



**EASTERN WASTE MANAGEMENT AUTHORITY
AUDIT & RISK MANAGEMENT COMMITTEE MEETING**

TUESDAY 14 JUNE 2022

Notice is hereby given that a meeting of the Audit and Risk Management Committee of the Eastern Waste Management Authority will be held via Zoom on Tuesday 14 June 2022 commencing at 8:00am.

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

**ROB GREGORY
GENERAL MANAGER**

Acknowledgement of Country

We would like to acknowledge this land that we meet on today is the traditional lands for the Kurna people and that we respect their spiritual relationship with their country.

We also acknowledge the Kurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the living Kurna people today.



EASTERN WASTE MANAGEMENT AUTHORITY

AGENDA **AUDIT AND RISK MANAGEMENT COMMITTEE**

Meeting to be held on Tuesday 14 June 2022 commencing at 8:00am
via Zoom link <https://us02web.zoom.us/j/83098710959>

- 1. PRESENT**
- 2. ACKNOWLEDGEMENT OF COUNTRY**
- 3. APOLOGIES**
- 4. CONFLIFCTS OF INTEREST**
- 5. CONFIRMATION OF THE MINUTES:**
 - 5.1 MEETING HELD 27 April 2022*
- 6. MATTERS ARISING FROM THE MINUTES**
- 7. QUESTIONS WITHOUT NOTICE**
- 8. REPORTS**
 - 8.1 FINANCIAL REPORT – YEAR TO DATE (APRIL 2022)..... pg.14*
 - 8.2 INTERIM AUDIT REPORT pg.15*
 - 8.3 ANNUAL PLAN & BUDGET ENDORSEMENT pg.23*
- 9. CONFIDENTIAL REPORTS**
 - 9.1 MEMBER COUNCIL UPDATE (verbal)*
 - 9.2 CONTRACT UPDATE (Late Paper)..... pg.48*
- 10. OTHER BUSINESS**
- 11. NEXT MEETING OF THE AUDIT COMMITTEE**

The next Audit and Risk Management Committee Meeting is to be held on:
Tuesday 13 September 2022, commencing 8:00am, in the Board Room, Thomson
Geer, 7/19 Gouger St, Adelaide
- 12. CLOSURE OF MEETING**



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

held on Wednesday 27 April 2022 in the Boardroom, Thomson Geer,
7/19 Gouger Street, Adelaide

Meeting opened at 8:06am

1. ACKNOWLEDGEMENT OF COUNTRY

2. PRESENT

| | |
|----------------|-----------------------------------|
| Mrs E Hinchey | Independent Member/Chair |
| Mr F Bell | Independent Board Chair |
| Cr L Green | Adelaide Hills Council (via Zoom) |
| Ms S Di Blasio | Independent Member |

IN ATTENDANCE

| | |
|--------------|----------------------------------|
| Mr R Gregory | General Manager |
| Mr D Maywald | Manager, Business Services |
| Ms P Foy | Executive Administration Officer |

3. APOLOGIES

| | |
|----------------|-------------------------|
| Mr J Jovicevic | Dean Newbery & Partners |
|----------------|-------------------------|

4. CONFLICTS OF INTEREST

Nil.

5. CONFIRMATION OF THE MINUTES – 15 February 2022

Moved Cr Green that the Minutes of the previous meeting held on Tuesday 15 February 2022 be received and noted.

Seconded Mrs Hinchey

Carried

Moved Cr Green that the Confidential Minutes of the previous meeting held on Tuesday 15 February 2022 be received and noted.

Seconded Mrs Hinchey

Carried

6. MATTERS ARISING FROM THE MINUTES

Nil.

7. QUESTIONS WITHOUT NOTICE

Nil.

8. REPORTS

8.1 FINANCIAL STATEMENTS: BUDGET REVIEW THREE

RECOMMENDATION

Moved Cr Green that the Committee notes and accepts the forecasted end of year FY2022 result associated with the 2021/22 Budget Review Three and recommends to the Board for endorsement.

Seconded Mr Bell

Carried

8.2 PRUDENTIAL REVIEW POLICY DRAFT

RECOMMENDATION

Moved Mr Bell that the Committee recommends that the draft Prudential Review Policy, with the inclusion in Clause 3.3 of reference to the Audit & Risk Management Committee's responsibility to review any reports prepared for the Board under Section 48 of the Act, is presented to the East Waste Board for endorsement.

Seconded Ms Di Blasio

Carried

8.3 PROCUREMENT POLICY REVIEW

RECOMMENDATION

Moved Mr Bell that the Committee recommends that:

1. the Draft Procurement Policy as presented in Attachment A be amended to:
 - a. include clarity around contract extension requirements,
 - b. replace references to the "2030 Strategic plan" with "strategic plan"
 - c. include Committee Members, contractors and volunteers in the Policy Scope
 - d. remove reference to "Council Solutions" at 6.6.1.2
2. the Board give consideration to the inclusion of other Policy Principles in Section 4, such as issues of social inclusion, where they are in line with East Waste's strategic goals.
3. the amended Draft Procurement Policy be presented to the East Waste Board for endorsement.

Seconded Ms Di Blasio

Carried

8.4 SCHEDULE OF SUB-DELEGATIONS

RECOMMENDATION

Moved Ms Di Blasio that the Committee recommends:

- 1 that the Draft Schedule of Sub-delegations as presented in Attachment A be amended:

- a. to amend the statement at the top of the first page to read “These delegations are to be exercised in accordance with relevant East Waste policies, procedures, guidelines, Annual Business Plans, Budgets and the Strategic Plan”.

2 That the amended Draft Schedule of Sub-delegations, is referred to the East Waste Board for endorsement.

Seconded Mr Bell

Carried

8.5 SALE AND DISPOSAL OF ASSETS POLICY REVIEW

RECOMMENDATION

Moved Mr Bell that the Committee recommends:

1. that the draft Sale or Disposal of Assets Policy, as presented in Attachment A, be amended:
 - a. To replace references to the “2030 Strategic plan” with “strategic plan”
 - b. to remove reference to Elected Members in Clause 5.1.
2. that the amended draft Sale or Disposal of Assets Policy, is referred to the East Waste Board for endorsement.

Seconded Ms Di Blasio

Carried

9. CONFIDENTIAL REPORTS

9.1 PROPOSED CONTRACT EXTENSION

RECOMMENDATION 1

Moved Mr Bell that pursuant to Section 90(2) and (3) of the Local Government Act 1999 the East Waste Audit & Risk Committee orders that the public, with the exception of the East Waste staff present, be excluded from the meeting on the basis that the Committee will receive, discuss and consider:

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

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

Seconded Ms Di Blasio

Carried

RECOMMENDATION 3

Moved Cr Green that under Section 91(7) and (9) of the Local Government Act 1999 the Committee orders that the report, attachment(s), discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed by the East Waste Board.

Seconded Mr Bell

Carried

9.2 NEW MEMBER COUNCIL BUSINESS CASE

RECOMMENDATION 1

Moved Ms Di Blasio that pursuant to Section 90(2) and (3) of the Local Government Act 1999 the East Waste Audit & Risk Committee orders that the public, with the exception of the East Waste staff present, be excluded from the meeting on the basis that the Committee will receive, discuss and consider:

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

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

Seconded Mr Bell

Carried

RECOMMENDATION 3

Moved Cr Green that under Section 91(7) and (9) of the Local Government Act 1999 the Committee orders that the report, attachment(s), discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed by the East Waste Board.

Seconded Ms Di Blasio

Carried

9.3 CHARTER REVIEW

RECOMMENDATION 1

Moved Ms Di Blasio that pursuant to Section 90(2) and (3) of the Local Government Act 1999 the East Waste Audit & Risk Committee orders that the public, with the exception of the East Waste staff present, be excluded from the meeting on the basis that the Committee will receive, discuss and consider:

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

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

Seconded Mr Bell

Carried

RECOMMENDATION 3

Moved Cr Green that under Section 91(7) and (9) of the Local Government Act 1999 the Committee orders that the discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed by the East Waste Board.

Seconded Ms Di Blasio

Carried

9.4 CO-MINGLED RECYCLING PROCESS (VERBAL UPDATE)

RECOMMENDATION 1

Moved Cr Green that pursuant to Section 90(2) and (3) of the Local Government Act 1999 the East Waste Audit & Risk Committee orders that the public, with the exception of the East Waste staff present, be excluded from the meeting on the basis that the Committee will receive, discuss and consider:

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

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

Seconded Ms Di Blasio

Carried

RECOMMENDATION 3

Moved Cr Green that under Section 91(7) and (9) of the Local Government Act 1999 the Committee orders that the discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed by the East Waste Board.

Seconded Ms Di Blasio

Carried

Mr Gregory left the meeting at 9.39am

Mr Maywald left the meeting at 9.39am

Ms Foy left the meeting at 9.39am

9.5 In Camera Discussion

RECOMMENDATION 1

Moved Mrs Hinchey that pursuant to Section 90(2) and (3) of the Local Government Act 1999 the East Waste Audit & Risk Committee orders that the public, be excluded from the meeting on the basis that the Committee will discuss:

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

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

Seconded Mr Bell

Carried

RECOMMENDATION 3

Moved Mrs Hinchey that under Section 91(7) and (9) of the Local Government Act 1999 the Committee orders that the discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed by the East Waste Board.

Seconded Mr Bell

Carried

10. OTHER BUSINESS

Nil.

11. NEXT MEETING OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The next Audit and Risk Management Committee Meeting is to be held on:
Wednesday 14 June 2022, commencing 8:00am, in the Boardroom, Thomson Geer,
7/19 Gouger Street, Adelaide

12. CLOSURE OF MEETING

There being no other business the meeting closed at 10.05 am.

PRESIDING MEMBER

DATE

8.1: FINANCIAL REPORT – YEAR TO DATE (April 2022)

REPORT AUTHOR: General Manager

ATTACHMENTS: Nil

Purpose of the Report

To provide the Audit and Risk Management Committee with an overview of the Budget Versus Actual performance in key areas of East Waste's operations for the period ending 30 April 2022.

Background

At the meeting held 24 June 2021, the East Waste Board resolved:

8.2 2021/22 ANNUAL BUSINESS PLAN & BUDGET

Moved Mr Di Iulio that the Board endorse the 2021/22 Annual Business Plan and Budget, as presented in Attachment A.

Seconded Cr Ashby

Carried

Report

Members will recall BR3 predicted an end of year operating deficit of \$0.410M with advice that this figure will rise due to several expenditure items not yet realised and continuing high level fuel prices having a direct and indirect impact on East Waste expenses.

There are a number of expenses that have yet been accounted for (eg. Waste audit costs) and it is expected that the Fuel expenses line will incur a further \$50 - \$80K of expenses above the revised BR3 figure. This being the case, it will result in an additional ~\$0.360M being spent on fuel than originally budgeted.

East Waste as of 7 June 2022 has a healthy cash balance of \$2.934M. Budget Review 3 forecast an end of year cash reserve of \$1.991M which includes the current forecasted deficit of \$0.410M and the \$0.470M rebate payment to Member Councils. It is expected that the projected increase in the operating deficit will draw cash reserves down to a low threshold level, which East Waste has not operated at for several years. Should further deficits be experienced in coming years, it is unlikely East Waste will be in a position to absorb these.

While the operating deficit that East Waste is forecasting is significant, should it remain near this figure, Administration recommends drawing down on cash reserves rather than requesting Member Councils to fund the shortfall. East Waste is currently in a position to financially absorb the operating loss and strategically this will be a positive move with our Member Councils.

RECOMMENDATION

That the Committee recommends that the Financial Report, year to date, is received and noted.

8.2: INTERIM AUDIT REPORT

REPORT AUTHOR: General Manager

ATTACHMENTS: A: External Auditor Interim Management Report

Purpose of the Report

To provide the Audit and Risk Management Committee (the Committee) with the results of the Interim Audit conducted by external auditors Bentley's.

Background

Nil

Report

East Waste's appointed External Auditor, Bentley's, undertook the interim Audit in late April and early May 2021. A copy of their Interim Management Report is provided at Attachment A (refer Attachment A).

One matter of note is raised which relates to the Accrued Rebate (FY21 Operating Surplus) being paid to Member Councils. It has been a deliberate decision to retain the FY21 operating surplus, given a number of unexpected variables arising throughout the year. However, with these relatively understood and a broad acceptance that East Waste can absorb the projected FY22 operating deficit, Member Councils have been advised of their portion for refund, with the funds to be paid (less legal settlement costs) prior to the 14 June 2022. Bentleys have been advised of this.

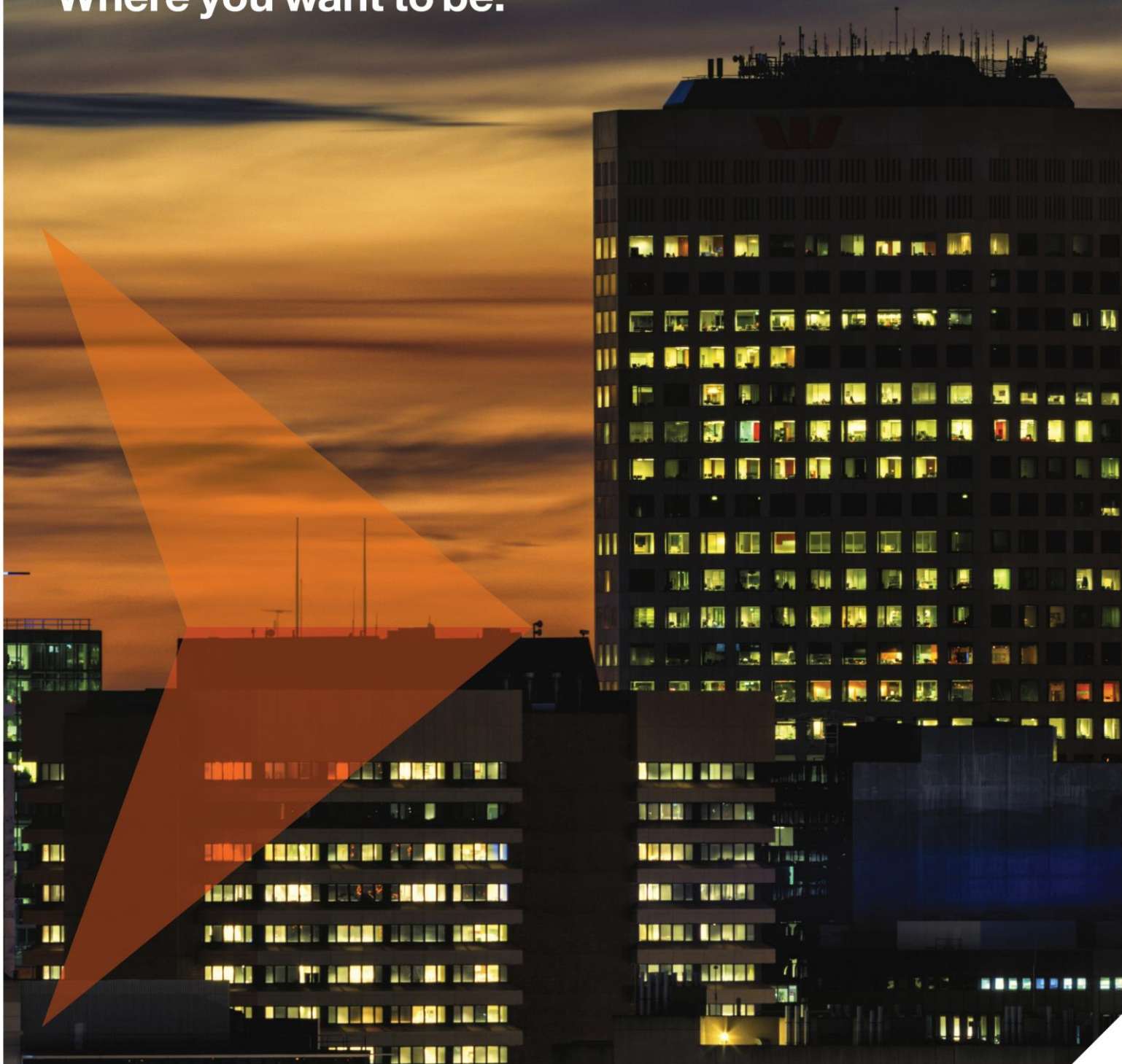
This continues a recent history of positive audit reports for East Waste, reflecting the strong, transparent governance arrangement, systems and processes that are continually implemented and refined.

Recommendation

That the Committee notes and receives the Interim Audit Report and recommends to the Board for endorsement.

Where you want to be.

ITEM 8.2 - ATTACHMENT A



East Waste Management Authority

Report of Audit Findings

June 2022

David Papa, Partner
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Telephone +61 8 8372 7900
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➤ Advisors

➤ Accountants

➤ Auditors
16

Executive summary

We are providing our Interim report on the audit of East Waste Management Authority for the year ending 30/06/2022.

Dear Ms Hinchey

We have conducted our interim audit of East Waste Management Authority for the year ending 30/06/2022 and report to management and those charged with governance the following matters for information purposes and for consideration of implementation or corrective action:

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

The following matters are reported to management:

| | Internal controls | Financial Statements |
|-----------------------------|-------------------|---|
| Material | - | Accrued rebate to members (Outstanding Identified audit risk) |
| Not Material | - | - |
| Area for Improvement | - | - |

Note: an empty comment means nothing to report

At this stage of the audit, we intend to issue an unmodified audit opinion over the financial report of East Waste Management Authority. Should this change, we will inform the committee accordingly.

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

Sincerely,



David Papa

Partner

+61 8 8372 7900

dpapa@adel.bentleys.com.au

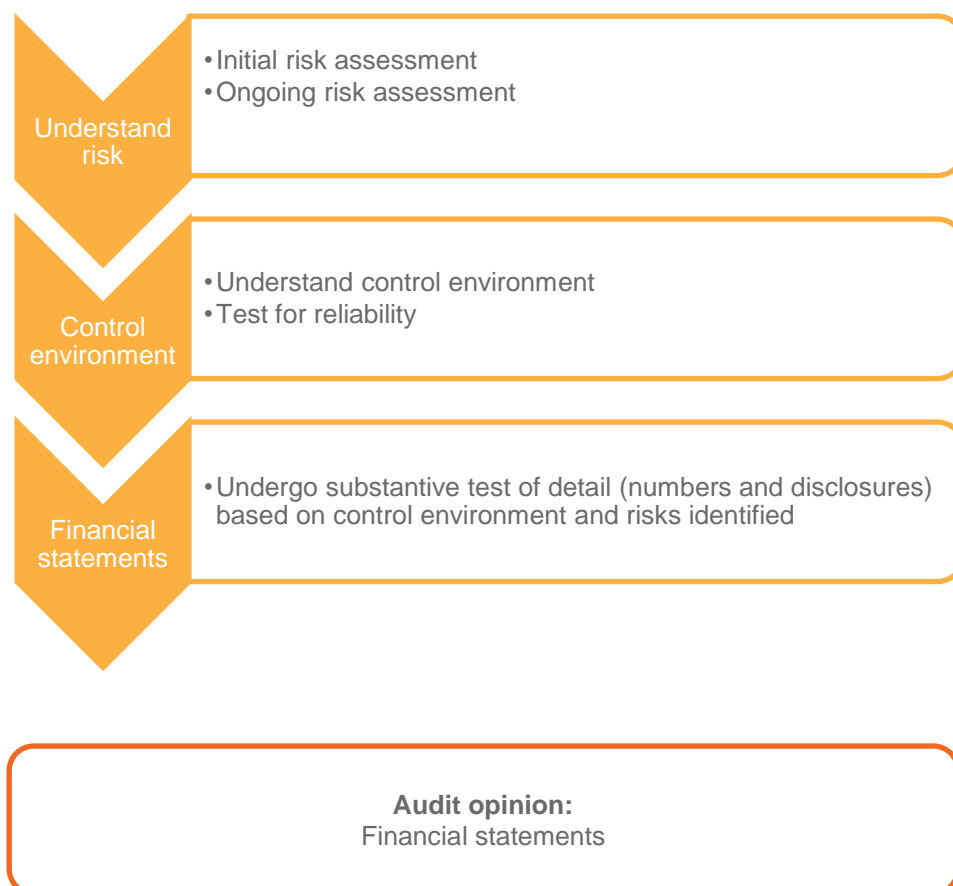


Audit approach

Helping businesses achieve their goals and aspirations.

Bentleys SA's audit approach is based on organisational and financial risk. We develop an understanding of risks for your organisation that relate to the financial statements based on our understanding of your people, your organisation and your sector. This understanding helps us build an audit program that is tailored to you each year and enables us to form an opinion on your financial statements through a target "risk based" approach. The benefits of this approach are:

- Audit efficiency
- Increased organisational assurance
- A review of your control environment
- Timely and effective audits



Identified audit risks

We have identified financial statement risks relating to this year's audit.

As your auditor, our requirement to identify risk commences at the planning phase of our audit and continues throughout the audit process until complete and the audit report is signed. Below we have detailed identified risks relating to the financial statements.

Risks identified at planning

Area

Fixed asset additions

Risk

There has been a material purchase of fleet assets during the year.

Audit Approach

We will perform audit procedures to ensure that capital expenditures made are in accordance with the procurement requirements and are appropriately recorded in the books.

Outcome

Satisfactory.

Additions to fleet have been appropriately recorded as assets on the balance sheet.

Area

Accrued rebate to members

Risk

In 2021 there was a liability in the books for \$0.47m, being an accrued rebate to member councils relating to an overcharge through the year. As disclosed in Note 1.11 of the 2021 financial statements, this amount was intended to be settled within the 12 months following 30 June 2021. It is our expectation this is returned in line with the 2021 common fleet percentage before year end.

Audit Approach

We will perform audit procedures to assess if the rebate is calculated and returned as intended.

Outcome

As at our interim visit in April 2022, this matter remained outstanding. We expect this matter to be settled within the financial year as intended.



Identified audit risks

We have identified financial statement risk relating to this year's audit.

Area

Change in key management personnel

Risk

The change in key management and accounting personnel may have an impact on the internal control environment.

Audit Approach

We will obtain an understanding of key processes and controls and consider if the controls have are operating effectively during the year.

Outcome

Controls tested through our interim proceedurs appear to be materially effective.



Matters for those charged with governance

Fraud

Whilst fraud is not the primary consideration when conducting an external audit, we have not identified any fraud as a result of our audit.

We believe it is important for management to continually consider and assess the control environment of the entity to identify areas where fraud can occur and ensure that those opportunities are removed and or monitored to reduce the risk and impact of fraud.

Legal compliance

Through our audit procedures we have not become aware of any non-compliance with applicable laws and regulations.

Financial reporting and accounting policies

We believe the accounting policies elected for the Authority are reasonable and their application provides sufficient information for use of the decision makers.

Going concern

As part of our assessment we considered the appropriateness of the going concern assumption concluded by the Authority. Our procedures indicate that this assumption is fair and that the going concern convention is appropriate.

Cooperation with management

The management team has been helpful and cooperative throughout the conduct of this year's interim audit.



Where you want to be

Address a critical business issue. Gain efficiency. Achieve strategic growth. Propel your organisation's success.

Contact Bentleys.

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➤ Advisors ➤ Accountants ➤ Auditors

8.3: DRAFT 2022/23 ANNUAL BUSINESS PLAN & BUDGET

REPORT AUTHOR: General Manager
ATTACHMENTS: A: Draft 2022/23 Budget
B: Member Council Consent

Purpose of the Report

To provide the Audit & Risk Management Committee with a copy of Member Council feedback on the draft *East Waste Annual Plan 2022/23* and draft budget.

Background

Section 51 of the *Eastern Waste Management Authority Charter* (Charter) requires the Authority to have an Annual Plan which supports and informs its Budget. At the meeting held 24 February 2022, the East Waste Board resolved:

8.2 2022/23 DRAFT ANNUAL PLAN & BUDGET ASSUMPTIONS

Moved Cr Green that the Board:

1. *Endorses the East Waste 2022/23 Annual Plan, as presented in Attachment A;*
2. *Endorses the associated draft budget and proposed Member Council Fees;*
3. *Authorises the General Manager to distribute to each Member Council for review and comment, the Draft 2022/23 Annual Plan, as presented in Attachment A, along with the proposed fees.*

Seconded Cr Ashby

Carried

The Annual Plan and Budget (proposed fees – Section 53 of the Charter) was subsequently distributed to Member Councils for their review prior to the mandated 31 May timeframe (Section 52.3 of the Charter).

Report

The draft 2022/23 Annual Plan, inclusive of Financial Statements is presented in full in Attachment A (refer Attachment A). No amendments have been made to the Annual Plan or budget as a result of the Member Council review process.

There are a number of elements that are likely to impact the finances which will result in significant changes to the budget. Details on these implications will be provided at the meeting.

Consent of draft Annual Plan 2022/23

As per Clause 52.3 of the Charter, Member Councils only consent to the Annual Plan, not their fees and charges, albeit it is not uncommon for a number to comment on the budgetary component. All Member Councils have consented to the Annual Plan (refer Attachment B for a copy of Member Council letters), with the exception of the Town of Walkerville who at the time of writing had not considered the Annual Plan.

RECOMMENDATION

That the Committee recommends the draft 2022/23 Annual Business Plan and Budget, as presented in Attachment A, is presented to the Board for endorsement.

EastWaste



2022/23 Annual Plan

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VISION

The Destination

To be the leading waste logistics company in Australia through the delivery of innovative collection and resource management services.

MISSION

The Vehicle

Delivering leading-edge solutions and services for a cleaner and sustainable future.

Introduction

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

Through the servicing of kerbside waste, recycling and organics bins as well as street and reserve litter bins, East Waste undertakes approximately 9 million collections and 30,000 hard waste collections each year for the Member Councils. East Waste however is far more than a waste logistics Company and has been a driving force in the waste education space in recent years.

East Waste is governed by a Charter (the Charter) pursuant to *Section 43* of the *Local Government Act 1999* and administered by a Board, which includes a director appointed by each Council and an Independent Chair. Clause 51 of the Charter requires the Authority each year to have an Annual Plan which supports and informs the budget. Specifically, it is to include an outline of East Waste's objectives, the 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.

Sitting above the Annual Plan is the *East Waste 2030 Strategic Plan* which sets out a series of bold and ambitious targets (Key Performance Indicators) which we aspire to meet through five Key Objectives and a series of Strategies. The *2030 Strategic Plan* is summarised on the following page.

For full context this Plan should be read in conjunction with East Waste's broader strategic planning framework including the *Strategic Plan 2030*, Long-Term Financial Plan, and Risk Management Planning Framework.

As a regional subsidiary, East Waste recognises that success from this Annual Plan is not possible without the continued support, integration and active working partnership of all our Member Councils and key Strategic Partners. East Waste is committed to developing and continuing partnerships which ultimately drive value back to the communities we serve. The value East Waste offers is unique, in that we are continually working with our Member Councils to drive down costs. East Waste have established a model where we are nimble and respond swiftly to external impacts and Member Council requests, in a far more timely manner than industry counterparts. East Waste takes much of the worry and pressures associated with waste away from the Member Councils, allowing them to focus on other key matters of importance to them and their communities.

East Waste Strategic Plan Vision, Objectives & Strategies

VISION

To be the leading waste logistics company in Australia through the delivery of innovative collection and resource management services to our Member Councils & their Communities.

OBJECTIVES

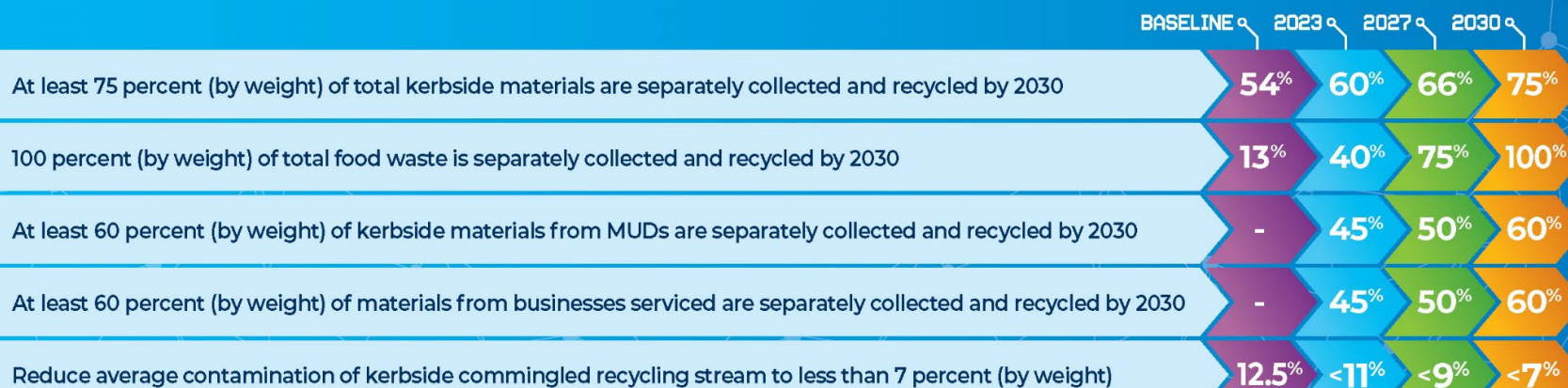
-  **1. Deliver cost-effective and efficient services facilities**
-  **2. Maximise source separation and recycling**
-  **3. Provide leading and innovative behaviour change and education**
-  **4. Help develop a local circular economy**
-  **5. Provide leadership**

STRATEGIES

- 1.1 Attract additional services and/or new councils where further economies of-scale can be achieved
- 1.2 Offer a single contract for the management of the residual waste to all member councils
- 1.3 Partner with other councils and organisations to achieve greater synergies and economies of scale in service delivery
- 1.4 Investigate and implement collection technologies and innovation
- 1.5 Provide a consistently high standard of Customer Service
- 2.1 Provide more service choice and flexibility to residents on kerbside services to support them to increase their recycling levels
- 2.2 Provide a tailored 3-stream service to Multi-Unit Dwellings (MUDs) to support waste reduction and increased recycling
- 2.3 Pilot a tailored service delivery model across a business precinct(s) to support waste reduction and increased recycling
- 3.1 Engage in research and projects delivering evidence-based data which increases behaviour change decision making
- 3.2 Develop an integrated and tailored long-term community behaviour change and education program
- 3.3 Identify and trial behaviour change programs aimed at reducing contamination
- 3.4 Encourage and support councils to introduce an incentive(s) to households to reduce their landfill volumes
- 3.5 Engage schools in behaviour change & waste education
- 4.1 Support local reprocessing and procurement of recycled content products
- 4.2 Encourage and support councils to procure and use recycled content products
- 4.3 Support councils to implement sharing economy and reuse initiatives
- 4.4 Investigate options to process and extract the highest value from collected resources
- 5.1 Implement best practice safety standards
- 5.2 Advocate on behalf of our Member Councils
- 5.3 Invest in our people
- 5.4 Quality and transparent Corporate (Governance & Financial) Activities

KPIs

We will measure our success in reaching our objectives through the following KPIs...



2022/23 Objectives & Activities

At a high level, progression towards the Vision and 2030 Key Performance Indicators (KPI's) will be the key Objective and sit behind all the activities that East Waste undertake.

The KPIs set in the Strategic Plan were deliberately designed to be stretch targets and with the current legislative impediments reaching these goals will be challenging. The programs listed below will drive towards achieving these, however are by no means a silver bullet to addressing the required community-wide behaviour change and perceptions that is required. Achieving these will require a long concerted effort. While challenging, from a waste industry perspective, no one is better placed than East Waste to partner with and drive these changes.

The following is not a prescriptive list, rather the key projects East Waste intends to undertake over the 2022/23 year and are detailed below. While these will be the key focus, East Waste will remain as a fluent and adaptable Organisation that is able to pivot and respond as required to maximise funding, partnerships, opportunities and projects that will fast-track the pursuit of our KPIs.

| NO. | ACTIVITY/PROJECT | OVERVIEW | OBJECTIVE | STRATEGY | MAIN KPI TARGET |
|---|--|--|--|----------|-----------------|
| DELIVER COST EFFECTIVE AND EFFICIENT SERVICES AND FACILITIES | | | | | |
| 1. | Continue & Expand Core services | East Waste optimisation will come from providing a full suite of services to Member Councils. Where this doesn't occur, East Waste will work with the respective Councils in a bid to secure these services. | Deliver Cost Effective and efficient services and facilities | 1.1 | Vision Target |
| 2. | Investigate opportunities outside of existing Member Councils. | East Waste will actively pursue service provision to non-member Councils where value to existing Members can be realised. | Deliver Cost Effective and efficient services and facilities | 1.3 | Vision Target |
| 3. | Communication System Upgrade | East Waste is a service-based organisation who recognise the importance of providing a great customer experience. Therefore, it is important that our communication systems are designed in a manner that enhances callers experiences whilst also being able to provide accurate data that helps to inform current & future business decisions. | Deliver Cost Effective and efficient services and facilities | 1.5 | Vision Target |

MAXIMISE SOURCE SEPARATION & RECYCLING

| | | | | | |
|----|--|---|---|-----|--|
| 4. | Continue to advance a broadscale 'Choice & Flexibility model.' | Some small positive steps have been taken across metropolitan Adelaide in recent times to investigate alternate collection options. This program will draw together the latest research and findings to develop an "off-the-shelf" framework which will drive reduced material to landfill, particularly food waste. | Maximise Source separation and recycling | 2.1 | <ul style="list-style-type: none"> • At least 75% of kerbside material separately collected & recycled • 100% of food waste separately collected and recycled. |
| 5. | Multi-Unit Dwelling Research and Source Separation Trial. | <p>Across East Waste approximately 8% of total unit dwellings are Multi-unit. These are typically, challenging to manage, low performing sites which hinder diversion targets.</p> <p>This project will explore the latest international evidence-based guidance to identify ways to increase convenience and effectiveness of source separation for MUD residents and identify or exclude ways to improve performance and help to understand the operational, environmental and community benefits or impacts.</p> | Provide leading and innovative behaviour change and education | 2.2 | <ul style="list-style-type: none"> • 60% by weight of kerbside materials from MUDs is separately collected and recycled |

PROVIDE LEADING AND INNOVATIVE BEHAVIOUR CHANGE AND EDUCATION

| | | | | | |
|----|---|---|---|-----|--|
| 6. | Delivery of the “Why Waste It?” behaviour change program and associated social media. | Utilising the results of the reviews and audits undertaken over the past 12 months, refine and deliver the ongoing successful “Why Waste It?” program. | Provide leading and innovative behaviour change and education | 3.2 | <ul style="list-style-type: none"> • Vision Target |
| 7. | Develop & Implement an East Waste wide bin tagging program. | Several Member Councils conduct bin tagging as part of a broader educational and behaviour change program. East Waste will seek to draw these individual programs together to generate efficiency and data which can be analysed across Councils. | Provide leading and innovative behaviour change and education | 3.4 | <ul style="list-style-type: none"> • At least 75% of kerbside material separately collected & recycled • 100% of food waste separately collected and recycled. <p>Reduce average contamination of kerbside commingled recycling to less than 7%.</p> |

HELP DRIVE A LOCAL CIRCULAR ECONOMY

| | | | | | |
|----|--|--|--|-----|---------------|
| 8. | Identify opportunities amongst Member Councils for the uptake of crushed glass. | A feature by our current recycling provider is the possibility of separating glass fines from the Material Recovery Facility waste stream, for reuse rather than the current practice of landfilling. Should this materialise, East Waste will work with the required parties to provide and encourage Member Councils to utilise this material in asset renewal programs. | Encourage & support Councils to procure and use recycled content products | 4.2 | Vision Target |
| 9. | Investigate current and future opportunities for East Waste and Member Council in a carbon market. | <p>The collection and processing of materials generates a significant amount of harmful greenhouse gases. This can be minimised through alternative treatment processes, which in turn may provide opportunities within the carbon market.</p> <p>This project will investigate any such opportunities or additional work required.</p> | Investigate options to process and extract the highest value from collected resources. | 4.4 | Vision Target |

PROVIDE LEADERSHIP

| | | | | | |
|-----|--------------------|---|--------------------|-----|--|
| 10. | Fleet Replacement | In line with the Long Term Financial Plan, undertake the replacement of five (5) collection vehicles. | Provide Leadership | 5.4 | Vision Target |
| 11. | WHS Systems Audit. | East Waste will focus on both internal and external auditing. The purpose and objective of the auditing is to test the validity and the effectiveness of the implementation of the systems within our organisation. East Waste will seek evidence of the implementation process that haven taken place. A strong focus on the auditing process will be focusing on the hierarchy of control (HOC). The decision to focus on the HOC is based on the organisational risk factors and previous audit results. | Provide Leadership | 5.1 | Implement best practice safety standards |

“

We will continue to work closely with our member Councils, Government Agencies and like-minded organisations to ultimately drive value back to the communities we serve.

I encourage you to engage in conversation with us if you see opportunity for partnership. ”

Fraser Bell
East Waste Chair 2020

EastWaste

20
STRATEGIC
PLAN
30

Budget Management

East Waste operates almost entirely on a Common Fleet Costing methodology, whereby Member Councils are charged directly against the time it takes to undertake their services. This is achieved through the utilisation of a specialised, highly accurate and powerful cloud-based, real-time GPS based system, supported by detailed reporting capabilities. As a result of this minor variations in the common fleet percentages (and therefore apportioning of Common Fleet costs) occur from year to year in response to efficiencies and increased collection costs (e.g. increase in developments, Fire Ban days and events). Specific costs (and rebates where applicable) such as waste disposal and resource processing are directly on-charged, to Member Councils.

The budget to deliver this Annual Plan, along with all East Waste's Services and legislative requirements is detailed in the following proposed 2022/23 Financial Papers (refer Attachment 1 – 5).

EAST WASTE

Projected Statement of Comprehensive Income (Budgeted) for the Financial Year Ending 30 June 2023

| FY2021 | | FY2022 | FY2022 | FY2023 |
|-----------------|--|----------------|---------------|-----------------|
| Audited Actuals | | Adopted Budget | BR2 | Proposed Budget |
| \$'000 | | \$'000 | \$'000 | \$'000 |
| | Income | | | |
| 16,707 | User Charges | 18,241 | 16,822 | 17,949 |
| 12 | Investment income | 2 | 2 | 2 |
| - | Grants, subsidies and contributions | - | 82 | 75 |
| 917 | Other | 1,171 | 956 | 1,234 |
| 17,636 | Total | 19,414 | 17,862 | 19,260 |
| | Expenses | | | |
| 6,089 | Employee Costs | 6,309 | 6,309 | 6,504 |
| 9,149 | Materials, contracts & other expenses | 10,686 | 9,520 | 10,171 |
| 1,986 | Depreciation, amortisation & impairment | 2,122 | 2,082 | 2,209 |
| 262 | Finance costs | 281 | 271 | 268 |
| 17,486 | Total | 19,398 | 18,182 | 19,152 |
| 150 | Operating Surplus / (Deficit) | 16 | (320) | 108 |
| 105 | Asset disposals & fair value adjustments | 115 | 45 | 100 |
| 255 | Net Surplus / (Deficit) | 131 | (275) | 208 |
| - | Other Comprehensive Income | - | - | - |
| 255 | Total Comprehensive Income | 131 | (275) | 208 |

EAST WASTE**Projected Balance Sheet (Budgeted)****for the Financial Year Ending 30 June 2023**

| FY2021 | | FY2022 | FY2022 | FY2023 |
|------------------------|---|-----------------------|---------------|------------------------|
| Audited Actuals | | Adopted Budget | BR2 | Proposed Budget |
| \$'000 | | \$'000 | \$'000 | \$'000 |
| | Assets | | | |
| | Current | | | |
| 3,168 | Cash & Cash Equivalents | 2,192 | 2,161 | 2,420 |
| 661 | Trade & Other Receivables | 1,020 | 661 | 661 |
| - | Other Financial Assets | - | - | - |
| 3,829 | Total | 3,212 | 2,822 | 3,081 |
| | Non-Current | | | |
| 8,098 | Infrastructure, Property, Plant & Equipment | 8,576 | 8,513 | 8,631 |
| 8,098 | Total | 8,576 | 8,513 | 8,631 |
| 11,927 | Total Assets | 11,788 | 11,335 | 11,712 |
| | Liabilities | | | |
| | Current | | | |
| 1,609 | Trade & Other Payables | 1,224 | 1,220 | 1,145 |
| 1,925 | Borrowings | 2,176 | 1,850 | 1,870 |
| 654 | Provisions | 642 | 694 | 734 |
| 4,188 | Total | 4,042 | 3,764 | 3,749 |
| | Non-Current | | | |
| 6,423 | Borrowings | 6,273 | 6,490 | 6,634 |
| 97 | Provisions | 123 | 137 | 177 |
| 6,520 | Total | 6,396 | 6,627 | 6,811 |
| 10,708 | Total Liabilities | 10,438 | 10,391 | 10,560 |
| 1,219 | Net Assets | 1,350 | 944 | 1,152 |
| | Equity | | | |
| 1,219 | Accumulated Surplus | 1,350 | 944 | 1,152 |
| 1,219 | Total Equity | 1,350 | 944 | 1,152 |

EAST WASTE

PROJECTED STATEMENT OF CASH FLOWS (BUDGET)

for the Financial Year Ending 30 June 2023

| FY2021 | | FY2022 | FY2022 | FY2023 |
|---|---|----------------|----------------|-----------------|
| Audited Actuals | | Adopted Budget | BR2 | Proposed Budget |
| \$'000 | | \$'000 | \$'000 | \$'000 |
| Cash Flows from Operating Activities | | | | |
| Receipts | | | | |
| 18,457 | Operating Receipts | 19,412 | 17,940 | 19,183 |
| 7 | Investment Receipts | 2 | 2 | 2 |
| Payments | | | | |
| (6,012) | Employee costs | (6,309) | (6,229) | (6,424) |
| (9,243) | Materials, contracts & other expenses | (10,686) | (9,990) | (10,171) |
| (233) | Interest Payments | (281) | (271) | (268) |
| 2,976 | Net Cash Flows from Operating Activities | 2,138 | 1,452 | 2,322 |
| Cash Flows from Investing Activities | | | | |
| Receipts | | | | |
| 124 | Sale of Replaced Assets | 115 | 115 | 100 |
| Payments | | | | |
| (2,452) | Expenditure on Renewal/Replaced Assets | (2,381) | (2,566) | (2,327) |
| - | Expenditure of New/Upgraded Assets | - | - | - |
| (2,328) | Net Cash Flows from Investing Activities | (2,266) | (2,451) | (2,227) |
| Cash Flow from Financing Activities | | | | |
| Receipts | | | | |
| 2,284 | Proceeds from Borrowings | 2,200 | 2,031 | 2,225 |
| Payments | | | | |
| (260) | Repayment of Lease Liabilities | (265) | (247) | (263) |
| (1,826) | Repayment of Borrowings | (1,810) | (1,792) | (1,798) |
| 198 | Net Cash Flow from Financing Activities | 125 | (8) | 164 |
| 846 | Net Increase (Decrease) in cash held | (3) | (1,007) | 259 |
| 2,322 | Cash & cash equivalents at beginning of period | 2,195 | 3,168 | 2,161 |
| 3,168 | Cash & cash equivalents at end of period | 2,192 | 2,161 | 2,420 |

EAST WASTE**Projected Statement of Changes in Equity (Budgeted)
for the Financial Year Ending 30 June 2023**

| FY2021 | | FY2022 | FY2022 | FY2023 |
|------------------------|----------------------------------|---------------------------|---------------|----------------------------|
| Audited Actuals | | Adopted Budget | BR2 | Proposed Budget |
| \$ | | \$'000 | \$'000 | \$'000 |
| 964 | Opening Balance | 1,219 | 1,219 | 944 |
| 255 | Net Surplus / (Deficit) for Year | 131 | (275) | 208 |
| - | Contributed Equity | - | - | - |
| - | Distribution to Councils | - | - | - |
| 1,219 | Closing Balance | 1,350 | 944 | 1,152 |

DRAFT

EAST WASTE

Projected Uniform Presentation of Finances (Budgeted)

for the Financial Year Ending 30 June 2023

| FY2021 | | FY2022 | FY2022 | FY2023 |
|---|---|----------------|--------------|-----------------|
| Audited Actuals | | Adopted Budget | BR2 | Proposed Budget |
| \$'000 | | \$'000 | \$'000 | \$'000 |
| 17,636 | Income | 19,414 | 18,848 | 19,260 |
| (17,486) | Expenses | (19,398) | (18,982) | (19,152) |
| 150 | Operating Surplus / (Deficit) | 16 | (134) | 108 |
| Net Outlays on Existing Assets | | | | |
| (2,452) | Capital Expenditure on Renewal and Replacement of Existing Assets | (2,381) | (2,516) | (2,327) |
| 1,986 | Depreciation, Amortisation and Impairment | 2,122 | 2,082 | 2,209 |
| 124 | Proceeds from Sale of Replaced Assets | 115 | 115 | 100 |
| (342) | | (144) | (319) | (18) |
| 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 | - | - | - |
| - | | - | - | - |
| (192) | Net Lending / (Borrowing) for Financial Year | (128) | (453) | 90 |

ITEM 8.3 - ATTACHMENT B



PO Box 44
Woodside SA 5244
Phone: 08 8408 0400
Fax: 08 8389 7440
mail@ahc.sa.gov.au
www.ahc.sa.gov.au

Direct line: 8408 0438

18 May 2022

Mr Rob Gregory
General Manager
East Waste
1 Temple Court
OTTOWAY SA 5013
E: east@eastwaste.com

Dear Rob

Draft 2022/23 Annual Business Plan & Budget

I am pleased to advise that the following resolution was unanimously passed at the Special Council meeting held on 17 May 2022:

Council resolves:

1. *That the report be received and noted*
2. *To provide consent to the Eastern Waste Management Authority Draft Annual Plan 2022-23.*

The Council Members appreciated you taking the time to present the East Waste 2022-23 Annual Business Plan and Budget and thank you for your informative presentation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'L Miller', is written over a light blue circular stamp.

Lachlan Miller
Executive Manager Governance & Performance



Enq: Simon Zbierski
Ph: 8366 9289



11 April 2022

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

Dear Mr Gregory

Draft 2022/2023 Annual Plan and Budget

I wish to advise that at its meeting held on Tuesday 5 April 2022 Council endorsed East Waste's Draft Annual Plan and Budget for the Year ending 30 June 2023.

Furthermore, Council will recognise its equity share in East Waste's budgeted gain in its draft 2022/2023 Annual Business Plan and Budget.

If you have any queries please contact Council's Manager Finance, Mr Simon Zbierski on 8366 9289.

Yours sincerely

Michelle Hammond
General Manager Corporate & Community Services

25 May 2022

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

Email: RobG@eastwaste.com

Dear Mr Gregory

Re: East Waste 2022/2023 Draft Annual Business Plan and Budget

Following receipt of your letter dated 28 March 2022, Council has endorsed the following recommendation in relation to the East Waste 2022/2023 Draft Annual Plan and Budget at its Full Council meeting on 24 May 2022:

That Council consents to the East Waste Draft 2022/23 Annual Plan and acknowledges the East Waste Draft 2022/23 Budget.

The report and attachments were discussed in confidence in accordance with the Local Government Act 1999.

I can be contacted on 0419 649 926 or at gchambers@mitchamcouncil.sa.gov.au if you would like further information about Council's endorsement of the East Waste 2022/2023 Draft Annual Business Plan and Budget.

Yours sincerely



Gemma Chambers
WASTE MANAGEMENT OFFICER

File Number: qA87860 (A397418)
Enquiries To: Sharon Perkins
Direct Telephone: 8366 4533



**City of
Norwood
Payneham
& St Peters**

13 May 2022
Mr Rob Gregory
General Manager
East Waste
PO Box 26
Mansfield Park SA 5012

Dear Rob

2022 -2023 Draft Annual Plan

Thank you for your letter dated 28 March 2022, in which you have requested the Council's consideration of the East Waste Draft Annual Plan and accompanying Budget for the 2022-2023.

I wish to advise that the Council considered the East Waste Draft 2022-2023 Annual Plan at its meeting held on 2 May 2022.

Following the consideration Draft 2022-2023 Annual Plan, the Council resolved to advise East Waste that pursuant to Clause 52.3 of the East Waste Charter the Council has considered and approves the 2022-2023 Draft 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.

Yours sincerely

Sharon Perkins
GENERAL MANAGER, CORPORATE SERVICES

175 The Parade
Norwood SA 5067

PO Box 204
Kent Town SA 5071

Telephone
8366 4555

Facsimile
8332 6338

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RE: East Waste Draft FY23 Annual Plan and Fees



Helen Bortoluzzi <HBortoluzzi@burnside.sa.gov.au>
To: Rob Gregory

You replied to this message on 5/5/2022 12:50 PM.

Dear Rob

At its meeting held on Thursday 28 April 2022. Council resolved

11.4 Regional Subsidiaries Annual Business Plans 2022/23 (Report No: 102-22)

Motion C280422/13140

That Council (in part)

Adopts the Eastern Waste Management Authority draft Budget 2022/23, noting the Budgeted result is a Net Surplus of \$208k.

If you have any queries, please do not hesitate to contact Chris.

Regards



Helen Bortoluzzi | Executive Support Officer
City of Burnside | 401 Greenhill Road Tusmore SA 5065
P: 08 8366 4255
hbortoluzzi@burnside.sa.gov.au
www.burnside.sa.gov.au




RE: East Waste draft FY23 Annual Plan & Budget



Jasmyn Page <jasmyn.page@prospect.sa.gov.au>

To Rob Gregory

 You replied to this message on 6/8/2022 9:59 AM.

Good morning Rob

This was circulated to our Elected Members via our CEO Update on 6 April 2022.

There was no feedback or objections received.

Please let me know if you require any further information.

Kind regards

Jasmyn

Jasmyn Page

Executive Assistant - Chief Executive Officer

T 08 8269 5355

Payinthe - 128 Prospect Road, Prospect, SA 5082 | PO Box 171, Prospect SA 5082

jasmyn.page@prospect.sa.gov.au

City of Prospect acknowledges that we are on the traditional country of the Kaurna people of the Adelaide Plains region, and we pay our respect to Elders past and present.

