



**EASTERN WASTE MANAGEMENT AUTHORITY
ORDINARY BOARD MEETING**

Thursday 30 April 2020

Notice is hereby given that a meeting of The Board of the Eastern Waste Management Authority will be held via Zoom, on Thursday 30 April 2020 commencing at 5:30pm.

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

**ROB GREGORY
GENERAL MANAGER**



EASTERN WASTE MANAGEMENT AUTHORITY

AGENDA

ORDINARY MEETING OF THE BOARD OF MANAGEMENT

Meeting to be held on Thursday 30 April 2020, commencing at 5:30pm,
Via Zoom.

1. PRESENT

2. APOLOGIES

3. CONFLICTS OF INTEREST

4. CONFIRMATION OF THE MINUTES

RECOMMENDED: 1. That the Minutes of the Eastern Waste Management Authority Special Board Meeting held on Thursday 9 April 2020, be received confirmed, and adopted.

2. That the Minutes of the Eastern Waste Management Authority Audit and Risk Management Committee Meeting held on Friday 24 April, be received, confirmed and adopted.

5. MATTERS ARISING FROM THE MINUTES

6. QUESTIONS WITHOUT NOTICE

7. REPORTS

7.1 FINANCIAL REPORT – BUDGET REVIEW THREE.....

7.2 REVIEW OF EAST WASTE CHARTER.....

7.3 REVIEW OF EAST WASTE BUSINESS CONTINUITY PLAN.....

7.4 ANNUAL PLAN PROGRESS REPORT

8. CONFIDENTIAL REPORTS

Nil

9. OTHER BUSINESS

10. NEXT MEETING OF THE BOARD

The next Board Meeting is scheduled to be held on: 25 June 2020,
at the Mayor's Parlour, City of Norwood, Payneham & St Peters, 175 The
Parade, Norwood or via Zoom.

11. CLOSURE OF MEETING



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

Held on Thursday 9 April 2020 at 4:02pm via Zoom

1. PRESENT

Directors:

Mr F Bell	Independent Chairperson
Mr P Di Iulio	Campbelltown City Council
Cr J Carbone	City of Burnside
Mayor H Holmes-Ross	City of Mitcham
Mr M Barone	City of Norwood, Payneham & St Peters
Mr J McArthur	Adelaide Hills Council
Cr R Ashby	Corporation of the Town of Walkerville

In Attendance:

Mr R Gregory	General Manager
Mr S Raymond	Manager, Corporate Services
Ms K Vandermoer	Finance & Executive Administration Officer
Mr B Krombolz	Manager, Operations
John Jovicevic	Dean Newbery & Partners

2. APOLOGIES

Cr L Green	Adelaide Hills Council
Mr S Bradley	City of Prospect

3. CONFLICTS OF INTEREST

Nil

4. CONFIRMATION OF THE MINUTES

Moved Mr Di Iulio that the Minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on Thursday 20 February 2020, be received, confirmed, and adopted.

Seconded Cr Carbone

Carried

5. MATTERS ARISING FROM THE MINUTES

Nil

6. QUESTIONS WITHOUT NOTICE

Nil

Mr Barone Entered the meeting at 4:08pm.

7. REPORTS

7.1 COVID-19 CONTINGENCY PLANNING OPERATING PRINCIPLES

RECOMMENDATION

Moved Mr Di Iulio that the Board:

1. Endorses the *COVID_19: Contingency Planning Operating Principles* as presented in Attachment A, as a guiding document for the Organisation's response to the COVID-19 pandemic.
2. Instructs Administration to provide each Member Council with a copy of the *COVID_19: Contingency Planning Operating Principles* as presented in Attachment A.

Seconded Cr Carbone

Carried

8. CONFIDENTIAL REPORTS

Nil

9. OTHER BUSINESS

Nil

10. NEXT MEETING OF THE BOARD

The next ordinary Board Meeting is scheduled to be held on Thursday 30 April 2020, via Zoom.

11. CLOSURE OF MEETING

There being no further business the meeting closed at 4:36pm.

DATE: _____

CHAIRPERSON: _____



**MINUTES OF THE MEETING OF THE AUDIT & RISK MANAGEMENT COMMITTEE
OF THE EASTERN WASTE MANAGEMENT AUTHORITY**

Held on Friday 24 April 2020, via Zoom.

Meeting opened at 8:30am.

1. PRESENT

Mr F Bell	Independent Chairperson
Mr T Muhlhausler	Independent Member
Ms S Di Blasio	Independent Member
Mr M Barone	Committee Member
Cr L Green	Committee Member

IN ATTENDANCE

Mr R Gregory	General Manager
Mr S Raymond	Manager, Corporate Services
Mr Jovicevic	Dean Newbery & Partners
Miss K Vandermoer	Finance & Executive Administration Officer

2. APOLOGIES

Nil

3. CONFLICTS OF INTEREST

Nil

Mr Jovicevic entered the meeting at 8:31am.

4. CONFIRMATION OF THE MINUTES – 19 NOVEMBER 2019

Moved Mr Barone that the Minutes of the previous meeting held on Tuesday 11 February 2020 be received and noted.

Seconded Ms Di Blasio

Carried

5. MATTERS ARISING FROM THE MINUTES

Nil

6. QUESTIONS WITHOUT NOTICE

Nil

Mr Muhlhausler entered the meeting at 8:32am.

7. STAFF REPORTS

7.1 FINANCIAL REPORT – BUDGET REVIEW THREE

RECOMMENDATION

Moved Mr Muhlhausler that the Committee notes and accepts the operating surplus of \$235,748 associated with the 2019/20 Budget Review Three and recommends to the Board for endorsement.

Seconded Mr Barone

Carried

7.2 REVIEW OF EAST WASTE CHARTER

RECOMMENDATION

Moved Ms Di Blasio that the Committee recommend the proposed amendments to the East Waste Charter as presented in Attachment A, together with the advice from Kelledy Jones Lawyers, to the East Waste Board for consideration.

Seconded Mr Muhlhausler

Carried

7.3 REVIEW OF EAST WASTE BUSINESS CONTINUITY PLAN

RECOMMENDATION

Moved Cr Green that the Committee recommend Attachment A, as amended, to the East Waste Board for endorsement.

Seconded Mr Muhlhausler

Carried

8. CONFIDENTIAL REPORTS

Nil

9. OTHER BUSINESS

Nil

10. NEXT MEETING OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The next Audit and Risk Management Committee Meeting is scheduled to be held on Tuesday 16 June 2020, at the City of Norwood, Payneham, & St Peters, 175 The Parade, Norwood, or via Zoom.

11. CLOSURE OF MEETING

There being no other business the meeting closed at 9:08am.

PRESIDING MEMBER

DATE

7.1: FINANCIAL REPORT – BUDGET REVIEW THREE

REPORT AUTHOR:	General Manager
ATTACHMENTS:	A: Budgeted Statement of Comprehensive Income FY2020
	B: Budgeted Balance Sheet as at 30 June 2020
	C: Budgeted Statement of Cash Flow FY2020
	D: Budgeted Statement of Changes in Equity FY2020
	E: Budgeted Uniform Presentation of Finances Statement FY2020
	F: Cash Flow Forecast

Purpose of the Report

To provide the Board with an opportunity to review the third review undertaken of the budgeted statutory Financial Statements (Budget Review Three) for the financial year ending 30 June 2020 as prescribed by the Regulations.

Background

At the meeting held 20 June 2019, the East Waste Board resolved (in part):

DRAFT 2019/20 ANNUAL BUSINESS PLAN & BUDGET

Moved Mr Bradley that the Board:

- 1. Endorses the draft 2019/20 Annual Business Plan and Budget as presented in Attachment A.*

Seconded Cr Green

Carried

Report

Budget Review Three is forecasting a revised FY2020 Operating Surplus of \$235,748 which is a \$69,500 increase on the FY2020 Adopted Budget (budget movement compared to the adopted FY2020 Budget Review 1). Included within the result is the return of the 2018/19 Operating Surplus of \$136,000 to the Member Councils via a rebate on fourth quarter invoicing. Other key financial risks and material budget items continue to be closely monitored and tracked by the Administration.

The reasoning associated with the bulk of this Operating Surplus was detailed in Budget Review Two and the Committee is referred to these papers in the first instance should further background be required. With the end of financial year in sight, the Administration have undertaken several other budget movements in order to provide a more reflective end of year result.

Table 1 summarises the year to date performance as at 31 March 2020 against full year budget for key risks and material budget items.

The report and figures as presented to the Audit & Risk Committee at the meeting on 24 April 2020, were accepted and recommended to the Board for endorsement.

Table 1: Key Budget Item Year to Date

Item	YTD Actuals (as at 31/12/2019)	Proposed Budget Variation	Notes
Recycling Processing Fee & Income	\$1.672M	\$0.200M	Increased as a result of expected volume increases. 35% increase in collection volume in the first two weeks of April 2020, compared to same time last year. Notification of the April 2020 – June 2020 processing fee, is yet to be provided. Any movement in processing fees will be directly offset by Member Council income recovered, resulting no impact on the financial performance for East Waste.
Green Organics Processing Income	\$0.902	\$0.120M	Typical cyclic downturn has not materialised due to increased time the community are spending at home. 66% increase in collection volume on the first two weeks of April 2020, compared to same time last year. Higher volumes are expected to continue for the remainder of the financial year. Any movement in processing fees will be directly offset by Member Council in income recovered, resulting in no impact on the financial performance for East Waste.
Hard Refuse Disposal & Income	\$0.587M	\$0.120M	Variation associated with increase in bookings. Typical cyclic downturn has not materialised due to increased time community are spending at home. High volume expected to continue for remainder of financial year. Any movement in processing fees will be directly offset by Member Council in income recovered, resulting in no impact on the financial performance for East Waste.
Fuel, Gas & Oil	\$1.021M	\$-	A favourable result appears likely, however no variations made at this stage due to the volatility of the fuel market.
Wages & Salaries (incl. Casual Staff)	\$3.947M	\$-	Total Wages and Salaries, remains on budget, albeit the typical low fourth quarter expenditure is not likely materialise due to increased time community are spending at home and resultant collection volumes.

Forecast Cash Reserves

Budget Review Three is now forecasting East Waste to have a \$0.204M increase in cash on hand compared to the start of the financial year and a closing balance of \$2.16M. East Waste's cash reserves remain appropriate and healthy for the remainder of the financial year (refer Attachment F). As per previous years, this figure is expected to draw down significantly in July 2020, prior to first quarter payments being received from Member Councils.

Should the forecasted operating surplus materialise at the end of the 2019/20 financial year, this will increase the cash on hand further and all things being equal, to a level greater than is required for operational requirements.

In light of the current economic conditions and *East Waste's Draft 2020/21 Annual Plan* and budget being set prior to the impact of COVID-19, Administration intends to undertake a review of FY21 budget (with a view to reducing increases where possible) prior to final presentation to the Board in June. This approach was supported by the Audit and Risk Committee at its meeting on 24 April.

RECOMMENDATION

The Board notes and accepts the operating surplus of \$235,748 associated with the 2019/20 Budget and endorses 2019/20 Financial Year Budget Review Three (3) report as presented.

EAST WASTE**PROJECTED STATEMENT OF COMPREHENSIVE INCOME (BUDGET)**
for the Financial Year Ending 30 June 2020

FY 2019		FY 2020	FY2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted Budget (BR1)	Adopted Budget (BR2)	Proposed Budget (BR3)
\$'000		\$'000	\$'000	\$'000	\$'000
	INCOME				
15,440	User Charges	15,576	16,010	16,489	16,909
32	Investment income	30	30	20	13
38	Grants, subsidies and contributions	-	-	-	-
684	Other	676	676	681	681
16,194	TOTAL INCOME	16,282	16,716	17,190	17,603
	EXPENSES				
5,580	Employee Costs	5,545	5,545	5,545	5,545
8,229	Materials, contracts & other expenses	8,240	8,411	9,042	9,446
1,959	Depreciation, amortisation & impairment	1,970	2,222	2,103	2,072
290	Finance costs	390	384	334	304
16,058	TOTAL EXPENSES	16,145	16,562	17,024	17,367
136	OPERATING SURPLUS / (DEFICIT)	137	154	166	236
32	Asset disposals & fair value adjustments	-	13	20	20
168	NET SURPLUS / (DEFICIT)	137	167	186	256
-	Other Comprehensive Income	-	-	-	-
168	TOTAL COMPREHENSIVE INCOME	137	167	186	256

EAST WASTE**PROJECTED BALANCE SHEET (BUDGET)**

for the Financial Year Ending 30 June 2020

FY 2019		FY 2020	FY2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted Budget (BR1)	Adopted Budget (BR2)	Proposed Budget (BR3)
\$'000		\$'000	\$'000	\$'000	\$'000
	ASSETS				
	CURRENT ASSETS				
1,967	Cash & Cash Equivalents	2,233	1,998	2,100	2,162
717	Trade & Other Receivables	412	717	717	717
-	Other Financial Assets	-	-	-	-
2,684	TOTAL CURRENT ASSETS	2,645	2,715	2,817	2,879
	NON-CURRENT ASSETS				
6,100	Infrastructure, Property, Plant & Equipment	6,611	7,487	7,776	7,709
6,100	TOTAL NON-CURRENT ASSETS	6,611	7,487	7,776	7,709
8,784	TOTAL ASSETS	9,256	10,202	10,593	10,588
	LIABILITIES				
	CURRENT LIABILITIES				
771	Trade & Other Payables	821	771	771	771
1,987	Borrowings	2,287	2,287	2,287	2,287
540	Provisions	640	500	580	588
3,298	TOTAL CURRENT LIABILITIES	3,748	3,558	3,638	3,646
	NON-CURRENT LIABILITIES				
4,702	Borrowings	4,751	5,733	5,880	5,791
78	Provisions	102	38	118	127
4,780	TOTAL NON-CURRENT LIABILITIES	4,853	5,771	5,998	5,917
8,078	TOTAL LIABILITIES	8,601	9,329	9,636	9,563
706	NET ASSETS	655	873	957	1,026
	EQUITY				
706	Accumulated Surplus	655	873	957	1,026
706	TOTAL EQUITY	655	873	957	1,026

EAST WASTE**PROJECTED STATEMENT OF CASH FLOWS (BUDGET)**
for the Financial Year Ending 30 June 2020

FY 2019		FY2020	FY2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted Budget (BR1)	Adopted Budget (BR2)	Proposed Budget (BR3)
\$'000		\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
RECEIPTS					
16,572	Operating Receipts	16,252	16,701	17,185	17,605
32	Investment Receipts	30	30	20	13
PAYMENTS					
(5,555)	Employee costs	(5,545)	(5,545)	(5,545)	(5,545)
(8,260)	Materials, contracts & other expenses	(8,160)	(8,594)	(9,225)	(9,614)
(309)	Interest Payments	(390)	(384)	(280)	(250)
2,480	NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES	2,187	2,208	2,155	2,209
CASH FLOWS FROM INVESTING ACTIVITIES					
RECEIPTS					
35	Sale of Replaced Assets	35	35	83	83
PAYMENTS					
(1,897)	Expenditure on Renewal/Replaced Assets	(2,540)	(2,540)	(2,580)	(2,483)
-	Expenditure of New/Upgraded Assets	-	-	-	-
(1,862)	NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES	(2,505)	(2,505)	(2,497)	(2,400)
CASH FLOWS FROM FINANCING ACTIVITIES					
RECEIPTS					
65	Capital Contributed by Member Councils	-	65	65	65
1,814	Proceeds from Borrowings	2,260	2,260	2,260	2,171
PAYMENTS					
(1,906)	Repayment of Borrowings	(1,987)	(1,987)	(1,840)	(1,840)
-	Distribution - Member Councils	-	-	-	-
(27)	NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES	273	338	485	396
591	NET INCREASE (DECREASE) IN CASH HELD	(45)	41	142	204
1,367	CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,278	1,958	1,958	1,958
1,958	CASH & CASH EQUIVALENTS AT END OF PERIOD	2,233	1,999	2,100	2,162

EAST WASTE**PROJECTED STATEMENT OF CHANGES IN EQUITY (BUDGET)**
for the Financial Year Ending 30 June 2020

FY 2019		FY 2020	FY 2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted Budget (BR1)	Adopted Budget (BR2)	Proposed Budget (BR3)
\$		\$'000	\$'000	\$'000	\$'000
473	BALANCE AT END OF PREVIOUS REPORTING PERIOD	518	706	706	706
168	Net Surplus / (Deficit) for Year	137	167	186	256
65	Contributed Equity	-	-	65	65
-	Distribution to Member Councils	-	-	-	-
706	BALANCE AT END OF REPORTING PERIOD	655	873	957	1,026

EAST WASTE**PROJECTED UNIFORM PRESENTATION OF FINANCES STATEMENT (BUDGET)
for the Financial Year Ending 30 June 2020**

FY 2019		FY 2020	FY2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted Budget (BR1)	Adopted Budget (BR2)	Proposed Budget (BR3)
\$'000		\$'000	\$'000	\$'000	\$'000
16,194	Income	16,282	16,716	17,190	17,603
16,058	Expenses	(16,145)	(16,562)	(17,024)	(17,367)
136	Operating Surplus / (Deficit)	137	154	166	236
Net Outlays on Existing Assets					
(1,897)	Capital Expenditure on Renewal and Replacement of Existing Assets	(2,540)	(2,540)	(2,580)	(2,483)
1,959	Depreciation, Amortisation and Impairment	1,970	2,222	2,103	2,072
35	Proceeds from Sale of Replaced Assets	35	35	83	83
97		(535)	(283)	(395)	(328)
Net Outlays on New and Upgraded Assets					
-	Capital Expenditure on New and Upgraded Assets	-	-	-	-
-	Amounts Specifically for New and Upgraded Assets	-	-	-	-
-	Proceeds from Sale of Surplus Assets	-	-	-	-
-		-	-	-	-
233	Net Lending / (Borrowing) for Financial Year	(398)	(129)	(228)	(92)

