

EastWaste

ANNUAL REPORT 2021-2022





EAST WASTE IS A LEADER IN THE BEHAVIOUR CHANGE AND EDUCATION SPACE IN SOUTH AUSTRALIA AND HAS ESTABLISHED ON-GOING PARTNERSHIPS WITH A NUMBER OF ORGANISATIONS TO ENSURE THAT WE ARE DRIVING CHANGE THROUGH THE COMMUNITIES THAT WE SERVE.

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Social Activities

8366 4193

FOOD SCRAPS

WHICH BIN
FEED 'EM TO
THE GREEN BIN

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00 FOR AMBULANCE



DEFIBRILLATOR

caljohn.org.au/130



Dairy Products
(Cheese & Yoghurt)



Garden Clippings



Hoses,
Garden Tools



NO Bricks, Rocks,
Dirt or Building
Materials



Hoses,
Garden Tools



Hoses,
Garden Tools



Hoses,
Garden Tools



Hoses,
Garden Tools



Hoses,
Garden Tools



Hoses,
Garden Tools



EastWaste

Chairperson's Report

I am happy to have contributed to and commend my third Annual report for East Waste. My appointment as the independent chairperson in February 2020 coincided with the onset of the COVID-19 pandemic and I would never have imagined that industries, communities, and the world would still be feeling the impacts of the Pandemic more than 2 and a half years later.

Notwithstanding, I am really proud of how East Waste has been able to continue to provide services to our Member Councils and their communities and adapt to the ever changing environment.

East Waste's Audit and Risk Committee have played an integral role in ensuring that East Waste has been well positioned to continue operating as a Leader in the Waste industry.

The advice and guidance that they continue to provide to the Board in all areas of the organisation including risk, financials and governance cannot be underestimated and is a significant contributing factor to why East Waste has been able to continue to operate successfully, despite some of the unprecedented challenges faced throughout the year.

I would like to take this opportunity to thank all Committee members for their ongoing support and contribution, including Cr Mike Stock who ceased as a committee member in November

2021 and Emma Hinchey who commenced as the Chair of the Committee in February 2022.

During the past year, we completed a successful review of the East Waste Charter as well as a review of several of our key contracts and Policies to ensure that we are continuing to meet the requirements of our Member Councils. In reviewing the Charter, we took a collaborative approach and engaged with all Member Councils to seek their views and assess their needs for the future.

The Charter provides the key framework for how East Waste operates and by successfully engaging with the Member Councils, we were able to ensure that we continue to meet the needs of our members, whilst also ensuring good governance.

East Waste is a leader in the behaviour change and education space in South Australia and has established on-going partnerships with a number of organisations to ensure that we are



Chairperson's Report



driving change through the communities that we serve. The one constant in the Waste industry is change.

To help ensure that East Waste are always ahead of the game, we have developed key partnerships with Green Industries, The Fight Food Waste Cooperative and KESAB. These relationships enable East Waste to continue to be an advocate for change and help us provide the Communities we serve with accurate and timely information.

The key partnerships will also help East Waste to achieve the stretch targets set in our 2030 Strategic Plan.

With ever increasing financial pressures, including unprecedented volatility with fuel prices, the East Waste Board has had to make several difficult decisions throughout the year. Their support, guidance and extensive knowledge is key to ensuring that East Waste continues to operate effectively and efficiently, whilst providing a high level and necessary service to our community. Throughout the year, we saw a couple of changes to our Board and

I would like to take this opportunity to thank all Board Members for their contributions, and welcome our newest Board Member, Cr Jenny Turnbull who commenced in January 2022.

In closing, I would like to say that I enjoy my role as the Chair of East Waste. Having been involved in the waste industry for more than 25 years, I appreciate the ever-changing environment and am looking forward to being actively involved in East Waste as we continue to lead, evolve and grow.



● **Fraser Bell**
Independent Chairperson



FOOD SCRAPS? WHICH BIN?

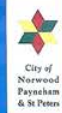
FEED 'EM TO
THE GREEN BIN



WHICH BIN
SA.GOV.AU



EastWaste



EastWaste

In 2021-2022 East Waste...



113,632 TOTAL TONNAGES
COLLECTED



8,500,000⁺ ANNUAL BIN
COLLECTIONS



2,960 HARD WASTE TONNES
CONVERTED TO FUEL



55% OF MATERIAL DIVERTED
FROM LANDFILL



45 COLLECTION VEHICLES



7,004 BIN REPAIRS UNDERTAKEN
BY THE MOBILE TEAM



6,538 BIN DELIVERIES
UNDERTAKEN



80,860 ENQUIRIES RECEIVED
& RESOLVED

General Manager's Report

Prior to writing this report I took a moment to reflect on everything that has occurred over the last twelve months and it would be fair to say that East Waste faced a number of challenges throughout the year. However, I couldn't be more grateful for how we have responded to the challenges and continued to grow as an organisation.

I would like to take this opportunity to recognise all the East Waste Staff Members for their contributions and commitment to ensuring that East Waste continued to provide a good level of service to our Member Councils and their ratepayers.

Through effective management and industry leading initiatives East Waste has continued to provide reliable services to the residents of our Member Councils despite the ongoing impacts of the COVID pandemic. In a time where other organisations in the industry are having difficulty providing the agreed services, East Waste has been able to meet and exceed expectation whilst also providing additional support to some of our Member Councils to ensure their residents are not negatively impacted. Furthermore, the WHS measures that East Waste have implemented have helped to support and protect our staff and their families.

We took the opportunity of the cyclic review requirements of the East Waste Charter to undertake a detailed engagement with Member Councils and understand their views and needs going forward. As the key document underpinning our activities and processes it is important that it provides the appropriate confidence and governance rigour to our Member Councils, whilst providing suitable flexibility for the Organisation to adapt to the changing waste environment. East Waste was able to achieve this in several ways, including strengthening the independent voice on the Audit & Risk Management Committee.

East Waste has been at the forefront of waste education for several years and this year was no exception. Throughout the year we have continued to be proactive in the education and behaviour change space with our lead educator attending numerous community events, running



General Manager's Report



promotional activities through member Councils and via Social Media. This combined with the education and behaviour change programs delivered through schools will continue to ensure that East Waste is more than a logistics company and is actively assisting the greater community to achieve better environmental outcomes.

East Waste successfully conducted a kerbside Waste Audit which incorporated all of our member councils waste streams. The data gathered from this Audit is still being finalised however, the outcomes will help to provide direction and guide future promotions and education in our communities as we look to improve waste diversion rates and ultimately reduce the amount of waste going to landfill.

Coupled with the above audit, our successful partnership with the Fight Food Waste CRC and the University of Adelaide has advanced our knowledge around the Community's food waste behaviours and with the results released in early 2023, will become a building block for revised education and engagement going forward. This partnership highlights the value and critical need to link and engage with like-minded Organisations to ultimately achieve the

stretch targets listed within the East Waste 2030 Strategic Plan.

In closing I would like again recognise our Staff's efforts and commitment to East Waste. We have many exceptional, passionate and committed staff. I would also like to extend a thank you to our Audit and Risk Management Committee, particularly independents Emma Hinchey and Sandra Di Blasio, and our Board who have continued to help guide East Waste through some of the challenges faced over the 2021/2022 financial year. The Committee's feedback has been valuable and helped ensure we continue to grow and add value to our member Councils and the broader community.



● **Rob Gregory**
General Manager



EastWaste

Kerbside Tonnages Collected



Member Council	Recyclables	Organics	Waste
Adelaide Hills Council	3,531	4,796	7,596
City of Burnside	3,983	6,138	7,503
Campbelltown City Council	4,132	7,002	10,269
City of Mitcham ¹	5,663	10,749	11,746
City of Norwood Payneham & St Peters	3,449	5,062	6,958
City of Prospect	1,757	3,231	4,100
Town of Walkerville	641	1,095	1,271

¹ City of Mitcham undertakes the collection of waste for its residents.



East Waste Governance

East Waste is administered by a Board in accordance with the requirements of the Local Government Act, the East Waste Charter, and various other policies and codes.

The membership of the Board comprises of seven directors – one director appointed by each of the Member Councils, and one independent person who acts as Chair. The Board appoints a General Manager who is responsible for

implementing the decisions made by the Board, and running the day-to-day operations of East Waste. The Board held 13 formal meetings over the 2021-2022 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
Mr Fraser Bell (Chair)	13/13
Cr Linda Green (Adelaide Hills Council)	10/13
Mr Vincent Cammell (City of Prospect) *Ceased 27 June 2022	8/13
Cr Julian Carbone (City of Burnside) *Ceased 31 December 2021	4/5
Mr Paul Di Iulio (Campbelltown City Council)	12/13
Mayor Heather Holmes-Ross (City of Mitcham)	10/13
Cr Mike Stock (City of Norwood, Payneham & St Peters)	10/13
Cr Rob Ashby (Corporation of the Town of Walkerville)	11/13
Cr Jenny Turnbull (City of Burnside) *Appointed 1 January 2022	5/8

DEPUTY DIRECTOR ATTENDANCE	MEETINGS
Mr John McArthur (Adelaide Hills Council)	3/3



Audit and Risk Management Committee

In accordance with the requirements of the *Local Government Act 1999*, East Waste has an established Audit and Risk Management Committee (the Audit Committee).

The principal objective of the Audit Committee is to ensure that the East Waste Board meets its

legislative and probity requirements as required by the *Local Government Act 1999* and other relevant legislation, standards and codes.

The Audit Committee held five formal meetings over the 2021-2022 financial year. The table below details Audit Committee Member attendance.

AUDIT & RISK MANAGEMENT COMMITTEE MEMBER	MEETINGS
Mr Fraser Bell (Independent Board Chair)*Ceased as Chair of the Committee 15 February 2022	4/5
Cr Mike Stock (City of Norwood, Payneham & St Peters) *Ceased 25 November 2021	2/2
Cr Linda Green (Adelaide Hills Council)	4/5
Ms Emma Hinchey (Independent Member) *Appointed Chair 15 February 2022	5/5
Ms Sandra Di Blasio (Independent Member)	4/5

The Audited Financial Statements for the year ending 30 June 2022 are provided on the following pages.



EastWaste

FINANCIAL
STATEMENTS
2021-2022



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2021-2022

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2021-2022

CERTIFICATION OF FINANCIAL STATEMENTS

EASTERN WASTE MANAGEMENT AUTHORITY INC

Annual Financial Statements
for the financial year ended 30 June 2022

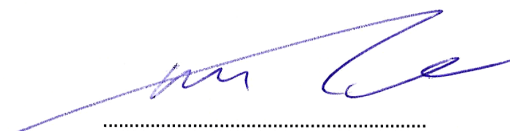
Certification of Financial Statements

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards*.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.



Rob Gregory
Executive Officer



Fraser Bell
Chairperson

Date: 28/09/2022

Financial Statements

2021-2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$'000	2021 \$'000
INCOME			
User charges	2	16,579	16,707
Investment income	2	10	12
Grants, subsidies and contributions		81	-
Other	2	932	917
Total Income		17,602	17,636
EXPENSES			
Employee costs	3	6,386	6,089
Materials, contracts & other expenses	3	9,303	9,149
Finance costs	3	246	262
Depreciation & amortisation	3	2,043	1,986
Total Expenses		17,978	17,486
OPERATING SURPLUS		(376)	150
Asset disposal & fair value adjustments	4	7	105
NET SURPLUS		(369)	255
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(369)	255

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

Financial Statements

2021-2022

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$'000	2021 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	2,001	3,168
Trade & other receivables	5	935	661
Inventory		50	-
Total Current Assets		2,986	3,829
Non-current Assets			
Property, Plant & Equipment	6	8,542	8,098
Total Non-current Assets		8,542	8,098
Total Assets		11,528	11,927
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	1,436	1,609
Provisions	7	778	654
Borrowings	7	1,940	1,925
Total Current Liabilities		4,154	4,188
Non-current Liabilities			
Borrowings	7	6,410	6,423
Provisions	7	114	97
Total Non-current Liabilities		6,524	6,520
Total Liabilities		10,678	10,708
Net Assets		850	1,219
EQUITY			
Accumulated Surplus		850	1,219
Total Equity		850	1,219

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

RE-USE



**Why waste it?
When you can
re-use it.**








AVOID

REDUCE

RE-USE

RECYCLE

COMPOST



**Why waste it?
When you can
compost it.**








RECYCLE



**Why waste it?
When you can
recycle it.**














Financial Statements

2021-2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Accumulated Surplus \$'000	Total Equity \$'000
Balance at start of period - 1 July 2021	1,219	1,219
Net Surplus for Year	(369)	(369)
Other Comprehensive Income		
Contributed Equity	-	-
Distributions to Member Councils	-	-
Balance at end of period - 30 June 2022	850	850
 Balance at start of period - 1 July 2020	 964	 964
Net Surplus for Year	255	255
Other Comprehensive Income		
Contributed Equity	-	-
Distributions to Member Councils	-	-
Balance at end of period - 30 June 2021	1,219	1,219

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

Financial Statements

2021-2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$'000	2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts		17,400	18,457
Investment receipts		9	7
Employee costs		(6,245)	(6,012)
Materials, contracts & other expenses		(9,613)	(9,243)
Finance payments		(258)	(233)
Net cash provided by operating activities	8	1,293	2,976
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of replaced assets	4	86	124
Expenditure on renewal/replacement of assets	6	(2,305)	(2,452)
Expenditure on new/upgraded assets	6	(244)	-
Net cash used in investing activities		(2,463)	(2,328)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		2,031	2,284
Repayments of Borrowings		(1,791)	(1,826)
Repayment of lease liabilities		(237)	(260)
Net cash provided by (used in) financing activities		3	198
Net Increase (Decrease) in cash held		(1,167)	846
Cash & cash equivalents at beginning of period	5	3,168	2,322
Cash & cash equivalents at end of period	5	2,001	3,168

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

Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Mitcham, City of Norwood, Payneham & St Peters, City of Prospect and the Corporation of the Town of Walkerville. The seven Member Councils have an equity share and the Board comprises a Director from each Council and an Independent Chair appointed by the absolute majority of the Member Councils.

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards which requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

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

2 The Local Government Reporting Entity

Eastern Waste Management Authority Inc. operates as a regional subsidiary and is incorporated under the SA *Local Government Act 1999*. Its principal place of business is at 1 Temple Court Ottoway.

3 Income Recognition

The Authority recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficient specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied. Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer. In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into a transaction where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.

Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset that has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

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

5 Property, Plant & Equipment

5.1 Initial Recognition

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

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

5.2 Materiality

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

5.3 Depreciation of Non-Current Assets

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

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

Asset Class	Estimated Useful Lives	Capitalisation Threshold
Plant, Machinery & Equipment	3-10 Years	>\$1,000
Buildings & Other Structures	5-20 Years	>\$1,000
Right-of-use-assets	Over period of expected lease	n/a

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

5.4 Impairment

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

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

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

The Authority recognises a liability for employee benefits relating to rostered day off (RDO) entitlements in Note 7 given entitlements are paid-out on termination of employment. Experience indicates that RDO entitlements are generally taken given there is a cap applied to the level of RDO entitlements allowed to be accrued.

No accrual is made for sick leave as the Authority's experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Authority does not make payment for untaken sick leave.

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to Hostplus (formerly Statewide Super and prior to that the Local Government Superannuation Scheme). The Scheme has two types of membership, each of which is funded differently.

**GRAB A
KITCHEN CADDY
FROM COUNCIL
TODAY**

**WHICH BIN
EAGOVAU**



EastWaste



EastWaste

Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with Superannuation Guarantee Legislation (10% in 2021/22; 9.5% in 2020/21). No further liability accrues to the Authority as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions as determined by the Fund's Trustee based on advice for the appointed Actuary. The rate is currently 6.3% (6.3% in 2020/21) of 'superannuation' salary.

In addition, the Authority makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), the Authority does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

Contributions to Other Superannuation Schemes

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

8 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of 'Payables'.

Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

9 GST Implications

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

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

10 Comparative Information

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

11 Critical Accounting Estimates and Judgements

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

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

12 New Accounting Standards

The Authority did not apply any new accounting standards during the financial year. There are no new accounting standards, interpretations or amendments which are expected to have a material impact on the accounting policies on the Authority for future periods.

13 Authority Membership

The City of Unley became a Member Council of the Authority in July 2022 and waste collection services commenced for the Council as from 1 August 2022. As a result of The City of Unley becoming a Member Council, additional staff have been employed and trucks ordered to meet the additional services being provided by the Authority.

An amendment to the Authority's adopted Budget for FY2023 was undertaken with the Board and Member Council's in August 2022 in line with the requirements under the Act and the Authority's Charter.

Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 2 - INCOME

	Notes	2022 \$'000	2021 \$'000
USER CHARGES			
Waste Collection Income		12,662	12,372
Waste Processing Income		3,677	4,640
Administration		240	235
Member Council Waste Collection Rebate		-	(540)
		16,579	16,707
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		10	12
		10	12
OTHER INCOME			
Bin Supply		409	254
Replacement Bins		474	642
Sundry		49	21
		932	917

NOTE 3 - EXPENSES

EMPLOYEE COSTS			
Salaries and Wages		5,115	4,924
Employee leave expense		93	76
Superannuation		443	403
Wages Casual Agency		500	490
Workers' Compensation Insurance		148	113
Other		87	83
Total Employee Costs		6,386	6,089
<i>Number of FTE Employees as at reporting date</i>		<i>61</i>	<i>59</i>

Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 3 - EXPENSES (Cont.)

	Notes	2022 \$'000	2021 \$'000
MATERIALS, CONTRACTS & OTHER EXPENSES			
Auditor's Remuneration		9	9
Board Expenses		23	29
Waste Processing Costs		3,676	4,614
Electricity		4	4
Fuel, Gas & Oil		1,529	993
Legal Expenses		91	27
Maintenance		2,323	2,214
Parts, Accessories & Consumables		17	2
Printing, Stationery & Postage		41	36
Professional Services		487	440
Registration & Insurance - Trucks		299	215
Sundry		804	566
		9,303	9,149
FINANCE COSTS			
Interest on Loans		224	234
Interest on Leases		22	28
		246	262
DEPRECIATION & AMORTISATION			
Buildings & Other Structures	6	54	10
Plant, Machinery & Equipment	6	1,733	1,725
Right-of-use assets	6	256	251
		2,043	1,986

Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 4 - ASSET DISPOSALS

	2022	2021
Notes	\$'000	\$'000
Proceeds from disposal	86	124
Less: Carrying amount of assets sold	(79)	(19)
Gain (Loss) on disposal	7	105

NOTE 5 - CURRENT ASSETS

CASH & CASH EQUIVALENTS

Cash on Hand and at Bank	1,818	2,995
Deposits at Call	183	173
	2,001	3,168

TRADE & OTHER RECEIVABLES

Debtors - general	901	654
Accrued Income	34	-
Prepaid Expenses	-	7
	935	661

Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2022 \$'000	2021 \$'000
Buildings & Other Structures - At Cost		569	325
Accumulated Depreciation		(146)	(92)
		423	233
Plant, Machinery & Equipment - At Cost		18,929	17,227
Accumulated Depreciation		(11,386)	(10,176)
		7,543	7,051
Right-of-use-assets		1,339	1,321
Accumulated Depreciation		(763)	(507)
		576	814
Total Property, Plant & Equipment		8,542	8,098

	2021 \$'000						2022 \$'000
	Carrying Value	Additions		Disposals	Depreciation	Adjustment	Carrying Value
		New/ Upgrade	Renewal				
Buildings & Other Structures	233	244	-	-	(54)	-	423
Plant, Machinery & Equipment	7,051		2,304	(79)	(1,733)	-	7,543
Right-of-use-asset	814	-	-	-	(256)	18	576
	8,098	244	2,304	(79)	(2,043)	18	8,542
2021 (\$'000)	7,652	2,475	-	(19)	(1,986)	(24)	8,098

Financial Statements

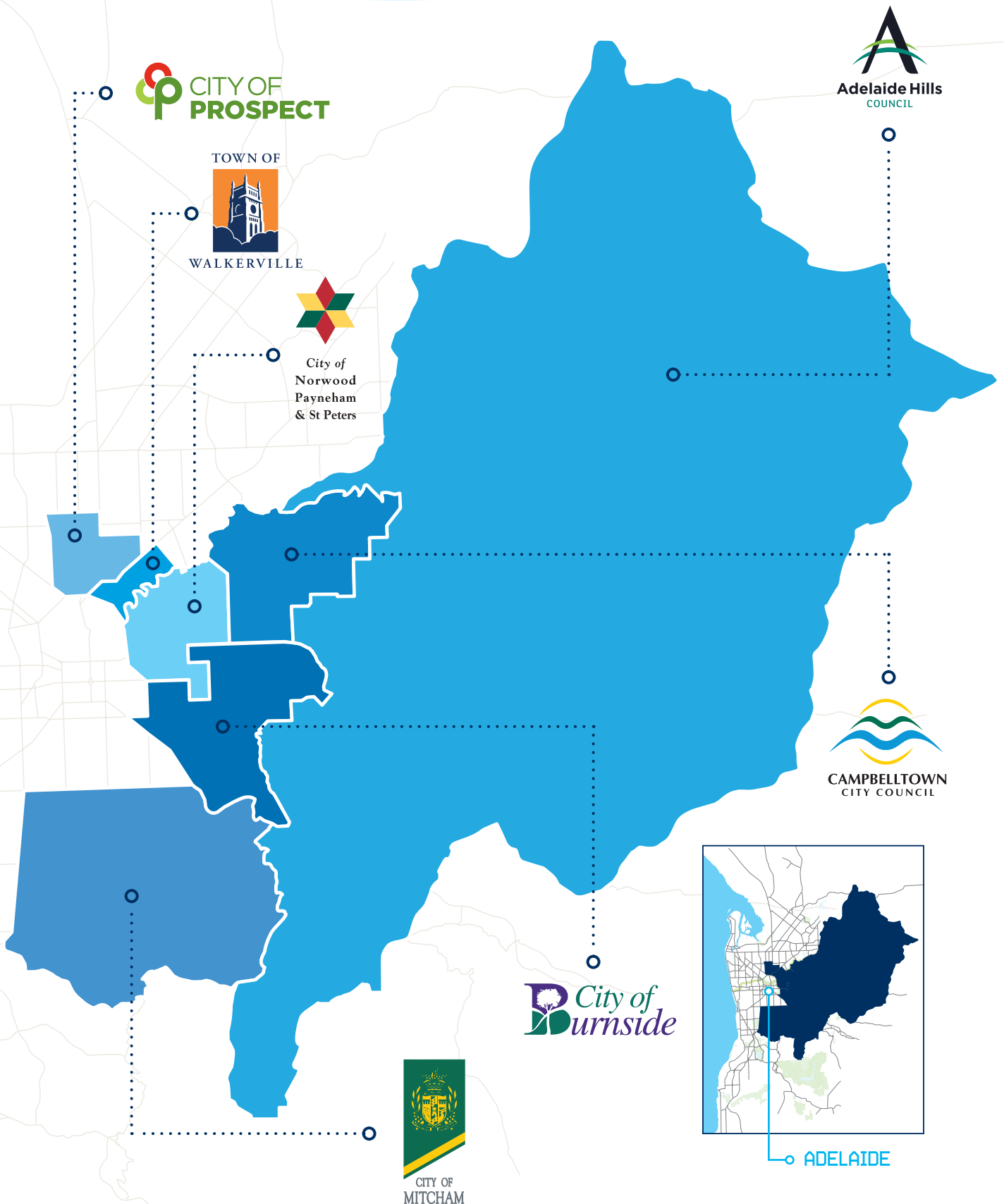
2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 7 - LIABILITIES

	2022 \$'000		2021 \$'000	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	1,047	-	902	-
Payments received in advance	80	-	-	-
Accrued expenses - other	309	-	707	-
	1,436	-	1,609	-
BORROWINGS				
Loans	1,673	6,050	1,679	5,805
Lease Liabilities	267	360	246	618
	1,940	6,410	1,925	6,423
PROVISIONS				
Annual Leave	388	-	302	-
Rostered-Day-Off (RDO)	25	-	51	-
Long Service Leave	365	114	301	97
	778	114	654	97

East Waste Current Service Area



Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 8 - CASH FLOW RECONCILIATION

	2022 \$'000	2021 \$'000
Total cash & equivalent assets	2,001	3,168
Balances per Cash Flow Statement	<u>2,001</u>	<u>3,168</u>
(a) Reconciliation of Change in Net Assets to Cash Flows from Operating Activities		
Net Surplus (Deficit)	(369)	255
Non-cash items in Statement of Comprehensive Income		
Depreciation	2,043	1,986
Net increase (decrease) in employee benefits	119	(77)
Net increase (decrease) accrued expenses	(12)	24
(Gain) / Loss on Disposal	(7)	(105)
Lease liability adjustment	(18)	-
Waste Rebates	-	470
	<u>1,756</u>	<u>2,553</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(235)	363
Net increase (decrease) in trade & other payables	(242)	(94)
Net increase (decrease) in other provisions	14	154
Net Cash provided by (or used in) operations	<u>1,293</u>	<u>2,976</u>
(b) Financing Arrangements		
Corporate Credit Cards	15	15
Cash Advance Debenture Facility - LGFA	1,000	1,000

Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost. Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 1.05% (2021: 0.3%). Carrying amount: approximates fair value due to the short term to maturity.
Receivables - Waste Collection Fees & Associated Charges	Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method. Carrying amount: approximates fair value (after deduction of any allowance).
Liabilities - Creditors and Accruals	Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority. Terms & conditions: Liabilities are normally settled on 30 day terms. Carrying amount: approximates fair value.
Liabilities - Interest bearing borrowings	Accounting Policy: initially recognised at fair value and subsequently at amortised cost. Interest is charged as an expense using the effective interest rate. Terms & conditions: secured over future revenues and Member Councils, borrowings are repayable on fixed interest terms. Rates between 1.7% - 5.35% (2021: 1.7% - 4%).
Liabilities - Leases	Accounting Policy: accounted for in accordance with AASB 16 as stated in Note 11.

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and Bank SA. There is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.

Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 9 - FINANCIAL INSTRUMENTS (Cont.)

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.

Liquidity Analysis

2022

	≤ 1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>					
Cash & Equivalents	2,001	-	-	-	2,001
Receivables	-	-	-	901	901
Total	2,001	-	-	901	2,902
<i>Financial Liabilities</i>					
Payables	-	-	-	1,047	1,047
Borrowings	1,940	4,972	1,438	-	8,350
Total	1,940	4,972	1,438	1,047	9,397

2021

	≤ 1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>					
Cash & Equivalents	3,168	-	-	-	3,168
Receivables	-	-	-	654	654
Total	3,168	-	-	654	3,822
<i>Financial Liabilities</i>					
Payables	-	-	-	902	902
Borrowings	1,925	5,091	1,332	-	8,348
Total	1,925	5,091	1,332	902	9,250

Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 10 - CAPITAL EXPENDITURE COMMITMENTS

The Authority has capital expenditure commitments totalling an estimated \$2.02 million as at reporting date.

NOTE 11 - LEASES

Authority as a lessee

Right-of-use-assets

The Authority leases its administrative and depot facilities at Ottoway.

	Buildings & Other Structures \$'000	Total \$'000
At 1 July 2021	814	814
Additions of right-of-use-assets	-	-
Depreciation Charge	(256)	(256)
Adjustments to right-of-use-assets	18	18
At 30 June 2022	576	576

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2021 \$'000
At 1 July 2021	864
Additions	13
Accretion of interest	22
Payments	(272)
Adjustments to lease liability	-
At 30 June 2022	627
Current	267
Non-Current	360

NOTE 12 - POST BALANCE DATE EVENTS

The City of Unley became a Member Council in July 2022 and waste collection services commenced as from 1 August 2022. As a result of The City of Unley becoming a Member Council, the Authority was required to purchase additional trucks to service the increased number of collection routes. The estimated cost of the new Trucks to be purchased is \$2.5 million.

Financial Statements

2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 13 - RELATED PARTY TRANSACTIONS

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

	2022 \$'000	2021 \$'000
Salaries, allowances & other short term benefits	483	462
TOTAL	483	462

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
Adelaide Hills Council	3,113	160	Provision of kerbside waste collection and hard waste collection services
City of Burnside	2,911	87	Provision of kerbside waste collection and hard waste collection services
City of Mitcham	2,984	312	Provision of kerbside waste collection and hard waste collection services
City of Norwood, Payneham & St Peters	2,841	191	Provision of kerbside waste collection and hard waste collection services
City of Prospect	1,389	67	Provision of kerbside waste collection and hard waste collection services
Corporation of the City of Campbelltown	2,906	66	Provision of kerbside waste collection and hard waste collection services
Corporation of the Town of Walkerville	537	15	Provision of kerbside waste collection and hard waste collection services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 5. The amounts included in the above total Sale of Goods and Services to Member Councils is net of a rebate paid and settled with Member Councils during 2021/22 totalling \$0.47 million.

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

Financial Statements

2021-2022

CERTIFICATION OF AUDITOR INDEPENDENCE



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Certification of Auditor Independence

I confirm that, for the audit of the financial statements of Eastern Waste Management Authority Inc for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) Local Government (Financial Management) Regulations 2011.

Bentleys SA Audit Partnership

David Papa
Partner

Dated at Adelaide this 7th September 2022



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Financial Statements

2021-2022

INDEPENDENT AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EASTERN WASTE MANAGEMENT AUTHORITY INC

Opinion

We have audited the accompanying financial report of the Eastern Waste Management Authority Inc, which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of the Eastern Waste Management Authority Inc as of 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and for such internal control as the committee and management determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.



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Financial Statements

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INDEPENDENT AUDITOR'S REPORT



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

BENTLEYS SA AUDIT PARTNERSHIP

DAVID PAPA
PARTNER

Dated at Adelaide this 29th day of September 2022



**EAST WASTE IS ON A TRANSFORMATIONAL PATH
MOVING SOLELY FROM A REACTIVE WASTE
COLLECTION LOGISTICS BUSINESS TO A BROADER
RESOURCE MANAGER AND ACTIVE COMMUNITY
BEHAVIOUR CHANGE AGENT.**

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