PAYMENTS</b>   |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Repayment of Borrowings                                       | (1,700,750)        | (1,768,019)        | (1,826,496)        | (1,697,494)        | (1,678,250)        | (2,012,747)        | (1,913,023)        | (1,793,308)        | (2,173,739)        | (2,228,729)        |
| <b>NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES</b> | <b>146,250</b>     | <b>(1,768,019)</b> | <b>189,504</b>     | <b>373,506</b>     | <b>386,750</b>     | <b>87,253</b>      | <b>386,977</b>     | <b>556,692</b>     | <b>226,261</b>     | <b>171,271</b>     |
| <b>NET INCREASE (DECREASE) IN CASH HELD</b>                   | <b>(990,081)</b>   | <b>109,497</b>     | <b>374,074</b>     | <b>464,206</b>     | <b>449,212</b>     | <b>263,834</b>     | <b>402,695</b>     | <b>365,551</b>     | <b>279,028</b>     | <b>303,750</b>     |
| <b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>     | <b>2,530,058</b>   | <b>1,539,977</b>   | <b>1,649,474</b>   | <b>2,023,548</b>   | <b>2,487,754</b>   | <b>2,936,965</b>   | <b>3,200,799</b>   | <b>3,603,494</b>   | <b>3,969,045</b>   | <b>4,248,073</b>   |
| <b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>           | <b>1,539,977</b>   | <b>1,649,474</b>   | <b>2,023,548</b>   | <b>2,487,754</b>   | <b>2,936,965</b>   | <b>3,200,799</b>   | <b>3,603,494</b>   | <b>3,969,045</b>   | <b>4,248,073</b>   | <b>4,551,823</b>   |

## EASTERN WASTE MANAGEMENT AUTHORITY INC.

### PROJECTED BALANCE SHEET

## LONG TERM FINANCIAL PLAN (LTFP): FY2018 - FY2027

[illegible]



## EASTERN WASTE MANAGEMENT AUTHORITY INC

### PROJECTED STATEMENT OF CHANGES IN EQUITY

[illegible]



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

### **Agenda Item 7.3**

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**REPORT SUBJECT:** Draft 17/18 Annual Plan and Budget Endorsement

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 29 June 2017

**ATTACHMENTS:** Letters of endorsement from Member Councils  
Draft 2017/2018 Annual Plan and Budget

---

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

To provide the Board with the opportunity to adopt the East Waste Annual Plan and Budget for 2017/2018.

#### **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 appended Draft Budget has now been endorsed by all six (6) Member Councils and is ready for adoption by the Board prior to 30 June 2017.

#### **Report**

All Member Councils have considered and endorsed the Draft Annual Plan and have considered the Draft Budget 2017/2018. The Draft Budget remains unchanged from the version presented to the Board on 23 February 2017.

This Paper will allow the Board to adopt the 2017/2018 Annual Plan, and subsequently adopt the 2017/2018 Budget

However, due to formal arrangements being finalised after Member Councils had considered and endorsed the Annual Plan and Budget, the 2017/2018 Budget will have to be substantially amended in an early Budget Review in the new financial year. These arrangements include;

- City of Norwood Payneham and St Peters instructing East Waste to perform its at-call hard waste service (approximate revenue and matching expense of \$96,855 per annum)
- Campbelltown City Council instructing East Waste to perform its public place and litter service (approximate revenue and matching expense of \$80,076 per annum)
- City of prospect resolving to apply to become a Member Council (approximate revenue of \$864,410 per annum)

It is anticipated that these amendments will be brought forward in BR1.

#### **RECOMMENDATION**

**That the 2017/2018 Annual Plan is adopted, and**

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



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Direct line: 8408 0582  
File Ref: IC17/5157 05.85.8-02  
OC17/7019

29 May 2017

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

Dear Adam

**East Waste 2017/18 Draft Annual Plan**

Thank you for your letter dated 7<sup>th</sup> March 2017, enclosing the draft East Waste 2017/18 Annual Plan and Budget.

The presentation made by you at the May Strategic Planning & Development Policy Committee meeting was well received by Council Members and I take this opportunity to thank you for taking the time to present to Council.

Following your presentation, and Council's deliberation on this matter at the May Council meeting, I wish to advise that Council consented to the East Waste 2017/18 Draft Annual Plan by adopting the following resolution:

*That the draft 2017/18 East Waste Annual Plan and Budget be given consent.*

If you would like to discuss any of the above, please contact John McArthur on 8408 0507 or by email to [jmcathur@ahc.sa.gov.au](mailto:jmcathur@ahc.sa.gov.au)

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Andrew Aitken', is written over a light blue horizontal line.

**Andrew Aitken**  
Chief Executive Officer

**From:** Robert Dabrowski <[RDabrowski@burnside.sa.gov.au](mailto:RDabrowski@burnside.sa.gov.au)>  
**Date:** 12 May 2017 at 4:03:45 pm ACST  
**To:** "'[Adam@eastwaste.com](mailto:Adam@eastwaste.com)'" <[Adam@eastwaste.com](mailto:Adam@eastwaste.com)>  
**Cc:** Aaron Schroeder <[ASchroeder@burnside.sa.gov.au](mailto:ASchroeder@burnside.sa.gov.au)>, Karishma Reynolds <[kreynolds@burnside.sa.gov.au](mailto:kreynolds@burnside.sa.gov.au)>, Barry Cant <[BCant@burnside.sa.gov.au](mailto:BCant@burnside.sa.gov.au)>, "Paul Deb" <[PDeb@burnside.sa.gov.au](mailto:PDeb@burnside.sa.gov.au)>  
**Subject:** Response - City of Burnside - East Waste 2017/2018 Draft Annual Plan and Budget

Dear Mr Faulkner

Thank you for your correspondence dated 7 March 2017 to Paul Deb, CEO, enclosing the East Waste Draft 2017/2018 Annual Plan and respective Draft Budget.

Council were presented with these documents and a written briefing at the meeting held 9 May 2017 in order to seek the required endorsement and approval. We are now able to confirm that Council provided consent as per the following resolution extracted from the minutes now made public:

**Recommendation:**

C11185

1. *That the Report be received.*
2. *That Council approve the East Waste draft 2017/2018 Annual Plan and Budget.*

*Moved Councillor Lemon, Seconded Councillor Davis*

*CARRIED UNANIMOUSLY*

We trust that this fulfils consent required under the Charter. Thank you for the opportunity to review these and Council looks forward to our continued relationship throughout 17/18.

Warm regards  
 Rob




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

P: 08 8366 4205 | F: 08 8366 4299

[RDabrowski@burnside.sa.gov.au](mailto:RDabrowski@burnside.sa.gov.au)

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PD:MdB  
Container Ref: B419

Enq: Simon Zbierski  
Ph: 8366 9289

5 April 2017



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

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

**Draft 2017/2018 Annual Business Plan and Budget**

I refer to your correspondence of 7 March 2017 and wish to advise that at its meeting held on Tuesday 4 April 2017 Council endorsed East Waste's Draft Annual Business Plan and Budget for the Year ending 30 June 2018 and noted Council's budgeted gain in its equity share in East Waste of \$27,500.

On behalf of Council, I would like to congratulate you on the efficiency gains that have been realised and incorporated into the 2017/2018 Budget.

If you have any queries please contact Council's Manager Finance, Mr Simon Zbierski on the above number.

Yours sincerely

Paul Di Iulio  
Chief Executive Officer





CITY OF  
MITCHAM



18 May 2017

17.61197  
Phone: 8372 8888

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

Dear Mr Faulkner

**Re: East Waste 2017/2018 Draft Annual Plan and Budget**

Following receipt of your letter dated 7 March 2017, Council has endorsed the following recommendation in relation to the East Waste 2017/2018 Draft Annual Plan and Budget:

- (1) That the East Waste 2017/2018 Draft Annual Plan and Budget is endorsed.

For further information please contact Council's Waste Management Officer, Ms Gemma Chambers, on telephone number 8372 8809 or email at [gchambers@mitchamcouncil.sa.gov.au](mailto:gchambers@mitchamcouncil.sa.gov.au).

Yours sincerely

MATTHEW PEARS  
CHIEF EXECUTIVE OFFICER

Street Address:  
131 Belair Road  
Torrens Park SA 5062

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

MITCHAM

File Number: S00045 (318227)  
Enquiries To: Sharon Perkins  
Direct Telephone: 8366 4533



City of  
Norwood  
Payneham  
& St Peters

21 April 2017



Mr Adam Faulkner  
General Manager  
East Waste  
PO Box 26  
Mansfield Park SA 5012

Dear Adam

**2017-2018 Draft Annual Plan**

Thank you for your letter dated 7 March 2017, in which you have requested the Council's consideration of the East Waste Annual Plan and accompanying Budget for the 2017-2018.

I wish to advise that the Council considered the East Waste Draft Annual Plan at its meeting held on 3 April 2017.

Following the consideration of the Draft Plan, the Council resolved to advise East Waste that Pursuant to Clause 52 of the East Waste Charter, the City of Norwood Payneham & St Peters approves the Draft 2017-2018 Annual Plan.

Should you require any further information, please do not hesitate to contact me of 8366 4533 or email [sperkins@npsp.sa.gov.au](mailto:sperkins@npsp.sa.gov.au)

Yours sincerely

Sharon Perkins  
**GENERAL MANAGER, CORPORATE SERVICES**

175 The Parade  
Norwood SA 5067

PO Box 204  
Kent Town SA 5071

Telephone  
8366 4555

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## The Corporation of the Town of Walkerville

ABN 49 190 949 882

66 Walkerville Terrace, Gilberton SA 5081

PO Box 55, Walkerville SA 5081

File Number: 5.14.1.3

Please Quote Ref: OLT201716199

Contact Officer: Finance Manager, Gary Lewis

Telephone: (08) 8342 7100

Facsimile: (08) 8269 7820

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

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

19 April 2017

Adam Faulkner  
General Manager  
East Waste  
PO Box 26  
Mansfield Park SA 5012

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

Dear Adam

### **Re: East Waste Draft Budget and Annual Business Plan 2017/2018**

Thank you for providing opportunity for Council to comment on East Waste's Draft Budget and Annual Business Plan for the 2017/18 financial year. Council at its Ordinary meeting held on 18 April 2017 considered this matter and resolved the following:

#### **CNC371/16-17**

1. *"That Council endorses the 2017/18 East Waste Draft Budget and Annual Business Plan.*
2. *That administration write to East Waste advising of Council's decision."*

I invite you to contact Gary Lewis on 8342 7100 should you have any questions.

Yours Sincerely

Deb Bria  
Protocol, Compliance & Governance Officer





## 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 system 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<br>Kerbside comparative audit conducted  |
| 3.2.4           | Hard waste services                                  | Section 2.4.1                 | Provision of service to willing Councils at cost.<br>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.<br>Movement to an intervention service delivery model                    |
| 3.2.8           | Litter collection services                           | Section 2.4.1                 | Provision of litter collection service at cost.<br>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<br>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<br>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 adshells, 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<br>Phase II rollout<br>Increased recycling<br>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<br>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<br>Report to the Board on results of customer satisfaction survey results |
| 3.4.5           | 10 Year Business Plan Consultation     | 10 Year BP                    | Consultation completed<br>Final Draft (updated)<br>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

The Draft 2017/2018 Budget (Appendix A) has been constructed in tandem with the development of the Annual Plan. The cornerstone of the Budget is a proposed nil increase in Member Council Collection Fees. The Budget is appended, and contains;

- Common Fleet Costing
- Profit & Loss Statement
- Statement of Comprehensive Income
- Projected Balance Sheet
- Cash Flow Statement
- Statement of Changes in Equity
- Projected Uniform Presentation of Finances

## Table 4.2 - Proposed Member Council Fees 17/18

### Adelaide Hills Council Fees 17/18

| Member Council         | Fee Component                          | Draft<br>2017/2018<br>fees | Adopted<br>Adjusted<br>2016/2017<br>fees | Comment   |
|------------------------|--|----------------------------|--|---|
| Adelaide Hills Council | East Waste Equity Loan                 | 18,140                     | 18,140                                   | Councils contribution to the equity loan. Expires 2019/2020   |
|                        | Administration Fee Fixed               | 35,967                     | 35,967                                   | Fixed administration fee overhead   |
|                        | Collection Fees                        | 2,434,014                  | 2,434,014                                | Fees for the collection of kerbside waste, recyclables and organics.  |
|                        | Green Organics Processing              | 125,724                    | 107,032                                  | This fee has now been included in East Waste fees at the request of several Member Councils. The costs are directed to Member Councils, and an in-out administrative transaction for East Waste. Most Member Councils hold separate budget lines for green Waste processing/disposal costs. |
|                        | At-call Hard Waste Collection          | 99,007                     | 100,000                                  | Proposed fees for Councils at-call hard waste service. Actual fees are "at-cost"  |
|                        | Litter and Public Place Bin Collection | 125,234                    | 122,861                                  | Proposed fees for Councils litter, street, and public place bin collection service. Service is provided "at-cost" and therefore fees are subject to change  |
|                        | Bin Finance                            | 64,578                     | 64,578                                   | East Waste loan repayments to Local Government Finance Authority for Councils bin stock (green organics)  |
|                        | Illegal Dumping Collection             |                            |  | Proposed collection fees for the collection and disposal of illegally dumped hard waste. Service is provided "at-cost" and therefore fees are subject to change   |
|                        | Total                                  | 2,902,663                  | 2,882,592                                | The Draft 2017/2018 fees have not been endorsed by the East Waste Board or Member Councils and are subject to change.   |
|                        | Recyclables Income                     | 126,674                    | 115,656                                  | Council expected rebate income for tonnes of recyclables presented to East Wastes recyclables processing contractor.  |



## Table 4.2 - Proposed Member Council Fees 17/18

### City of Burnside Fees 17/18

| Member Council   | Fee Component                          | Draft<br>2017/2018<br>fees | Adopted<br>Adjusted<br>2016/2017<br>fees | Comment   |
|------------------|--|----------------------------|--|---|
| City of Burnside | East Waste Equity Loan                 | 23,065                     | 23,065                                   | Councils contribution to the equity loan. Expires 2019/2020   |
|                  | Administration Fee Fixed               | 35,967                     | 35,967                                   | Fixed administration fee overhead   |
|                  | Collection Fees                        | 1,921,222                  | 1,921,222                                | Fees for the collection of kerbside waste, recyclables and organics.  |
|                  | Green Organics Processing              | 222,013                    | 211,767                                  | This fee has now been included in East Waste fees at the request of several Member Councils. The costs are directed to Member Councils, and an in-out administrative transaction for East Waste. Most Member Councils hold separate budget lines for green Waste processing/disposal costs. |
|                  | At-call Hard Waste Collection          | 136,346                    | 126,566                                  | Proposed fees for Councils at-call hard waste service. Actual fees are "at-cost"  |
|                  | Litter and Public Place Bin Collection |                            |  | Proposed fees for Councils litter, street, and public place bin collection service. Service is provided "at-cost" and therefore fees are subject to change  |
|                  | Bin Finance                            |                            |  | East Waste loan repayments to Local Government Finance Authority for Councils bin stock (green organics)  |
|                  | Illegal Dumping Collection             |                            |  | Proposed collection fees for the collection and disposal of illegally dumped hard waste. Service is provided "at-cost" and therefore fees are subject to change   |
|                  | Total                                  | 2,338,613                  | 2,318,587                                | The Draft 2017/2018 fees have not been endorsed by the East Waste Board or Member Councils and are subject to change.   |
|                  | Recyclables Income                     | 151,056                    | 140,805                                  | Council expected rebate income for tonnes of recyclables presented to East Wastes recyclables processing contractor.  |

## Table 4.2 - Proposed Member Council Fees 17/18

### Campbelltown City Council Fees 17/18

| Member Council          | Fee Component                             | Draft<br>2017/2018<br>fees | Adopted<br>Adjusted<br>2016/2017<br>fees | Comment   |
|-------------------------|---|----------------------------|--|---|
| City of<br>Campbelltown | East Waste Equity<br>Loan                 | 24,195                     | 24,195                                   | Councils contribution to the equity loan. Expires 2019/2020   |
|                         | Administration Fee<br>Fixed               | 35,967                     | 35,967                                   | Fixed administration fee overhead   |
|                         | Collection Fees                           | 2,075,160                  | 2,075,160                                | Fees for the collection of kerbside waste, recyclables and organics.  |
|                         | Green Organics<br>Processing              | 233,775                    | 233,361                                  | This fee has now been included in East Waste fees at the request of several Member Councils. The costs are directed to Member Councils, and an in-out administrative transaction for East Waste. Most Member Councils hold separate budget lines for green Waste processing/disposal costs. |
|                         | At-call Hard Waste<br>Collection          | 136,855                    | 123,693                                  | Proposed fees for Councils at-call hard waste service. Actual fees are "at-cost"  |
|                         | Litter and Public<br>Place Bin Collection | 0                          | 0  | Proposed fees for Councils litter, street, and public place bin collection service. Service is provided "at-cost" and therefore fees are subject to change  |
|                         | Bin Finance                               |                            |  | East Waste loan repayments to Local Government Finance Authority for Councils bin stock (green organics)  |
|                         | Illegal Dumping<br>Collection             |                            |  | Proposed collection fees for the collection and disposal of illegally dumped hard waste. Service is provided "at-cost" and therefore fees are subject to change   |
|                         | Total                                     | 2505951.081                | 2492375.67                               | The Draft 2017/2018 fees have not been endorsed by the East Waste Board or Member Councils and are subject to change.   |
|                         | Recyclables Income                        | 158856.82                  | 140596                                   | Council expected rebate income for tonnes of recyclables presented to East Wastes recyclables processing contractor.  |

## Table 4.2 - Proposed Member Council Fees 17/18

### City of Mitcham Fees 17/18

| Member Council  | Fee Component                          | Draft<br>2017/2018<br>fees | Adopted<br>Adjusted<br>2016/2017<br>fees | Comment   |
|-----------------|--|----------------------------|--|---|
| City of Mitcham | East Waste Equity Loan                 | 32,013                     | 32,013                                   | Councils contribution to the equity loan. Expires 2019/2020   |
|                 | Administration Fee Fixed               | 35,967                     | 35,967                                   | Fixed administration fee overhead   |
|                 | Collection Fees                        | 1,570,364                  | 1,570,364                                | Fees for the collection of kerbside waste, recyclables and organics.  |
|                 | Green Organics Processing              | 323,291                    | 280,228                                  | This fee has now been included in East Waste fees at the request of several Member Councils. The costs are directed to Member Councils, and an in-out administrative transaction for East Waste. Most Member Councils hold separate budget lines for green Waste processing/disposal costs. |
|                 | At-call Hard Waste Collection          | 215,623                    | 187,874                                  | Proposed fees for Councils at-call hard waste service. Actual fees are "at-cost"  |
|                 | Litter and Public Place Bin Collection |                            |  | Proposed fees for Councils litter, street, and public place bin collection service. Service is provided "at-cost" and therefore fees are subject to change  |
|                 | Bin Finance                            |                            |  | East Waste loan repayments to Local Government Finance Authority for Councils bin stock (green organics)  |
|                 | Illegal Dumping Collection             |                            |  | Proposed collection fees for the collection and disposal of illegally dumped hard waste. Service is provided "at-cost" and therefore fees are subject to change   |
|                 | Total                                  | 2,177,257                  | 2,106,446                                | The Draft 2017/2018 fees have not been endorsed by the East Waste Board or Member Councils and are subject to change.   |
|                 | Recyclables Income                     | 219,949                    | 194,294                                  | Council expected rebate income for tonnes of recyclables presented to East Wastes recyclables processing contractor.  |

## Table 4.2 - Proposed Member Council Fees 17/18

City of Norwood, Payneham & St Peters Fees 17/18

| Member Council                             | Fee Component                             | Draft<br>2017/2018<br>fees | Adopted<br>Adjusted<br>2016/2017<br>fees | Comment   |
|--|---|----------------------------|--|---|
| City of Norwood<br>Payneham & St<br>Peters | East Waste Equity<br>Loan                 | 20,665                     | 20,665                                   | Councils contribution to the equity loan. Expires 2019/2020   |
|  | Administration Fee<br>Fixed               | 35,967                     | 35,967                                   | Fixed administration fee overhead   |
|  | Collection Fees                           | 1,650,332                  | 1,650,332                                | Fees for the collection of kerbside waste, recyclables and organics.  |
|  | Waste Disposal                            | 0                          | 750,000                                  | Council have advised East Waste that it will internalise these costs, and therefore will sit in Councils Budget and not East Waste's  |
|  | Green Organics<br>Processing              | 159,320                    | 155,312                                  | This fee has now been included in East Waste fees at the request of several Member Councils. The costs are directed to Member Councils, and an in-out administrative transaction for East Waste. Most Member Councils hold separate budget lines for green Waste processing/disposal costs. |
|  | At-call Hard Waste<br>Collection          | 0                          | 0  | Proposed fees for Councils at-call hard waste service. Actual fees are "at-cost"  |
|  | Litter and Public<br>Place Bin Collection | 136,660                    | 136,887                                  | Proposed fees for Councils litter, street, and public place bin collection service. Service is provided "at-cost" and therefore fees are subject to change  |
|  | Bin Finance                               |                            |  | East Waste loan repayments to Local Government Finance Authority for Councils bin stock (green organics)  |
|  | Illegal Dumping<br>Collection             | 27,924                     | 21,151                                   | Proposed collection fees for the collection and disposal of illegally dumped hard waste. Service is provided "at-cost" and therefore fees are subject to change   |
|  | Total                                     | 2,030,868                  | 2,770,314                                | The Draft 2017/2018 fees have not been endorsed by the East Waste Board or Member Councils and are subject to change.   |
|  | Recyclables Income                        | 126,681                    | 110,584                                  | Council expected rebate income for tonnes of recyclables presented to East Wastes recyclables processing contractor.  |

## Table 4.2 - Proposed Member Council Fees 17/18

### Town of Walkerville Fees 17/18

| Member Council      | Fee Component                          | Draft<br>2017/2018<br>fees | Adopted<br>Adjusted<br>2016/2017<br>fees | Comment   |
|---------------------|--|----------------------------|--|---|
| Town of Walkerville | East Waste Equity Loan                 | 3,940                      | 3,940                                    | Councils contribution to the equity loan. Expires 2019/2020   |
|                     | Administration Fee Fixed               | 35,967                     | 35,967                                   | Fixed administration fee overhead   |
|                     | Collection Fees                        | 344,860                    | 344,860                                  | Fees for the collection of kerbside waste, recyclables and organics.  |
|                     | Green Organics Processing              | 36,507                     | 35,842                                   | This fee has now been included in East Waste fees at the request of several Member Councils. The costs are directed to Member Councils, and an in-out administrative transaction for East Waste. Most Member Councils hold separate budget lines for green Waste processing/disposal costs. |
|                     | At-call Hard Waste Collection          | 40,165                     | 53,289                                   | Proposed fees for Councils at-call hard waste service. Actual fees are "at-cost"  |
|                     | Litter and Public Place Bin Collection | 27,973                     | 20,152                                   | Proposed fees for Councils litter, street, and public place bin collection service. Service is provided "at-cost" and therefore fees are subject to change  |
|                     | Bin Finance                            |                            |  | East Waste loan repayments to Local Government Finance Authority for Councils bin stock (green organics)  |
|                     | Illegal Dumping Collection             |                            |  | Proposed collection fees for the collection and disposal of illegally dumped hard waste. Service is provided "at-cost" and therefore fees are subject to change   |
|                     | Total                                  | 489,412                    | 494,050                                  | The Draft 2017/2018 fees have not been endorsed by the East Waste Board or Member Councils and are subject to change.   |
|                     | Recyclables Income                     | 24,761                     | 21,071                                   | Council expected rebate income for tonnes of recyclables presented to East Wastes recyclables processing contractor.  |

# Table 4.3 - Collection Fees 17/18

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## EAST WASTE

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

|   | 2017<br>\$<br>ADOPTED BUDGET | 2018<br>\$<br>PROPOSED BUDGET |
|---|------------------------------|-------------------------------|
| Total Waste Collection Costs                                    | 12,462,947                   | 11,861,696                    |
| Total Administrative & Corporate Overhead Costs                 | 1,539,893                    | 1,609,038                     |
| <b>Total Expenses Per Profit &amp; Loss</b>                     | <b>14,002,840</b>            | <b>13,470,734</b>             |
| <b>Less: Member Council Non-Collection Costs</b>                |                              |                               |
| Disposal Fees-Waste   | 795,000                      | -                             |
| 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>1,459,003</b>              |
| <b>Less: Member Council Non-Collection Income</b>               |                              |                               |
| 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>9,804,195</b>              |
| <i>Add: Additional Charges - Board Approved Surplus Charges</i> | -                            | 191,758                       |
| <b>Total Recoverable Collection Costs - Member Councils</b>     | <b>9,995,952</b>             | <b>9,995,952</b>              |

| Member Council                       | C&T %  | Estimated Costs to be Allocated | FY 2017 Budget Estimate | Variance |
|--------------------------------------|--------|---------------------------------|-------------------------|----------|
| Adelaide Hills Council               | 24.35% | 2,434,014                       | 2,434,014               | 0        |
| City of Burnside                     | 19.22% | 1,921,222                       | 1,921,222               | 0        |
| Campbelltown City Council            | 20.76% | 2,075,160                       | 2,075,160               | 0        |
| City of Mitcham                      | 15.71% | 1,570,364                       | 1,570,364               | 0        |
| City of Norwood Payneham & St Peters | 16.51% | 1,650,332                       | 1,650,332               | 0        |
| Corporation Town of Walkerville      | 3.45%  | 344,860                         | 344,860                 | 0        |
| <b>Total</b>                         |        | <b>9,995,952</b>                | <b>9,995,952</b>        | <b>0</b> |

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

for the Financial Year Ending 30 June 2018

|   | FY 2017           | FY 2018           | ESTIMATED        | ESTIMATED      |
|---|-------------------|-------------------|------------------|----------------|
|   | ADOPTED BUGDET    | 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                | 0.00%          |
| Bin maintenance/Replacement Bins                          | 204,069           | 155,000           | (49,069)         | -31.66%        |
| Bin Supply - AHC  | 64,578            | 64,578            | 0                | 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          | 0.00%          |
| Green Organics  | 2,549,179         | 2,522,061         | (27,118)         | -2.20%         |
| Hard Refuse   | 362,368           | 434,157           | 71,789           | 2.85%          |
| Hard Refuse Disposal Income                               | 154,844           | 285,156           | 130,312          | 30.01%         |
| Household Refuse  | 4,266,425         | 4,245,829         | (20,596)         | -7.22%         |
| Litter  | 300,051           | 309,868           | 9,817            | 0.23%          |
| Recyclables   | 3,256,221         | 3,227,961         | (28,260)         | -9.12%         |
| Recyclables Rebate  | 732,000           | 807,978           | 75,978           | 2.35%          |
| Waste Disposal Income                                     | 795,000           | -                 | (795,000)        | -98.39%        |
| Workers Compensation Rebates                              | -                 | -                 | 0                | 0.00%          |
| <b>Total Income</b>                                       | <b>13,986,486</b> | <b>13,593,093</b> | <b>(393,393)</b> | <b>-2.89%</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           | -                 | (795,000)        | 0.00%          |
| Dumping 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%          |
| Recycling Rebate  | 732,000           | 807,978           | 75,978           | 9.40%          |
| 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>12,462,947</b> | <b>11,861,696</b> | <b>(601,252)</b> | <b>-5.07%</b>  |
| <b>Waste Collection Operations Surplus / (Deficit)</b>    | <b>1,523,539</b>  | <b>1,731,397</b>  | <b>207,859</b>   | <b>12.01%</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                | 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          | 5.54%         |
| Rent - Ottoway  | 186,576            | 200,659            | 14,083          | 24.77%        |
| Risk Assessment Expenses  | 10,330             | 10,000             | (330)           | -33.00%       |
| Staff Amenities   | 46,381             | 56,851             | 10,470          | 488.42%       |
| Staff Medical   | 1,033              | 1,000              | (33)            | -0.46%        |
| Subscriptions   | 6,508              | 2,144              | (4,364)         | -9.74%        |
| Sundry Items  | 16,354             | 7,111              | (9,243)         | -14.81%       |
| Telephone   | 44,160             | 44,822             | 662             | 0.00%         |
| Tools, Minor Equipment  | 55,000             | 62,390             | 7,390           | 0.00%         |
| <b>Total Administration &amp; Corporate Overhead Expenses</b>                 | <b>1,539,893</b>   | <b>1,609,038</b>   | <b>69,145</b>   | <b>4.30%</b>  |
| <b>Surplus / (Deficit) Administration &amp; Corporate Overhead Activities</b> | <b>(1,456,722)</b> | <b>(1,546,553)</b> | <b>(89,831)</b> | <b>5.81%</b>  |
| <b>Net Surplus / (Deficit)</b>  | <b>66,817</b>      | <b>184,844</b>     | <b>118,027</b>  | <b>63.85%</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                             | 12,803,300        | 13,283,515        |
| 36,129            | Investment income                        | 47,841            | 32,000            |
| 381,540           | Other                                    | 593,338           | 320,063           |
| <b>12,991,079</b> | <b>TOTAL INCOME</b>                      | <b>13,444,479</b> | <b>13,635,578</b> |
| <b>EXPENSES</b>   |  |                   |                   |
| 4,803,231         | Employee Costs                           | 4,969,751         | 4,410,373         |
| 6,267,459         | Materials, contracts & other expenses    | 6,261,969         | 6,869,871         |
| 1,595,423         | Depreciation, amortisation & impairment  | 1,874,693         | 1,850,000         |
| 334,865           | Finance costs                            | 363,066           | 340,490           |
| <b>13,000,978</b> | <b>TOTAL EXPENSES</b>                    | <b>13,469,479</b> | <b>13,470,734</b> |
| <b>(9,899)</b>    | <b>OPERATING SURPLUS / (DEFICIT)</b>     | <b>(25,000)</b>   | <b>164,844</b>    |
| 37,882            | Asset disposals & fair value adjustments | 25,000            | 20,000            |
| <b>27,983</b>     | <b>NET SURPLUS / (DEFICIT)</b>           | <b>-</b>          | <b>184,844</b>    |
| -                 | Other Comprehensive Income               | -                 | -                 |
| <b>27,983</b>     | <b>TOTAL COMPREHENSIVE INCOME</b>        | <b>-</b>          | <b>184,844</b>    |

**EAST WASTE****PROJECTED BALANCE SHEET (BUDGET)**  
for the Financial Year Ending 30 June 2018

| FY 2016                        |   | FY 2017          | FY 2018          |
|--------------------------------|---|------------------|------------------|
| AUDITED ACTUALS                |   | ADOPTED BUDGET   | PROPOSED BUDGET  |
| \$                             |   | \$               | \$               |
| <b>ASSETS</b>                  |   |                  |                  |
| <b>CURRENT ASSETS</b>          |   |                  |                  |
| 2,797,570                      | Cash & Cash Equivalents                     | 2,530,058        | 1,747,354        |
| 358,583                        | Trade & Other Receivables                   | 339,316          | 339,316          |
| -                              | Other Financial Assets                      | -                | -                |
| -                              | Inventory                                   | -                | -                |
| 3,156,153                      | <b>TOTAL CURRENT ASSETS</b>                 | <b>2,869,374</b> | <b>2,086,670</b> |
| <b>NON-CURRENT ASSETS</b>      |   |                  |                  |
| 5,332,461                      | Infrastructure, Property, Plant & Equipment | 5,757,768        | 5,407,768        |
| 5,332,461                      | <b>TOTAL NON-CURRENT ASSETS</b>             | <b>5,757,768</b> | <b>5,407,768</b> |
| <b>8,488,614</b>               | <b>TOTAL ASSETS</b>                         | <b>8,627,142</b> | <b>7,494,438</b> |
| <b>LIABILITIES</b>             |   |                  |                  |
| <b>CURRENT LIABILITIES</b>     |   |                  |                  |
| 1,869,862                      | Trade & Other Payables                      | 926,238          | 926,238          |
| 1,416,593                      | Borrowings                                  | 1,501,484        | 1,501,484        |
| 608,909                        | Provisions                                  | 552,789          | 634,729          |
| 3,895,364                      | <b>TOTAL CURRENT LIABILITIES</b>            | <b>2,980,511</b> | <b>3,062,451</b> |
| <b>NON-CURRENT LIABILITIES</b> |   |                  |                  |
| 4,373,852                      | Borrowings                                  | 5,263,895        | 3,742,389        |
| 69,398                         | Provisions                                  | 110,718          | 110,718          |
| 4,443,250                      | <b>TOTAL NON-CURRENT LIABILITIES</b>        | <b>5,374,613</b> | <b>3,853,107</b> |
| <b>8,338,614</b>               | <b>TOTAL LIABILITIES</b>                    | <b>8,355,124</b> | <b>6,915,558</b> |
| <b>150,000</b>                 | <b>NET ASSETS</b>                           | <b>272,018</b>   | <b>578,880</b>   |
| <b>EQUITY</b>                  |   |                  |                  |
| 150,000                        | Accumulated Surplus                         | 272,018          | 578,880          |
| <b>150,000</b>                 | <b>TOTAL EQUITY</b>                         | <b>272,018</b>   | <b>578,880</b>   |

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

| <b>FY 2016</b>         |   | <b>FY 2017</b>        | <b>FY 2018</b>         |
|------------------------|---|-----------------------|------------------------|
| <b>AUDITED ACTUALS</b> |   | <b>ADOPTED BUDGET</b> | <b>PROPOSED BUDGET</b> |
| <b>\$</b>              |   | <b>\$</b>             | <b>\$</b>              |
|                        | <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |                       |                        |
|                        | <b>RECEIPTS</b>   |                       |                        |
| 13,720,757             | Operating Receipts  | 15,532,731            | 14,963,936             |
| 36,129                 | Investment Receipts   | 47,841                | 32,000                 |
|                        | <b>PAYMENTS</b>   |                       |                        |
| (11,000,222)           | Operating Payments  | (14,079,471)          | (12,558,662)           |
| (390,947)              | Interest Payments   | (363,066)             | (340,490)              |
| 2,365,717              | <b>NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES</b> | 1,138,035             | 2,096,784              |
|                        | <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |                       |                        |
|                        | <b>RECEIPTS</b>   |                       |                        |
| 105,490                | Sale of Replaced Assets                                       | 27,500                | 20,000                 |
| 122,018                | Capital Contributed by Members                                | 122,018               | 122,018                |
|                        | <b>PAYMENTS</b>   |                       |                        |
| (202,487)              | Expenditure on Renewal/Replaced Assets                        | (2,530,000)           | (1,500,000)            |
| -                      | Expenditure of New/Upgraded Assets                            | -                     | -                      |
| (276,764)              | Distribution to Councils                                      | -                     | -                      |
| (251,743)              | <b>NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES</b> | (2,380,482)           | (1,357,982)            |
|                        | <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |                       |                        |
|                        | <b>RECEIPTS</b>   |                       |                        |
| -                      | Proceeds from Borrowings                                      | 2,530,000             | -                      |
|                        | <b>PAYMENTS</b>   |                       |                        |
| (1,412,598)            | Repayment of Borrowings                                       | (1,555,065)           | (1,521,506)            |
| (1,412,598)            | <b>NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES</b> | 974,935               | (1,521,506)            |
| 701,376                | <b>NET INCREASE (DECREASE) IN CASH HELD</b>                   | (267,512)             | (782,704)              |
| 2,096,194              | <b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>     | 2,797,570             | 2,530,058              |
| 2,797,570              | <b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>           | 2,530,058             | 1,747,354              |

**EAST WASTE****PROJECTED STATEMENT OF CHANGES IN EQUITY (BUDGET)**  
for the Financial Year Ending 30 June 2018

| <b>FY 2016</b>         |  | <b>FY 2017</b>        | <b>FY 2018</b>         |
|------------------------|--|-----------------------|------------------------|
| <b>AUDITED ACTUALS</b> |  | <b>ADOPTED BUDGET</b> | <b>PROPOSED BUDGET</b> |
| <b>\$</b>              |  | <b>\$</b>             | <b>\$</b>              |
| 276,763                | <b>BALANCE AT END OF PREVIOUS REPORTING PERIOD</b> | 150,000               | 272,018                |
| 27,984                 | Net Surplus / (Deficit) for Year                   | -                     | 184,844                |
| 122,018                | Contributed Equity                                 | 122,018               | 122,018                |
| (276,765)              | Distribution to Councils                           | -                     | -                      |
| <b>150,000</b>         | <b>BALANCE AT END OF PERIOD</b>                    | <b>272,018</b>        | <b>578,880</b>         |

**EAST WASTE****PROJECTED UNIFORM PRESENTATION OF FINANCES STATEMENT (BUDGET)**  
for the Financial Year Ending 30 June 2018

| FY 2016  |   | FY 2017            | FY 2018            |
|--|---|--------------------|--------------------|
| AUDITED ACTUALS                                    |   | ADOPTED BUDGET     | PROPOSED BUDGET    |
| \$   |   | \$                 | \$                 |
| 12,991,079   | Income  | 13,444,479         | 13,635,578         |
| 13,000,978   | Expenses  | 13,469,479         | 13,470,734         |
| <b>(9,899)</b>                                     | <b>Operating Surplus / (Deficit)</b>                              | <b>(25,000)</b>    | <b>164,844</b>     |
| <b>less Net Outlays on Existing Assets</b>         |   |                    |                    |
| 202,487  | Capital Expenditure on Renewal and Replacement of Existing Assets | 2,530,000          | 1,500,000          |
| <b>(1,595,423)</b>                                 | Depreciation, Amortisation and Impairment                         | <b>(1,874,693)</b> | <b>(1,850,000)</b> |
| <b>(105,490)</b>                                   | Proceeds from Sale of Replaced Assets                             | <b>(27,500)</b>    | <b>(20,000)</b>    |
| <b>(1,498,426)</b>                                 |   | <b>627,807</b>     | <b>(370,000)</b>   |
| <b>Less Net Outlays on New and Upgraded Assets</b> |   |                    |                    |
| -  | Capital Expenditure on New and Upgraded Assets                    | -                  | -                  |
| -  | Amounts Specifically for New and Upgraded Assets                  | -                  | -                  |
| -  | Proceeds from Sale of Surplus Assets                              | -                  | -                  |
| -  |   | -                  | -                  |
| <b>1,488,527</b>                                   | <b>NET LENDING / (BORROWING) FOR FINANCIAL YEAR</b>               | <b>(652,807)</b>   | <b>534,844</b>     |



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

#### Agenda Item 7.4

**REPORT SUBJECT:** RFT 2015-04 Purchase of Rear Loader Collection Vehicle

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 29 June 2017

**ATTACHMENTS:** -

#### Purpose of the Report

To provide the Board with an update on the implementation of RFT2015-04.

#### Background

At the 25 January 2016 Audit and Risk Management Board Meeting, the Board resolved to endorse the procurement process and probity relating to East Wastes Three (3) Year Supply Agreement for Robotic Arm Collection Vehicles (RACV), being RFT2015-04.

At the 28 January 2016 Board Meeting, the Board resolved to award RFT2015-04 to Bucher Municipal for the supply of 13 RACV over three (3) years for an estimated \$5.51M inclusive of GST.

#### Report

Due to an increase in the provision of East Wastes At-Call Hard Waste Collection Service, East Waste requires the purchase of an additional rear loader. The General Manager has enacted the rear loader option contained in year two (2) of the supply agreement (RFT2015-04), and in accordance with the rise and fall formula contained in the RFT2015-04 Contract, a build order has been issued to Bucher Municipal for one (1) rear loader.

Using the agreed indexation adjustment of 1.49% on the tendered 2016 build prices, and the updated pricing from the cab chassis providers, a purchase order was issued for \$318,165 (excl. GST), being the build price of the cab chassis (Isuzu) and body. Table 1 illustrates the cab chassis pricing, and indicative on road costs (which are excluded from the borrow amount).

**Table 1: Cab Chassis, Body and On-Road Costs**

|                     | C/Chassis    | REL Body     | Total<br>(ex. GST & on-roads) | Stamp Duty | Rego       |
|---------------------|--------------|--------------|-------------------------------|------------|------------|
| <b>Mercedes</b>     | \$195,518.00 | \$193,066.45 | <b>\$388,584.45</b>           | \$7,820.72 | \$2,200.00 |
| <b>Volvo</b>        | \$163,058.00 | \$193,066.45 | <b>\$356,124.45</b>           | \$6,522.32 | \$2,200.00 |
| <b>Volvo</b>        | \$174,628.00 | \$193,066.45 | <b>\$367,694.45</b>           | \$6,985.12 | \$2,200.00 |
| <b>Dennis Eagle</b> | \$183,000.00 | \$193,066.45 | <b>\$376,066.45</b>           | \$7,320.00 | \$2,200.00 |
| <b>Iveco</b>        | \$183,935.00 | \$193,066.45 | <b>\$377,001.45</b>           | \$7,357.40 | \$2,200.00 |
| <b>Isuzu</b>        | \$125,099.00 | \$193,066.45 | <b>\$318,165.45</b>           | \$5,003.96 | \$2,200.00 |

The new vehicle has an anticipated delivery date of September 2017, and will bring East Wastes large rear loader fleet to three (3). Importantly, the new rear loader has been fitted with an under body lifting arm that will be suitable to collect 660L and 1100L bins which are becoming popular in higher density dwellings.

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The new rear loader will be a front line vehicle operating five (5) days per week. The second hand rear loader purchased in November 2016 will become the backup and breakdown vehicle to be enacted during periods of high demand, and to allow the two (2) frontline rear loaders to come off the road for servicing and maintenance.

Table 2 below provides some context for the purchase, by illustrating how participation in the core service offering by East Waste has grown over the last three (3) years. East Waste has gone from providing one (1) at-call hard waste service, to providing the service to all six (6) Member Councils from 1 July 2017. City of Prospect, subject to becoming a Member Council, will also participate in the at-call hard waste service provision.

**Table 2: Commencement of At-Call Hard Waste Service**

|                          | Commencement of Service |      |      |                            |
|--------------------------|-------------------------|------|------|----------------------------|
|                          | 2014                    | 2015 | 2016 | Will commence in 2017/2018 |
| Council                  |                         |      |      |                            |
| Adelaide Hills Council   |                         |      | x    | x                          |
| City of Burnside         |                         | x    | x    | x                          |
| City of Campbelltown     |                         | x    | x    | x                          |
| City of Mitcham          | x                       | x    | x    | x                          |
| City of N P & SP         |                         |      |      | x                          |
| Corp Town of Walkerville |                         |      | x    | x                          |
| City of Prospect         |                         |      |      | x                          |
| Rear Loader Fleet        |                         |      |      |                            |

Subject to CoP becoming a Member Council

It has become clear that East Waste requires an additional front line rear loader. A new rear loader was purchased in 2014, and a second hand rear loader purchased in 2016. These vehicles are currently fully utilised, without the addition of City of Norwood Payneham and St Peters, City of Prospect, servicing of larger 660L and 1100L bins, and downtime allowance to conduct necessary servicing and maintenance. The new rear loader has been purchased to accommodate the demand for the at-call service, and has taken the opportunity to future proof the fleet by providing the capacity to service larger 660L and 1100L bins that are becoming common in multi-unit dwelling development applications being approved by Member Councils.

Given the procurement has already been endorsed through the Three (3) Year Supply Agreement, and the probity reviewed by the East Waste Audit and Risk Management Committee, this information is provided for the Board for background information in order to authorise the loan agreement.

The Local Government Finance Authority have been contacted to give prevailing rates on a borrow of \$318,165 and indicated an interest rate of 3.85% could be expected.



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The General Manager and Chairman require a Board resolution to execute the borrowing (finance) agreement with Local Government Finance Authority.

### **RECOMMENDATION**

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

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



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## **Agenda Item 7.5**

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**REPORT SUBJECT:** Review of East Waste Charter

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 29 June 2017

**ATTACHMENTS:** -

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### **Purpose of the Report**

To provide the Board with an opportunity to review the East Waste Charter.

### **Background**

East Waste amended the Charter in 2015 as prescribed by Clause 3.6.

As prescribed in Clause 3.5, the Charter must undergo another review prior to September 2019.

### **Report**

Given that East Waste may be accepting City of Prospects application to become a Member Council, there will be several amendments that will be required to the East Waste Charter.

At a minimum, the Charter will have to be amended to update the list of Constituent Councils, the apportionment of shares, the appointment of Directors, the number of Directors and the procedure for a split vote (due to an even number of Directors).

Clause 3.5 requires the Charter be reviewed every four (4) years, and the last review was conducted in 2015. The current amendments to include City of Prospect, if it materialises, could be viewed as opportunity to satisfy 3.5 until year 2021.

The amendments to the Charter to include City of Prospect are currently under development and will be included in the business case taken to each Member Council when they are considering acceptance of Prospects application to join East Waste.

Should the Board wish to take this opportunity to satisfy a Charter Review, a resolution will be developed to concurrently accept the Charter amendments by each Member Council.

### **RECOMMENDATION**

**That Board advise if they wish to satisfy the Review of the East Waste Charter at the same time as considering the amendments to the Charter brought about by City of Prospects application to join East Waste**



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**Agenda Item 7.6**

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**REPORT SUBJECT:** Potential Incoming Constituent Council Update

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 29 June 2017

**ATTACHMENTS:**

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**Paper & attachment to be provided prior to Thursday 29 June meeting**



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## **Agenda Item 7.7**

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**REPORT SUBJECT: 2017 East Waste Satisfaction Survey Results**

**REPORT AUTHOR: General Manager**

**MEETING DATE: Thursday 29 June 2017**

**ATTACHMENTS: Primary Satisfaction Rating: 2015 v 2017**

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### **Purpose of the Report**

To provide the Board with findings of the 2017 East Waste Customer (Corporate and Community) Satisfaction Surveys and Staff Satisfaction Survey.

### **Background**

In accordance with the 2016/2017 Annual Plan and East Waste's 10 Year Business Plan, East Waste Management undertook a process to develop and facilitate a Community Satisfaction Survey, a Corporate (Member Council) Customer Satisfaction Survey and Staff Satisfaction Survey for East Waste. Stillwell Management Consultants were engaged to work with East Waste Management to complete this scope of work.

Members will note a survey process was undertaken in 2015, therefore the intention of the 2017 surveys was to undertake a 'pulse check' to determine where East Waste was positioned with the passage of time, and introduction of improvements, change and innovations.

The survey process is now complete and Stillwell Management Consultants have undertaken their analysis and presented the findings (in written report format) relating to each survey. The Satisfaction Rating document (attached) provides a comparison for overall satisfaction levels for each cohort from 2015 to 2017. Individual report findings will be made available for Members at the Board meeting.

### **Report**

Overall, across all surveys; the community, Member Councils and East Waste staff were very satisfied or satisfied with East Waste.

Members will note that the overall satisfaction of each cohort was in the mid-to-high 90<sup>th</sup> percentile range, and comparable to the strong satisfaction results reported in 2015. A standout result was an increase in satisfaction with East Waste's Corporate Customers, whereby the four following themes were identified that contributed to the satisfaction increase:

*"East Waste provides helpful customer service to the operational staff at member councils, thinks in a future-focussed and proactive manner, keeps costs at a minimum and achieves operational efficiency."*

Whilst there was some percentage reduction noted in the Customer Satisfaction and Staff Satisfaction Surveys, there are two important factors to consider when noting these results.

There was a 30% increase in community participation, therefore more feedback was received overall, which would give rise to a percentage difference. With respect to the Staff Satisfaction Survey, members will note that the implementation of internal policies and procedures, together with an organisational re-structure may not have always proved popular with a small percentage of staff, therefore having an impact on results.

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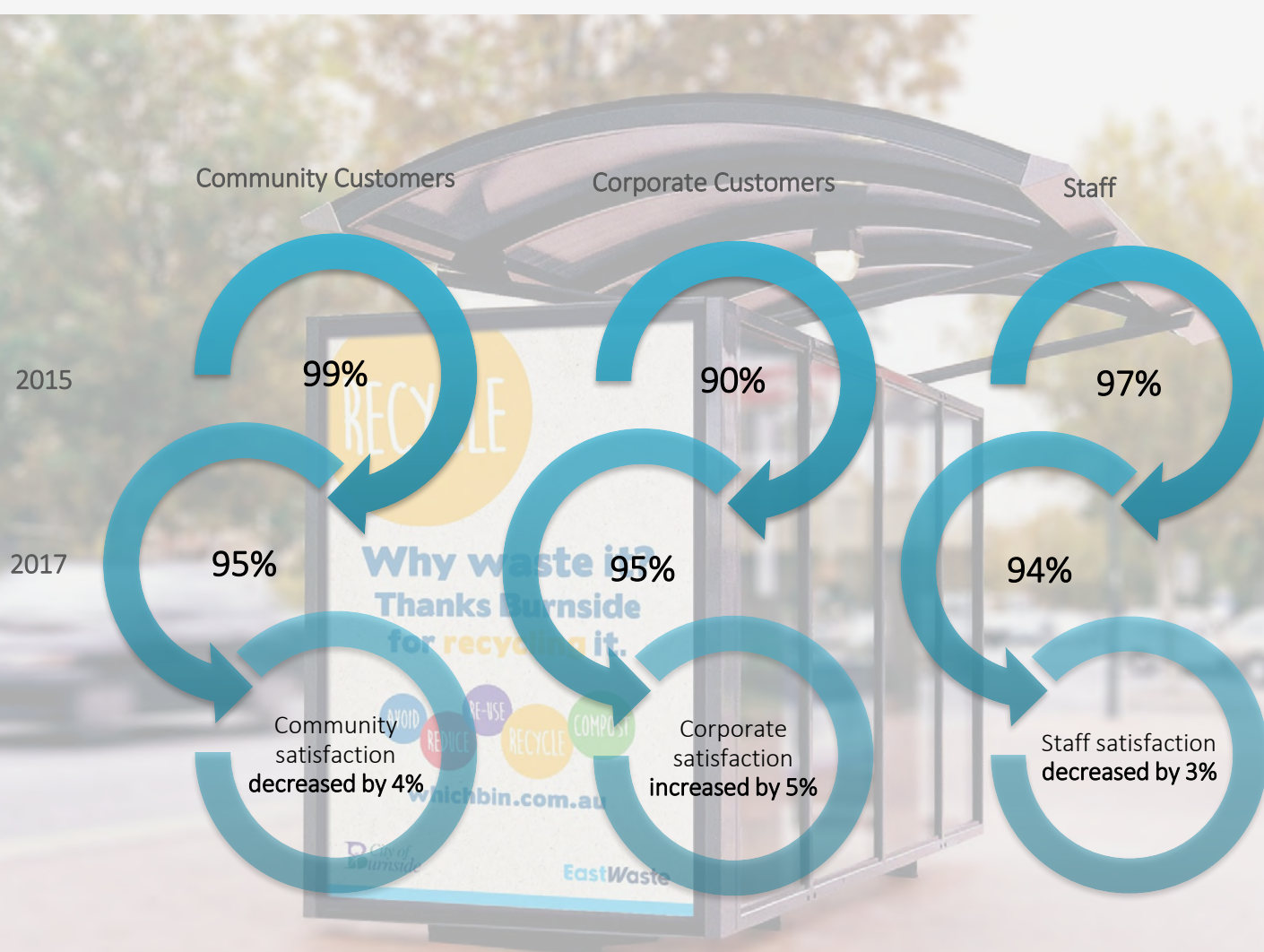
Notwithstanding, the overall results are positive and encouraging for East Waste. Recommendations have been identified in each of the survey reports, a number of which have or are currently being actioned by East Waste.

### **RECOMMENDATION**

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

# EastWaste

## Primary Satisfaction Rating: 2015 vs 2017



### Potential influencing factors:

- Higher rate of community participation (30% increase) in 2017 compared with 2015 (more feedback overall)
- Focus on continuous improvement of service delivery and value for money to member councils
- Implementation of organisational policies and procedures that reflect best practice but are potentially unpopular with some East Waste staff

Primary satisfaction is based on neutral or positive responses to the questions "Overall how satisfied are you with East Waste Collection Services/Waste Management Services?" (community and corporate customers) and "Considering everything, I am satisfied with my job" (staff).



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## **Agenda Item 7.8**

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|                        |  |
|------------------------|--|
| <b>REPORT SUBJECT:</b> | <b>Related Party Disclosures</b>   |
| <b>REPORT AUTHOR:</b>  | <b>General Manager</b>   |
| <b>MEETING DATE:</b>   | <b>Thursday 29 June 2017</b>   |
| <b>ATTACHMENTS:</b>    | <b>LGA Circular on Related Party Disclosures<br/>Notes from External Auditor Bentleys on Related Party Disclosures</b> |

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### **Purpose of the Report**

To provide the Board with background on AASB 124, and the requirement to complete Related Party Disclosures, and the intention to develop a Policy on the same.

### **Background**

Under the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 all Councils, including Regional Subsidiaries, in South Australia must produce annual financial statements that comply with Australian Accounting Standards. From 1 July 2016, the Australian Accounting Standards Board has determined that AASB 124 related party disclosures will apply to government entities, including local governments.

### **Report**

#### ***Related parties***

Related parties of Council include people and entities such as companies, trusts and associations.

The most common related parties of a council will be:

1. Entities related to council
2. Key Management Personnel (KMP) of council
3. Close family members of KMP; and
4. Entities that are controlled or jointly controlled by KMP or their close family members.

A person or close family member of that person's family is related to a reporting entity if that person:

- a) has control or joint control of the Council (reporting entity);
- b) has significant influence over the Council; or
- c) is a member of the key management personnel of the reporting entity.

Accounting standard AASB124.9 has a section defining terms including Key Management Personnel (KMP) and close family members.

In East Wastes case it has been determined that the following would be defined as KMP's;

- Board Directors
- Board Chairman
- General Manager
- Business Improvement Manager – Corporate
- Business Improvement Manager - Operations

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It is intended that Related Party Disclosures will be completed by all of the above for year ending 30 June 2017, and subsequently a Policy will be developed to inform Related Party Disclosure processes for future financial years.

### **RECOMMENDATION**

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

**That the Board and Management complete the Related Party Disclosure for year ending 30 June 2017, and**

**That the East Waste administration bring forward a Policy on Related Party Disclosures, which is to be developed and endorsed for the 2017/2018 financial year and onwards**





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## Agenda Item 7.9

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**REPORT SUBJECT:** Register of Interests

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 29 June 2017

**ATTACHMENTS:** Register of Interest forms

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### Purpose of the Report

To provide the Board with an update on compliance with East Wastes Register of Interests Policy

### Background

In accordance with Clause 24 of the East Waste Charter, each Director of the East Waste Board is required to submit primary and ordinary returns in accordance with Chapter 5 Part 4 Division 2 of the Local Government Act.

However a Council Officer or Elected Member (Councillor) Director who has submitted the Returns to their respective Member Council is not required to submit additional returns to East Waste.

### Report

As per the East Waste Register of Interest Policy;

### **Policy**

The Independent Chair is required to submit primary and ordinary returns.

A non-councillor Director is required to submit primary and ordinary returns.

A Council officer appointed as a Director who has not submitted returns to their Constituent Council is required to submit primary and ordinary returns.

A Director who is a Councillor appointed by a Constituent Council is not required to submit returns additional to those he/she submitted to the Council he/she was elected. This exclusion also applies to officers appointed by a Council to the Authority who have submitted returns to their Council.

The General Manager is required to lodge primary and ordinary returns in accordance with the Authority's procedures.

### RECOMMENDATION

**That the General Manager and each Director of the East Waste Board submit the necessary Primary and Ordinary Returns as a matter of priority.**

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Megan Bekesi, East Wastes Education and Promotions Contractor (approximately 18-20 hours per week) has been the primary champion and facilitator of the campaign, and is to be congratulated for her efforts in bringing this campaign to life.

The Draft 2017/2018 Budget includes resources to continue the campaign, and the General Manager is responsible for the measurement of its success.

### **RECOMMENDATION**

**That the Board commit to the continued resourcing of the waste minimisation and behaviour change campaign “*Why Waste It ?*” and**

**The General Manager produce a Report by June 2018 detailing the success of the *Why Waste It ?* campaign in terms of reduction in waste to landfill, decrease in contamination of household recycling and FOGO bins, and an increase in interactions with the [whichbin.com.au](http://whichbin.com.au) microsite and social media presence**

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### *Why Waste It ? Campaign Summary Presentation Cover Page*



Example of Campaign Summary Presentation which will be made available at the Board Meeting



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#### **Agenda Item 7.11**

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

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 29 June 2017

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

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

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

#### **Report**

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

This is a standing item on the Board Agenda.

#### **RECOMMENDATION**

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

## Annual Plan 2016 - 2017

| Activities                                     | Annual Plan Reference | Commenced | Completed | Comments  |
|--|-----------------------|-----------|-----------|---|
| Policies and Delegations                       | 3.1.1                 | x         | x         | Business Improvement Manager has commenced review   |
| Market Evaluation (abbreviated)                | 3.1.2                 | x         |           | Independent consultancy firm Arcadis have been engaged, but the project has been deferred   |
| Service Level Agreements                       | 3.1.3                 | x         | x         | New SLA Drafted for NP&SP Hard Waste. All others invited.                                   |
| Preliminary Investigation into Gas Fleet       | 3.2.1                 | x         | x         | Investigation complete and report currently being reviewed                                  |
| Purchases of RACV                              | 3.2.2                 | x         | x         | 3 Year Supply Tender Complete   |
| Recyclables Contract (auditing)                | 3.2.3                 | x         | x         | SKM Audit Complete. 300 Kerbside bin audit complete   |
| Hard Waste Services                            | 3.2.4                 | x         | x         | All six Member Councils have confirmed participation  |
| Multi Unit Dwelling/Council Building Servicing | 3.2.5                 | x         | x         | Commenced trial at a Council facility of a Member Council                                   |
| Workshop Review                                | 3.2.6                 | x         | x         | New staffing arrangements in place. New stock control system integrated                     |
| Litter Collection Services                     | 3.2.7                 | x         | x         | Interim services provided to an additional Member Council. Commenced trial of bin sensors   |
| WH&S Progression to Standards 4 and 5          | 3.3.1                 | x         | x         | 100% audit conformance received   |
| Quarterly WH&S Committee Meetings              | 3.3.2                 | x         | x         | Four meetings completed   |
| Independent Fleet Audit                        | 3.3.3                 | x         | x         | Completed in November 2016  |
| Reversing Sensor Trial                         | 3.3.4                 | x         | x         | Implemented on five (5) new vehicles as a safety initiative, and now forms part of std spec |
| Drug and Alcohol Policy                        | 3.3.5                 | x         | x         | Review completed, with consultation completed through WH&S Committee                        |
| Refresh Branding                               | 3.4.1                 | x         | x         | Completed, and rolled out on entire fleet, uniforms and stationary                          |
| Operations Assistance Committee                | 3.4.2                 | x         | x         | Committee established and has had three meetings with full Member Council participation     |
| Staff Satisfaction Survey (abbreviated)        | 3.4.3                 | x         | x         | Staff satisfaction surveys completed and communicated                                       |
| Customer Satisfaction Survey (abbreviated)     | 3.4.4                 | x         | x         | Resident and Council surveys completed  |
| New Website and Public Interface               | 3.4.5                 | x         | x         | <b>whichbin.com.au</b> has gone live with very positive feedback                            |
| Community Education                            | 3.4.6                 | x         | x         | <b>Why Waste It?</b> campaign phase 1 rollout is live with tremendous feedback              |
| Treasury Management Policy                     | 4.4.1                 | x         |           | Draft TMP is in final review. Updated LTFP has taken priority                               |



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## Agenda Item 7.12

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**REPORT SUBJECT:** South Australian Government Report on Circular Economy

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 29 June 2017

**ATTACHMENTS:** Benefits of a Circular Economy Report (Summary)

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### **Purpose of the Report**

To provide the Board with a copy of the South Australian Governments report into a Circular Economy.

### **Background**

Green Industries SA (formerly Zero Waste SA) commissioned a report into the benefits of transitioning to a Circular Economy for South Australia.

It is an important Report, and analyses the employment and economic opportunities for South Australia of a more circular economy.

The General Manager was invited to attend a soft launch of the Report on 28 April 2017 at the redeveloped Tonsley Park Flinders University Campus. The Independent Chairman and General Manager attended the official launch of the Report on 26 May 2017 where Premier Weatherill MP addressed a business lunch.

### **Report**

The Board are referred to the appended Summary Report to this Paper.

The full Report can be accessed via;

<http://www.greenindustries.sa.gov.au/circular-economy>

The General Manager is referenced at the soft launch of the Report at;

<https://www.creatingvalue.net.au/>

### **RECOMMENDATION**

**That the Report be received and noted**



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## **Agenda Item 8.1**

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**REPORT SUBJECT:** KESAB Service Level Agreement

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

**MEETING DATE:** Thursday 29 June 2017

**ATTACHMENTS:** KESAB Education Programs Proposal (2017/2018)

---

### **Purpose of the Report**

To propose to Board an option to enter into a Service Level Agreement with KESAB to provide Member Councils with access to school and community education programs for the 2017/2018 Financial Year.

### **Background**

At the September 2016 Board meeting, Members authorised East Waste to enter into a Service Level Agreement (SLA) with KESAB to provide (at Member Council request) school and community education programs as per their 2016/2017 proposal.

The intention of the SLA was that KESAB would, when requested by Member Councils, deliver school and community programs, with the caveat that any messaging or delivery of these programs supports the “Why Waste It?” campaign. The delivery of the KESAB programs for the 2016/2017 financial year has been successful. The uptake of Member Councils has been significant, and the programs delivered by KESAB have aligned closely with the “Why Waste It?” campaign.

### **Report**

KESAB’s performance across the 2016/2017 SLA has been of a high level. Member Councils have been working closely with KESAB to identify their specific requirements in accordance with the Agreement scope, and the feedback has been positive. In addition, KESAB have been respectful and worked closely with East Waste to ensure consistent messaging in the delivery of the “Why Waste It?” campaign. At times, KESAB and East Waste have presented together at different community forums.

As per the terms and conditions with KESAB, it is at East Waste’s discretion to extend the SLA. Noting the success of the SLA and East Waste’s continued commitment to education and promotion activities, East Waste approached KESAB to put forward a proposal (attached) to deliver a similar suite of programs to Member Councils for the 2017/2018 Financial Year.

In accordance with current conditions, if approved, East Waste would facilitate the SLA and apportion each Council with the resources, tours, and education packages in an equitable and fiscally sustainable manner.

### **RECOMMENDATION**

**That the Board authorise East Waste to enter into a Service Level Agreement with KESAB for the 2017/2018 Financial Year to provide (at Member Council request) school and community education programs as per their proposal.**





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## **Agenda Item 8.2**

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**REPORT SUBJECT:** RFT 2017/01 Supply of Mobile Garbage Bins

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

**MEETING DATE:** Thursday 29 June 2017

**ATTACHMENTS:** Confidential Evaluation Report

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### **Purpose of the Report**

To provide the Board with a report on the Request for Tender (RFT) process to engage a contractor to supply East Waste with Mobile Garbage Bins and related components.

### **Background**

East Waste repairs and replaces Mobile Garbage Bins (MGBs) on behalf of five of the six Member Councils in circumstances where MGBs are damaged, misplaced, stolen or irreparable.

East Waste does not currently have in place a contract for the supply of MGBs and related components. East Waste predominantly relies on one supplier to meet order requirements through an annual supply agreement, which is a result of a historic practice. On rare occasions East Waste may seek the supply of MGBs or related components from alternative suppliers.

The annual cost to East Waste for the replacement or repairs of MGBs and related components is significant. The table below identifies the annual cost to East Waste over the past two financial years, which Members will note sits above \$200,000 per financial year.

| Financial Year | Annual Cost               |
|----------------|---------------------------|
| 2014/2015      | \$206,451.97              |
| 2015/2016      | \$218,543.78              |
| 2016/2017      | \$222,772.35 (to end May) |

Entrants into the MGB supply market in recent years has seen an increase, which has in turn increased competition in this space. In consideration of this and noting the significant on-going cost to East Waste, a RFT process was commenced seeking tender submission from suitably qualified contractors to supply MGBs and related components to East Waste. The contract term specified was five (5) years, with a two (2) year extension option.

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

### **Report**

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

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



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

- Previous and current experience;
- Product quality;
- The pricing offered is the most competitive received and indicates an approximate saving to East Waste of \$72,000 (excl. GST) in the first year of the contract, in comparison to rates currently applied to East Waste; and
- The pricing is available to Member Councils who may decide to opt in to the contract, which would result in a further increase of savings to both the Member Council and East Waste.

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

### **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 Audit and Risk Management Committee that the public be excluded from attendance at the meeting to the extent (and only to the extent) that the Committee 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 Committee 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 the Board authorise the General Manager to enter into a contract with Mastec Australia for a period of five (5) years, for the supply of Mobile Garbage Bins and related components to East Waste.**



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### Agenda Item 8.3

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|                        |  |
|------------------------|--|
| <b>REPORT SUBJECT:</b> | <b>Review of Audit and Risk Management Committee Terms of Reference</b>        |
| <b>REPORT AUTHOR:</b>  | <b>Business Improvement Manager (Corporate)</b>                                |
| <b>MEETING DATE:</b>   | <b>Thursday 29 June 2017</b>   |
| <b>ATTACHMENTS:</b>    | <b>Audit and Risk Management Committee Terms of Reference (proposed draft)</b> |

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

To provide the Board with an opportunity to review, and if appropriate approve, the proposed amendments to the Audit and Risk Management Committee Terms of Reference.

#### **Background**

As Members are aware, the Audit and Risk Management Committee Terms of Reference outline the purpose, membership and functions of the Committee. The current Terms of Reference are due for review, and consistent with the review timeframe, the current Terms of Reference were tabled before the Audit and Risk Management Committee (the Committee) at their April meeting to enable their input into any amendments required.

A recent Committee membership appointment process and the progression of improvements to internal controls identified two (2) clauses within the Terms of Reference that gave rise to consideration for amendment.

Under the heading *Membership* at paragraph eight (8), it states:

*“Board Member appointments to the Committee shall be for a period of twelve months from the date of appointment, and are eligible for reappointment. Board Member nominations and appointments are to be made by the East Waste Board at a meeting immediately preceding the commencement of a new financial year.”*

East Waste’s Charter outlines the requirements for the preparation of the annual plan and budget. The preparation of the draft annual plan and budget commences no later than January each year. In addition, the Board meeting and Audit and Risk Management meeting calendars are determined no later than the December preceding the new calendar year. Noting the timing of these deliverables, East Waste’s order of business has closer alignment to a calendar year as opposed to a financial year.

It is therefore proposed that the wording of this clause be amended to read as follows:

*“Board Member appointments to the Committee shall be for a period of twelve months from the date of appointment, and are eligible for reappointment. Board Member nominations and appointments are to be made by the East Waste Board at their final meeting of each calendar year.”*

The second clause for consideration is under the heading *Internal Controls and Risk Management* at dot point one (1), which states:

*“The Committee shall review and make recommendations to the Board (where necessary) regarding: a process to oversee the development of the Risk Management Plan.”*

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Since the endorsement of the current terms of reference in March 2014, a Risk Management Framework and Plan has been developed, endorsed and applied. It is therefore proposed that the wording of this clause be amended to read as follows:

*“The Committee shall review and make recommendations to the Board (where necessary) regarding: the application, updating (where relevant) and continued compliance with East Waste’s Risk Management Framework.”*

### **Report**

In addition to the above proposed amendments, at their April meeting, the Committee made some further amendments/additions to the Terms of Reference relating to Conflict of Interest provisions, Whistleblowing and Fraud Detection obligations and procedures to be followed at meetings. All amendments/additions have been highlighted in yellow in the attached draft.

The attached draft Terms of Reference was tabled before the Committee at their June 2017 meeting, and is provided to Board with their input and endorsement.

### **RECOMMENDATION**

**That the Board endorse the proposed amendments/additions to the Audit and Risk Management Committee Terms of Reference.**

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

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

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

|  |   |
|--|---|
|  | <p><b>External Audit</b></p> <p>The Committee shall:</p> <ul style="list-style-type: none"> <li>▪ develop and implement a policy on the supply of non-audit services by the external auditor, taking into the account any relevant ethical guidance on the matter;</li> <li>▪ review the terms appointment of the external auditor;</li> <li>▪ consider and make recommendations to the Board, in relation to the appointment, re-appointment and removal of East Waste’s external auditor;</li> <li>▪ oversee East Waste’s relationship with the external auditor at the direction of the Board, but not limited to: <ul style="list-style-type: none"> <li>○ recommending the approval of the external auditor’s remuneration, whether fees for audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;</li> <li>○ recommending the approval of the external auditor’s terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;</li> <li>○ assessing the external auditor’s independence and objectivity taking into account relevant professional and regulatory requirements and the extent of East Waste’s relationship with the auditor, including the provision of any non-audit services;</li> <li>○ satisfying itself that there are not relationships (such as family, employment, investment, financial or business) between the external auditor and East Waste (other than the ordinary course of business);</li> <li>○ monitoring the external auditor’s compliance with legislative requirements on the rotation of audit partners;</li> <li>○ assessing the external auditor’s qualifications, expertise and resources and the effectiveness of the audit process.</li> </ul> </li> <li>▪ review and make recommendation on the annual audit plan, which is to define the dates and timing for the interim and full audit, and the bringing forward of any recommendation to the Committee and Board;</li> <li>▪ review any representation letter requested by the external auditor before they were signed by management; and</li> <li>▪ review the management letter and management’s response to the external auditors findings and recommendations.</li> </ul> <p><b>Internal Controls and Risk Management</b></p> <p>The Committee shall review and make recommendations to the Board (where necessary) regarding:</p> <ul style="list-style-type: none"> <li>▪ the application, updating (where relevant) and continued compliance with East Waste’s Risk Management Framework;</li> <li>▪ the effectiveness of East Waste’s internal controls;</li> <li>▪ the approval, where appropriate, of statements to be included in the Annual Report concerning internal controls and risk management; and</li> <li>▪ the process and probity of tenders and significant transactions exceeding \$100,000 or as directed by the Board.</li> </ul> <p><b>Whistleblowing/Fraud and Corruption Monitoring</b></p> <p>The Committee shall review East Waste’s arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.</p> |
|--|---|

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

|                      |   |
|----------------------|---|
|                      | <p><b>Reporting Requirements</b></p> <p>The Committee shall make recommendations to the Board as it deems appropriate on any area within its terms of reference where in its view action or improvement is needed.</p> <p>The Committee shall after every meeting forward the minutes of that meeting to the next ordinary meeting of the Board.</p> <p>The Committee shall report annually to the Board summarising the activities of the Committee during the previous financial year.</p>  |
| Membership           | <p>Members of the Committee shall be appointed by the Board of East Waste. The Committee shall consist of five members, three of whom shall be Members of the Board (one of whom is the Chairperson) and two members who are not a member of the Board (independent members).</p> <p>One independent member of the Committee must have financial experience relevant to the functions of the Committee as determined by the Board.</p> <p>One independent member of the Committee must have experience in the field of legal practitioner and/or risk management and/or governance as determined by the Board.</p> <p>Expressions of Interest for the Independent Members shall be sought by the Board by way of a public advertisement and be for a maximum term of two (2) years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to the Board's Elected Members, hence their terms will expire in alternate years. Independent Members are eligible for reappointment.</p> <p>Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for decision. The Chairperson has a deliberative vote but does not, in the event of an equality of votes, have a casting vote.</p> <p>The General Manager and other East Waste employees as directed by the General Manager may attend any meeting as observers or be responsible for preparing papers for the Committee.</p> <p>East Waste's auditor may be invited to attend meetings of the Committee but must attend meetings considering the draft annual financial report and results of the external audit.</p> <p>Board Member appointments to the Committee shall be for a period of twelve months from the date of appointment, and are eligible for reappointment. Board Member nominations and appointments are to be made by the East Waste Board at their final meeting of each calendar year.</p> |
| Chairperson          | The Chairperson of the Committee shall be the Chairperson of the Board.   |
| Conflict of Interest | Applies to all Committee members as per Local Government Act 1999 Part 4 Division 3.  |
| Register of Interest | Division 2 of Part 4, Chapter 5 of the Local Government Act 1999 applies to the members of the Committee.   |

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

|                       |  |
|-----------------------|--|
| Frequency of Meetings | The Committee shall meet at least quarterly and precede Board meetings.  |
| Notice of Meetings    | <p>Ordinary meetings of the Committee will be held at times and places determined by the Committee. A special meetings of the Committee may be called in accordance with the Act.</p> <p>Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, the Board, and any observers, no later than 3 clear days before the date of the meeting. Supporting papers shall be sent to Committee members (and to other attendees as appropriate) and the Board at the same time.</p> <p>In accordance with Section 90(1) of the Act, the proceedings of Committee meetings shall be open to the public.</p>  |
| Procedures at Meeting | <p>As per Local Government (Procedures of Meetings) Regulations 200 Parts 3 and 4.</p> <p>All business put to the Committee will be brought forward to a meeting by motion, recommendation, staff report or other business.</p> <p>Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for a decision.</p> <p>The Chairperson of the meeting will have a deliberative vote only.</p> <p>The Chairperson shall ensure that the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance, are minuted and that the minutes otherwise comply with the requirements of the Local Government (Procedure at Meetings) Regulations 2000.</p> <p>Minutes of Committee meetings shall be circulated within 5 days after a meeting to all members of the Committee and will be forwarded to the subsequent ordinary meeting of the Board.</p> |
| Secretarial Resources | The General Manager, East Waste shall provide administrative resources to the Committee to enable it to adequately carry out its functions.  |
| Quorum                | The quorum necessary for the transaction of business shall be three members. A duly convened meetings of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.  |
| General               | The Terms of Reference of the East Waste Audit and Risk Management Committee shall be reviewed at least once every three years, or where legislative changes dictate amendments.   |



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#### **Agenda Item 8.4**

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**REPORT SUBJECT:** Instrument of Delegations

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

**MEETING DATE:** Thursday 29 June 2017

**ATTACHMENTS:** DRAFT Instrument of Delegations

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

To provide the Board with an opportunity to review, and if appropriate approve, the DRAFT East Waste Instrument of Delegations.

#### **Report**

Clause 29.9.1 of the East Waste Charter authorises the General Manager to delegate or sub-delegate to an employee any power or function vested in the General Manager. To ensure continued support and adherence to internal control mechanisms, the Charter also requires (at Clause 29.9.3) a written record of any delegations or sub-delegations.

As members are aware East Waste has been on a continuous improvement pathway in recent years. The East Waste Board, the Committee and management have worked together to place East Waste in a strong financial and performance position. Elements underpinning this strong position have been improvements made in relation to internal controls, business improvement processes and organisational structure. These elements are now closely aligning to ensure East Waste's position remains 'business as usual'.

To support this continued performance expectation it is timely to update and confirm East Waste's delegation and procurement framework. As per clause 29.9.3 of the Charter, the immediate need to support East Waste's current position is the updating of a written delegation framework. As a result, attached for consideration of the Board, is a DRAFT East Waste Instrument of Delegation. The draft instrument captures the General Manager's delegations relating to financial/procurement transactions, human resources and WHS considerations to East Waste staff.

The DRAFT Instrument has been tabled before the Audit and Risk Management Committee (the Committee) and therefore includes input from Committee members. Approval of the Instrument of Delegations will then inform the required amendments to be made to East Waste's Purchase of Goods and Services Policy, which will be tabled before Board at the September 2017 meeting.

#### **RECOMMENDATION**

**That the Board endorse the DRAFT Instrument of Delegations.**



## Eastern Waste Management Authority Inc. (East Waste)

In accordance with the East Waste Charter and Local Government Act 1999, I hereby delegate the powers, functions, duties and responsibilities vested in that Act, the East Waste Collective Workplace Agreement 2015, the Local Government Employees Award and the South Australian Municipal Salaried Officers Award to the positions listed below for the period .....

These delegations are to be exercised in accordance with relevant East Waste policies, procedures and guidelines.

### 1. FUNCTIONS NOT DELEGATED BY THE GENERAL MANAGER

| Authority   | Position               |
|---|------------------------|
| <b>Position Management</b>  |                        |
| Create a position (within annual budget)  | <i>General Manager</i> |
| Classify a vacant position  | <i>General Manager</i> |
| Abolish a vacant position   | <i>General Manager</i> |
| Reclassify a position and incumbent   | <i>General Manager</i> |
| Determine criteria for a position   | <i>General Manager</i> |
| Approve a job and person specification for a new or reclassified position   | <i>General Manager</i> |
| Approve the performing of higher duties   | <i>General Manager</i> |
| <b>Recruitment and Appointment</b>  |                        |
| Approve the advertising of a: <ul style="list-style-type: none"> <li>vacant position</li> <li>contractor/project position (i.e over establishment/headcount)</li> </ul> | <i>General Manager</i> |
| Appoint to a position (permanent, casual, contractor, project)  | <i>General Manager</i> |
| Appoint casual staff for greater than 6 months  | <i>General Manager</i> |
| Determine if a position is to be advertised via internal or external recruitment process  | <i>General Manager</i> |
| Appoint without a merit based selection process   | <i>General Manager</i> |
| Convert an employee on a temporary (term) contract to ongoing provided there has been a merit based selection process   | <i>General Manager</i> |
| Determine conditions of employment  | <i>General Manager</i> |
| <b>Leave</b>  |                        |
| Approve annual/personal/emergency personal/parental leave for direct reports  | <i>General Manager</i> |
| Approve long service leave  | <i>General Manager</i> |

|  |                        |
|--|------------------------|
| Approve cashing out of long service leave following 10 years' service  | <i>General Manager</i> |
| <b>Flexible Working Arrangements</b>   |                        |
| Approve a variation to working hours for greater than 12 months  | <i>General Manager</i> |
| Approve purchased leave arrangement  | <i>General Manager</i> |
| Rescind a flexi-time arrangement   | <i>General Manager</i> |
| <b>Conflict of Interest</b>  |                        |
| Direct an employee to resolve a conflict of interest between a pecuniary or other personal interest or their duty as an employee | <i>General Manager</i> |
| <b>Grievance</b>   |                        |
| Determine the outcome of an investigation resulting from an appeal or grievance  | <i>General Manager</i> |
| <b>Disciplinary/Performance Management</b>   |                        |
| Require an employee to provide medical certification confirming they are fit for duty  | <i>General Manager</i> |
| Determine the outcome of an investigation as a result of performance management issues   | <i>General Manager</i> |
| Reprimand as a result of disciplinary action   | <i>General Manager</i> |
| Terminate employment as a result of disciplinary action  | <i>General Manager</i> |
| Deem an employee to have resigned (absent without authority)   | <i>General Manager</i> |
| <b>Outside Employment</b>  |                        |
| Approve staff to engage in outside employment  | <i>General Manager</i> |
| <b>Excess Employees</b>  |                        |
| Determine an employee is excess to requirements  | <i>General Manager</i> |
| <b>Remuneration</b>  |                        |
| Approve on-call allowance  | <i>General Manager</i> |
| Approve overtime for direct reports  | <i>General Manager</i> |

## 1.2 APPROVE TRAVEL

| Authority   | Position                |
|---|-------------------------|
| <b>Approve Travel</b>                                   |                         |
| Approve intrastate travel and accommodation – all staff | <i>General Manager</i>  |
| Approve interstate travel and accommodation – all staff | <i>General Manager</i>  |
| Approve overseas travel and accommodation – all staff   | <i>East Waste Board</i> |

## 2. HUMAN RESOURCE DELEGATIONS

| Authority                                   | Position   |
|---|--|
| <b>Position Management</b>                  |  |
| Authorise hours of work                     | <ul style="list-style-type: none"> <li>▪ General Manager</li> <li>▪ Business Improvement Manager – Corporate</li> <li>▪ Business Improvement Manager - Operations</li> <li>▪ Operations Manager</li> </ul> |
| Engage casual staff for less than 1 month   | <ul style="list-style-type: none"> <li>▪ General Manager</li> <li>▪ Business Improvement Manager – Corporate</li> <li>▪ Business Improvement Manager - Operations</li> <li>▪ Operations Manager</li> </ul> |
| <b>Remuneration</b>                         |  |
| Approve overtime                            | <ul style="list-style-type: none"> <li>▪ General Manager</li> <li>▪ Business Improvement Manager – Corporate</li> <li>▪ Business Improvement Manager - Operations</li> <li>▪ Operations Manager</li> </ul> |
| Approve employees to receive meal allowance | <ul style="list-style-type: none"> <li>▪ General Manager</li> <li>▪ Business Improvement Manager – Corporate</li> <li>▪ Business Improvement Manager - Operations</li> <li>▪ Operations Manager</li> </ul> |

|  |  |
|--|--|
| <b>Leave</b>   |  |
| Approve annual leave for direct reports  | <ul style="list-style-type: none"> <li>▪ <i>General Manager (can approve all staff)</i></li> <li>▪ <i>Business Improvement Manager – Corporate</i></li> <li>▪ <i>Business Improvement Manager - Operations</i></li> <li>▪ <i>Operations Manager</i></li> </ul> |
| Approve personal leave for direct reports  | <ul style="list-style-type: none"> <li>▪ <i>General Manager (can approve all staff)</i></li> <li>▪ <i>Business Improvement Manager – Corporate</i></li> <li>▪ <i>Business Improvement Manager - Operations</i></li> <li>▪ <i>Operations Manager</i></li> </ul> |
| <b>Flexible Working Arrangements</b>   |  |
| Approve flexible working hours arrangements for less than 12 months  | <ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> <li>▪ <i>Business Improvement Manager – Corporate</i></li> <li>▪ <i>Business Improvement Manager - Operations</i></li> <li>▪ <i>Operations Manager</i></li> </ul>                         |
| Authorise rostered days off  | <ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> <li>▪ <i>Business Improvement Manager – Corporate</i></li> <li>▪ <i>Business Improvement Manager - Operations</i></li> <li>▪ <i>Operations Manager</i></li> </ul>                         |
| <b>Disciplinary/Performance Management</b>   |  |
| Take action in relation to a conflict, discipline, bullying or sexual harassment matter, in conjunction with advice from the General Manager | <ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> <li>▪ <i>Business Improvement Manager – Corporate</i></li> <li>▪ <i>Business Improvement Manager - Operations</i></li> </ul>  |

|                                    |   |
|------------------------------------|---|
|                                    | <ul style="list-style-type: none"> <li>▪ <i>Operations Manager</i></li> <li>▪ <i>Incident and Quality Control Officer</i></li> </ul>  |
| <b>Resignation</b>                 |   |
| Accept a resignation               | <ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> <li>▪ <i>Business Improvement Manager – Corporate</i></li> <li>▪ <i>Business Improvement Manager – Operations</i></li> <li>▪ <i>Operations Manager</i></li> </ul>  |
| <b>Workplace Health and Safety</b> |   |
| Report accidents                   | <ul style="list-style-type: none"> <li>▪ <i>All East Waste staff</i></li> </ul>   |
| Undertake investigation            | <ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> <li>▪ <i>Business Improvement Manager – Corporate</i></li> <li>▪ <i>Business Improvement Manager – Operations</i></li> <li>▪ <i>Incident and Quality Control Officer</i></li> <li>▪ <i>Operations Manager</i></li> </ul> |
| Complete Return to Work form(s)    | <ul style="list-style-type: none"> <li>▪ <i>Incident and Quality Control Officer</i></li> <li>▪ <i>Business Improvement Manager – Corporate</i></li> <li>▪ <i>Business Improvement Manager – Operations</i></li> <li>▪ <i>Office Administrator</i></li> </ul>                                 |
| Lodge documents with LGRS          | <ul style="list-style-type: none"> <li>▪ <i>Incident and Quality Control Officer</i></li> <li>▪ <i>Business Improvement Manager – Corporate</i></li> <li>▪ <i>Business Improvement Manager – Operations</i></li> <li>▪ <i>Office Administrator</i></li> </ul>                                 |

|                              |   |
|------------------------------|---|
| Appoint to the WHS Committee | <ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> </ul>  |
| Appoint a Fire Warden        | <ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> <li>▪ <i>Incident and Quality Control Officer</i></li> <li>▪ <i>Business Improvement Manager – Corporate</i></li> <li>▪ <i>Business Improvement Manager – Operations</i></li> </ul>                                      |
| Appoint a WHS representative | <ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> <li>▪ <i>Business Improvement Manager – Corporate</i></li> <li>▪ <i>Business Improvement Manager – Operations</i></li> <li>▪ <i>Incident and Quality Control Officer</i></li> </ul>                                      |
| Appoint a First Aid Officer  | <ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> <li>▪ <i>Business Improvement Manager – Corporate</i></li> <li>▪ <i>Business Improvement Manager – Operations</i></li> <li>▪ <i>Incident and Quality Control Officer</i></li> <li>▪ <i>Operations Manager</i></li> </ul> |

### 3. FINANCIAL AUTHORISATIONS

The power to incur financial liability and pay for goods and services to the extent listed in the following table:

| Position                                  | Amount Authorised | Purchase and Expenditure Approval  | Limits on Delegation  |
|---|-------------------|--|---|
| General Manager                           | \$50,000          | Capital expenditure (includes goods and services, and professional services) | Any acquisition or disposal of capital items with a value in excess of \$50,000 must be submitted for prior approval of the Board.  |
|   | \$10,000          | Non-capital expenditure.   | Payments in excess of \$10, 000 must be submitted monthly to Board.   |
|   | \$100,000         | Authorise payroll expenditure  |   |
|   | \$600,000         | Authorise creditor payments (accounts payable)                               |   |
| Business Improvement Manager - Corporate  | \$5,000           | Goods and services   | Anything in excess of the authorised amount must be approved by GM.   |
| Business Improvement Manager – Operations | \$5,000           | Goods and services   | Anything in excess of the authorised amount must be approved by GM.   |
| Operations Manager                        | \$3,000           | Goods and services   | Anything in excess of \$3,000 but less than \$5,000 must be approved by Business Improvement Manager - Operations.<br>Anything in excess of \$5,000 must be approved by GM. |
| Office Administrator                      | \$3,000           | Goods and services   | Anything in excess of \$3,000 but less than \$5,000 must be approved by Business Improvement Manager - Corporate.<br>Anything in excess of \$5,000 must be approved by GM.  |

|                                      |         |                    |  |
|--------------------------------------|---------|--------------------|--|
| Incident and Quality Control Officer | \$1,000 | Goods and services | Anything in excess of \$1,000 but less than \$5,000 must be approved by Business Improvement Manager – Corporate.<br>Anything in excess of \$5,000 must be approved by GM. |
| Workshop staff                       | \$500   | Goods and services | Authorised to place an order up to the amount of \$500, subject to the approval of a staff member with a financial delegation.   |
| Customer Service Staff               | \$500   | Goods and services | Authorised to place an order up to the amount of \$500, subject to the approval of a staff member with a financial delegation.   |

#### 4. PREPARE AND PROCESS GENERAL LEDGER JOURNALS

The power to prepare and process journals as required for accurate financial reporting.

| Authority to process journals           | Position   |
|---|--|
| Standing and ad hoc adjustment journals | <ul style="list-style-type: none"> <li>▪ General Manager</li> <li>▪ Office Administrator</li> </ul> <i>Both delegates to sign off</i>  |
| Standing journals                       | <ul style="list-style-type: none"> <li>▪ General Manager</li> <li>▪ Office Administrator</li> </ul> <i>Only one signatory required</i> |





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#### **Agenda Item 9.1**

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**REPORT SUBJECT:** General Manager Recruitment Subcommittee

**REPORT AUTHOR:** Independent Chairperson

**MEETING DATE:** Thursday 29 June 2017

**ATTACHMENTS:** -

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

To provide the Board with an update on the functions of the General Manager Recruitment Subcommittee.

#### **Report**

Following a Request for Quotation (RFQ2017/02) the General Manager Recruitment Subcommittee appointed Stillwell Management Consultants to recruit the new General Manager for East Waste.

The Subcommittee have met, and the Chair of the General Manager Recruitment Subcommittee will provide a verbal update to the Board.

#### **RECOMMENDATION**

**That the Report be received and noted**



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## **Agenda Item 9.2**

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**REPORT SUBJECT:** Acting General Manager Delegations

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 29 June 2017

**ATTACHMENTS:** -

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### **Purpose of the Report**

To provide the Board with an opportunity to ensure business continuity should there be a period without an East Waste General Manager

### **Background**

East Wastes General Manager will cease employment with East Waste at the cessation of his notice period (currently scheduled for Friday 21 July 2017) after accepting a position within another local government regional waste subsidiary.

In order to navigate everyday business, this Paper serves to delegate the General Managers powers and functions as prescribed by Clause 29 of the East Waste Charter.

### **Report**

East Wastes everyday administration is carried out by the General Manger under the guidance of the East Waste Board. Clause 29 of the East Waste Charter prescribes those powers and functions that the Board instil on the General Manager.

Given the likelihood that a period of time may exist between when the current East Waste General Manager leaves his post, and a new General Manager is employed, it is reasonable to assume that delegated authority will need to occur.

This paper serves to delegate the General Managers powers and authority to;

- Business Improvement Manager (Corporate)
- Business Improvement Manager (Operations)

Those powers, functions and powers contained in Clause 29 of the East Waste Charter will apply to this delegation.

For the Boards information, the most typical functions that will need to be delivered are payroll, creditors, end of financial year signatories, and signing correspondence of a controversial nature.

### **RECOMMENDATION**

**That the Board delegate the General Managers (Chief Executive Officers) power, functions, and authority contained in Clause 29 of the East Waste Charter to the East Waste Business Improvement Manager**

## **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**

**(Corporate), Business Improvement Manager (Operations), to be enacted in the absence of the General Manager for more than three (3) business days.**



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### Agenda Item 9.3

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**REPORT SUBJECT:** Reappointment of Independent Chairman

**REPORT AUTHOR:** General Manager

**MEETING DATE:** Thursday 29 June 2017

**ATTACHMENTS:** -

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#### Purpose of the Report

To provide the Board with an opportunity to reappoint the East Waste Independent Chairperson

#### Background

East Wastes Independent Chairperson Mr Brian Cunningham expires his term at 30 June 2017. The Chair was reappointed in 2015 for a further two (2) years after his initial appointment in 2013. The Charter (21.1.2) allows for the Chair to be reappointed after the term.

#### Report

Given the East Waste General Manager has accepted another position, and the strong leadership of the current East Waste Chair, it is proposed that another extension be offered to Mr Brian Cunningham (current East Waste Chair).

The Chair has overseen a period of stabilisation and consolidation at East Waste, which is testament to his leadership and governance acumen, and the clear strategic intent of the Board.

Over his term, East Waste has;

- Increased provision of at-call hard waste services from nil, to all six (6) Member Councils
- Increased provision of litter and public place bin services from one (1) Member Council to four (4) Member Councils
- Improved recyclables processing arrangements to the (savings) value of approximately \$1.8M per annum in positive variance to Member Councils
- Retained Adelaide Hills Council following a competitive tendering process
- Attracted City of Prospect as an incoming Member Council following a competitive tender process
- Overseen the development of East Wastes 10 Year Business Plan, Risk Management Plan, Business Continuity Plan, and Asset Management Plan
- Delivered an average of 0.85% increase in collection fees across three (3) financial years, including a zero (\$nil) fee increase in 2017/2018

Brian's leadership of the East Waste Board and Executive Team has benefited the subsidiary and the Member Councils. Brian also chairs East Wastes Audit and Risk Management Committee, the General Managers Performance Review Subcommittee, and is currently Chairing the General Manager Recruitment Subcommittee.

It is proposed that East Waste reappoint Mr Brian Cunningham for another period of two (2) years, expiring 30 June 2019.

## **EAST WASTE**

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It is also requisite that the Chairs remuneration be addressed in accordance with East Wastes Remuneration Policy for the Chair of the Board. That is;

The issue of the Chair's remuneration will be placed on the Agenda of the first Ordinary meeting of the Board after 31 May in each year. Where the Board resolves to adjust the Chair's remuneration then such adjustment will operate retrospectively from 1 July of the relevant financial year.

The Chair is currently remunerated \$20,000 per annum (excl GST). There are no disbursements, per diem or travel allowances paid.

There may be a view that the Chair of East Waste is providing considerable value, and the remuneration level be reviewed.

### **RECOMMENDATION**

**That the Board endorse Mr Brian Cunningham as the East Waste Independent Chairperson, and**

**The Board authorise the General Manager to write a letter of offer to Mr Brian Cunningham to extend his appointment to 30 June 2019, and**

**The Board advise on the remuneration level of the East Waste Independent Chairperson**