



**EASTERN WASTE MANAGEMENT AUTHORITY
ORDINARY BOARD MEETING**

Thursday 4 May 2023

Notice is hereby given that a meeting of The Board of the Eastern Waste Management Authority will be held in the Mayor's Parlour, City of Norwood Payneham & St Peters, 175 The Parade, Norwood, on Thursday 5 May 2022 commencing at 5:30pm.

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

**ROB GREGORY
GENERAL MANAGER**

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

ORDINARY MEETING OF THE BOARD OF MANAGEMENT

Meeting to be held on Thursday 4 May 2023 commencing at 5:30pm,
at the City of Norwood Payneham & St Peters, 175 The Parade, Norwood

1. PRESENT

2. ACKNOWLEDGEMENT OF COUNTRY

3. APOLOGIES

4. CONFLICTS OF INTEREST

5. CONFIRMATION OF THE MINUTES

- RECOMMENDED:**
1. That the Minutes of the Eastern Waste Management Authority Board Meeting held on 23 February 2023, be received, confirmed and adopted.
 2. That the Minutes of the Eastern Waste Management Authority Audit & Risk Management Committee Meeting held on 26 April 2023, be received, confirmed and adopted.

6. MATTERS ARISING FROM THE MINUTES

7. QUESTIONS WITHOUT NOTICE

8. PRESENTATIONS

- 8.1 *KESAB EDUCATION OVERVIEW – Ms Wendy Bevan, Chief Executive Officer*
8.2 *SUBSIDIARY FINANCES - Mr John Jovicevic, Partner, Dean Newbery Partners*

9. REPORTS

- 9.1 *FINANCIAL STATEMENTS: BUDGET REVIEW THREEpg. 11*
9.2 *MEMBER COUNCIL REBATE AND DISTRIBUTION POLICY REVIEWpg. 19*
9.3 *ANNUAL REPORTING CALENDARpg. 26*
9.4 *ANNUAL PLAN PROGRESS REPORT pg. 28*

10. CONFIDENTIAL REPORTS

11. OTHER BUSINESS

12. NEXT MEETING OF THE BOARD

The next Ordinary Board Meeting is proposed to be held on:
Thursday 22 June 2023, at the Mayor's Parlour, City of Norwood, Payneham
& St Peters, 175 The Parade, Norwood

13. CLOSURE OF MEETING



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

held on Thursday 23 February 2023, commencing at 5:30pm, at the Mayor's Parlour,
City of Norwood Payneham & St Peters

Meeting opened at 5.32pm

1. ACKNOWLEDGEMENT OF COUNTRY

2. PRESENT

Directors:

Mr F Bell	Independent Chairperson
Cr C Clutterham	City of Norwood, Payneham & St Peters
Mr S Dilena	City of Prospect
Mayor H Holmes-Ross	City of Mitcham
Cr L Huxter	Adelaide Hills Council
Mayor M Jones	Corporation of the Town of Walkerville
Mr C Malak	City of Unley

In Attendance:

Mr P Brice	Adelaide Hills Council (Deputy)
Cr V McFarlane	City of Norwood, Payneham & St Peters (Deputy)
Mr R Gregory	General Manager
Mr D Maywald	Manager Business Services
Ms K Vandermoer	Coordinator Finance & Strategic Projects
Mr J Jovicevic	Dean Newbery & Partners
Ms P Foy	Executive Administration Officer

3. APOLOGIES

Mr P Di Iulio	Campbelltown City Council
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4. CONFLICTS OF INTEREST

Nil.

5. CONFIRMATION OF THE MINUTES

1. Moved Mayor Holmes-Ross that the Minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on Thursday 3 November 2022, be received confirmed, and adopted.

Seconded Mr Dilena

Carried

2. Moved Mayor Holmes-Ross that pursuant to Section 90(2) and (3) of the Local Government Act 1999, the East Waste Board orders that the public, with the exception of the East Waste staff and Deputy Board Members present, be excluded from the meeting on the basis that the East Waste Board will discuss minutes related to:

(k) tenders for the supply of goods, the provision of services or the carrying out of works; and the East Waste Board 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 Mayor Jones

Carried

Moved Mayor Holmes-Ross that the Confidential Minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on Thursday 3 November 2022, be released and the Minutes amended accordingly.

Seconded Mr Dilena

Carried

3. Moved Mayor Holmes-Ross that the Minutes of the Eastern Waste Management Authority Audit and Risk Management Committee Meeting held on Tuesday 14 February 2023, be received, confirmed and adopted.

Seconded Mayor Jones

Carried

6. MATTERS ARISING FROM THE MINUTES

Nil.

7. QUESTIONS WITHOUT NOTICE

Nil.

8. REPORTS

8.1 FINANCIAL STATEMENTS BUDGET REVIEW TWO

Moved Mayor Jones that the Board notes and accepts the forecasted end of year FY2023 result associated with the 2022/23 Budget Review Two.

Seconded Cr Clutterham

Carried

8.2 REVIEW OF BUDGET FRAMEWORK POLICY

Moved Mr Dilena that the Board recommends that the revised Draft Budget Framework Policy, as presented in Attachment A is endorsed.

Seconded Cr C Clutterham

Carried

8.3 DRAFT 2023/24 ANNUAL PLAN & BUDGET

Mayor Jones left the meeting at 6.58pm

Mayor Jones returned to the meeting at 7.00pm

1. Moved Mr Dilena that the Board endorses the East Waste 2023/24 Annual Plan, as amended in Attachment A, to include additional information relating to the identification of capital, operating and recurrent expenditure associated with the actions outlined in the Plan.

Seconded: Mayor Holmes-Ross

Carried

2. Moved Cr Clutterham that the Board endorses the associated draft budget and proposed Member Council Fees.

Seconded: Cr Huxter

Carried

3. Moved Cr Huxter that the Board authorises the General Manager to distribute to each Member Council for review and comment, the Draft 2022/23 Annual Plan, as amended in Resolution 1, along with the proposed fees.

Mayor Jones

Carried

8.4 COMMITTEE MEMBER APPOINTMENTS

Moved Mayor Jones that the Board appoints Mr Di Iulio as a Board representative to the East Waste Audit & Risk Management Committee for a period of two years.

Seconded: Cr C Clutterham

Carried

Moved Mayor Jones that the Board appoints Cr Clutterham and Mayor Holmes-Ross as representatives to the General Manager Performance Review Committee for a period of three years.

Seconded: Cr Huxter

Carried

8.5 DRAFT SUBMISSION – 2023 SINGLE-USE AND OTHER PLASTIC PRODUCTS REGULATIONS AMENDMENT

Moved Cr Huxter that the Board endorses the Single-use and other plastic products Regulations amendment submission to the State Government, as presented in Attachment A.

Seconded Mayor Holmes-Ross

Carried

8.6 ANNUAL PLAN PROGRESS REPORT

Moved Mayor Holmes-Ross that the report is received and noted.

Seconded Cr C Clutterham

Carried

9. CONFIDENTIAL REPORTS

Nil.

10. OTHER BUSINESS

Nil.

11. NEXT MEETING OF THE BOARD

The next Ordinary Board Meeting is scheduled to be held on Thursday 4 May 2023, commencing at 5:30pm, at the City of Norwood Payneham & St Peters, 175 The Parade, Norwood.

12. CLOSURE OF MEETING

There being no further business the meeting closed at 7.34pm

DATE: _____

CHAIRPERSON: _____



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

held on Tuesday 26 April 2023 via Zoom

Meeting opened at 8.05am

1. ACKNOWLEDGEMENT OF COUNTRY

2. PRESENT

Mrs E Hinchey	Independent Member/Chair
Mr F Bell	Independent Board Chair
Ms S Di Blasio	Independent Member
Ms L Green	Independent Member

IN ATTENDANCE

Mr J Jovicevic	Dean Newbery
Mr R Gregory	General Manager
Mr D Maywald	Manager Business Services
Ms K Vandermoer	Coordinator Finance & Strategic Projects
Ms P Foy	Executive Administration Officer

3. APOLOGIES

Mr P Di Iulio	Board Member
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4. CONFLICTS OF INTEREST

Nil.

5. CONFIRMATION OF THE MINUTES – 14 February 2023

Moved Ms Green that the Minutes of the previous meeting held on Tuesday 14 February 2023 be received and noted.

Seconded Mr Bell

Carried

6. MATTERS ARISING FROM THE MINUTES

Nil.

7. QUESTIONS WITHOUT NOTICE

Nil.

8. PRESENTATIONS

Nil.

9. REPORTS

9.1 FINANCIAL STATEMENTS: BUDGET REVIEW THREE

Moved Ms Di Blasio that the Committee notes and accepts the forecasted end of year FY2023 result associated with the 2022/23 Budget Review Three and recommends to the Board for endorsement.

Seconded Mr Bell

Carried

9.2 TREASURY MANAGEMENT POLICY REVIEW

Moved Ms Green that the Committee requests the Treasury Management Policy as presented in Attachment A, be revised in conjunction with the Long Term Financial Plan and tabled at the June 2023 Audit & Risk Management Committee Meeting.

Seconded Ms Di Blasio

Carried

9.3 MEMBER COUNCIL REBATE AND DISTRIBUTION POLICY REVIEW

Moved Ms Di Blasio that the Committee notes and recommends the revised Rebate & Distribution Policy, as presented in Attachment A, and as amended, for presentation to the East Waste Board.

Seconded Ms Green

Carried

9.4 ANNUAL REPORTING CALENDAR

Moved Ms Di Blasio that the Committee supports the *East Waste Annual Reporting Calendar*, as presented in Attachment A, and as amended, as a base document for tracking the key legislative and governance reporting requirements.

Seconded Mr Bell

Carried

10. CONFIDENTIAL REPORTS

Nil.

11. OTHER BUSINESS

Nil.

12. NEXT MEETING OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The next Audit and Risk Management Committee Meeting is to be held on: Tuesday 13 June 2023, 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 9.29am

PRESIDING MEMBER

DATE

9.1: FINANCIAL REPORT – BUDGET REVIEW THREE

REPORT AUTHOR:	General Manager
ATTACHMENTS:	A: Summary Budget Movement – Budget Review 3
	B: Budgeted Statement of Comprehensive Income FY2023
	C: Budgeted Balance Sheet FY2023
	D: Budgeted Statement of Cash Flow FY2023
	E: Budgeted Statement of Changes in Equity FY2023
	F: Budgeted Uniform Presentation of Finances Statement FY2023

Purpose of the Report

To provide the Board with an opportunity to review the third review undertaken of the budgeted statutory Financial Statements (Budget Review Three) for the financial year ending 30 June 2023 as prescribed by the Regulations.

Background

At the meeting held 26 September 2022, the East Waste Board resolved (in part):

8.1 DRAFT FY2023 ANNUAL PLAN & BUDGET (REVISED)

Moved Cr Holmes-Ross that the Board:

1. *Endorses the revised 2022/23 Annual Business Plan and Budget, inclusive of all projects and expenditure, as presented in Attachment A, effective from 1 August 2022.*

Seconded Mr Dilena

Carried

Report

Headlining the Budget Review Three figures (refer Attachment A) is a projected Year end surplus of \$552k, which is \$397k above the budgeted result and an increase reported at Budget Review 2 of \$126k. Fuel prices remain a key driver for the surplus with the price remaining lower than budgeted and forecasting predicts this to carry through until financial year end.

Members will note that an amendment to the information presented in the Summary Budget Movement Table (refer Attachment A), with both BR1 & BR2 figures included, allowing for greater tracking and transparency of budget movement across the year.

As reported in BR2, a delay in the receipt of trucks has resulted in a depreciation saving against budget of \$115k. This however has been offset by an increase in Fleet Maintenance of \$120k, which is a combination of running existing trucks for longer than anticipated (and incurring greater maintenance costs) and several unanticipated mechanical failures.

Administration proposes returning surplus funds to the Member Councils in line with *Section 61* of the *East Waste Charter* and the *Member Council Rebate & Distribution Policy* (presented for review in Agenda Item 9.3) at the conclusion of the Financial Year when the full end of year position is known and more detailed work is undertaken on the determination of the required working capital. This work will be undertaken in conjunction with the review of the Long Term Financial Plan, which is scheduled to be presented to the June meeting.

The Audit and Risk Management Committee considered the Financial Report and statements at the 26 April 2023 meeting and subsequently resolved:

9.1 FINANCIAL STATEMENTS: BUDGET REVIEW THREE

Moved Ms Di Blasio that the Committee notes and accepts the forecasted end of year FY2023 result associated with the 2022/23 Budget Review Three and recommends to the Board for endorsement.

Seconded Mr Bell

Carried

During March, Administration met with The Local Government Finance Authority (LGFA), who East Waste currently undertake all borrowings and investments with and discussed the option of utilising a CAD Facility rather than the current approach of 100% fixed borrowings. For East Waste this approach is supported by the LGFA and a brief overview will be provided at the meeting. Further and more detailed information will be provided through the review of the Long Term Financial Plan.

RECOMMENDATION

The Board notes and accepts the forecasted end of year FY2023 result associated with the 2022/23 Budget Review Three.

ITEM 9.1 - ATTACHMENT A

EAST WASTE							
Summary Budget Movement Worksheet							
for the Financial Year Ending 30 June 2023							
	Actual YTD - 31 March 2023	BR2	BR1	Adopted Budget	Actual YTD / BR2	Proposed BR3	Proposed Budget Movement
Administration Fee	193,536	255,174	255,174	255,174	76%	255,174	-
Common Fleet Costing	11,654,593	15,607,203	15,607,203	15,607,203	75%	15,607,203	-
Processing Income	4,045,554	5,718,759	6,197,723	6,092,723	66%	5,418,759	(300,000)
Bin Services & Maintenance	852,274	1,008,600	1,058,600	1,058,600	81%	1,053,600	45,000
Profit / (Loss) from Disposal	7,827	100,000	200,000	200,000	4%	65,000	(35,000)
Grant Income	-	75,000	75,000	75,000	0%	75,000	-
Other Income	34,590	33,218	23,218	23,218	149%	35,468	2,250
Total	16,788,373	22,797,953	23,416,918	23,311,917		22,510,203	(287,750)
Processing Expenses	4,078,868	5,718,759	6,197,723	6,092,723	71%	5,418,759	(300,000)
Bin Service & Maintenance Expenses	857,127	1,008,600	1,058,600	1,058,600	85%	1,053,600	45,000
Employee Costs	5,243,599	7,226,270	7,164,271	7,164,271	73%	7,256,270	30,000
Fleet Maintenance	1,442,562	1,722,051	1,722,051	1,722,051	84%	1,842,563	120,511.56
Depreciation	1,558,199	2,346,000	2,346,000	2,346,000	66%	2,231,000	(115,000)
Interest	244,335	371,000	371,000	406,000	66%	371,000	-
Fuel	1,630,126	2,450,000	2,852,172	2,852,172	67%	2,150,000	(300,000)
Other Expenses	1,319,673	1,530,574	1,515,574	1,515,574	86%	1,635,566	104,992
Total	16,374,489	22,373,254	23,227,391	23,157,391		21,958,757	(414,496)
Net Surplus	413,884	424,700	189,527	154,526		551,446	126,746
Non Operating Cash Flow	Actual YTD - 31 March 2023	BR2	BR1	Adopted Budget	Actual YTD / BR2	Proposed BR3	Proposed Budget Movement
Income							
Proceeds from Sale of Assets	-	100,000	200,000	200,000	0%	65,000	(35,000)
Proceeds from Borrowings	4,525,000	4,525,000	4,525,000	4,525,000	100%	4,525,000	-
Total	4,525,000	4,625,000	4,725,000	4,725,000		4,590,000	(35,000)
Expenses							
Fleet Replacement Costs	2,418,966	4,525,000	4,525,000	4,525,000	53%	4,525,000	-
Motor Vehicle Replacement	42,765	42,765	55,000	55,000	100%	42,765	-
Office Furniture & Minor Tools	-	20,000	50,000	50,000	0%	20,000	-
Operations Office Upgrade	63,600	90,000	40,000	40,000	71%	90,000	-
Plant Replacement	5,272	25,000	25,000	25,000	21%	25,000	-
Mechanic's Van Replacement	-	70,000	70,000	70,000	0%	70,000	-
Forklift Purchase	-	55,000	55,000	55,000	0%	55,000	-
Repayment of Borrowings - LGFA	1,263,389	1,896,000	1,896,000	1,896,000	67%	1,896,000	-
Repayment of Borrowings - Leases	200,261	263,000	263,000	263,000	76%	263,000	-
Total	3,994,253	6,986,765	6,979,000	6,979,000		6,986,765	-
Net Non-Operating Cash Flow	530,747	(2,361,765)	(2,254,000)	(2,254,000)		(2,396,765)	(35,000)

ITEM 9.1 - ATTACHMENT B

EAST WASTE						
Projected Statement of Comprehensive Income (Budgeted)						
for the Financial Year Ending 30 June 2023						
FY2022		FY2023	FY2023	FY2023	FY2023	
Audited		Adopted	BR1	BR2	Movement BR3	
Actuals		Budget			V BR2	
\$'000		\$'000	\$'000	\$'000	\$'000	
	Income					
16,579	User Charges	21,955	22,060	21,581	21,281	(300)
10	Investment income	13	13	23	25	2
81	Grants, subsidies and contributions	75	75	75	75	-
932	Other	1,069	1,069	1,019	1,064	45
17,602	Total	23,112	23,217	22,698	22,445	(253)
	Expenses					
6,386	Employee Costs	7,164	7,164	7,174	7,204	30
9,303	Materials, contracts & other expenses	13,241	13,346	12,482	12,152	(330)
2,043	Depreciation, amortisation & impairment	2,346	2,346	2,346	2,231	(115)
246	Finance costs	406	371	371	371	-
17,978	Total	23,157	23,227	22,373	21,958	(415)
(376)	Operating Surplus / (Deficit)	(45)	(10)	325	487	162
7	Asset disposals & fair value adjustments	200	200	100	65	(35)
(369)	Net Surplus / (Deficit)	155	190	425	552	127
-	Other Comprehensive Income	-	-	-	-	-
(369)	Total Comprehensive Income	155	190	425	552	127

ITEM 9.1- ATTACHMENT C

EAST WASTE

Projected Balance Sheet (Budgeted)

for the Financial Year Ending 30 June 2023

FY2022		FY2023	FY2023	FY2023	FY2023	FY2023
Audited Actuals		Adopted Budget	BR1	BR2	BR3	Movement BR3 V BR2
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
	Assets					
	Current					
2,001	Cash & Cash Equivalents	2,056	2,101	2,355	2,397	42
935	Trade & Other Receivables	661	935	935	935	-
50	Inventory	-	50	50	50	-
2,986	Total	2,717	3,086	3,340	3,382	42
	Non-Current					
8,542	Infrastructure, Property, Plant & Equipment	11,022	11,016	11,024	11,139	115
8,542	Total	11,022	11,016	11,024	11,139	115
11,528	Total Assets	13,739	14,102	14,364	14,521	157
	Liabilities					
	Current					
1,436	Trade & Other Payables	1,145	1,361	1,361	1,361	-
1,940	Borrowings	2,355	2,355	2,355	2,355	-
778	Provisions	787	825	838	853	15
4,154	Total	4,287	4,541	4,554	4,569	15
	Non-Current					
6,410	Borrowings	8,351	8,361	8,361	8,361	-
114	Provisions	137	160	174	189	15
6,524	Total	8,488	8,521	8,535	8,550	15
10,678	Total Liabilities	12,775	13,062	13,089	13,119	30
850	Net Assets	964	1,040	1,275	1,402	127
	Equity					
850	Accumulated Surplus	964	1,040	1,275	1,402	127
850	Total Equity	964	1,040	1,275	1,402	127

EAST WASTE						
Projected Statement of Cashflows (Budgeted)						
for the Financial Year Ending 30 June 2023						
FY2022		FY2023	FY2023	FY2023	FY2023	FY2023
Audited		Adopted	BR1	BR2	BR3	Movement
Actuals		Budget				BR3 V BR2
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
	Cash Flows from Operating Activities					
	Receipts					
17,400	Operating Receipts	23,024	23,129	22,600	22,345	(255)
9	Investment Receipts	13	13	23	25	2
	Payments					
(6,245)	Employee costs	(7,071)	(7,071)	(7,054)	(7,054)	-
(9,613)	Materials, contracts & other expenses	(13,241)	(13,346)	(12,482)	(12,152)	330
(258)	Interest Payments	(406)	(371)	(371)	(371)	-
1,293	Net Cash Flows from Operating Activities	2,319	2,354	2,716	2,793	77
	Cash Flows from Investing Activities					
	Receipts					
86	Sale of Replaced Assets	200	200	100	65	(35)
	Payments					
(2,305)	Expenditure on Renewal/Replaced Assets	(2,223)	(2,223)	(2,231)	(2,231)	-
(244)	Expenditure of New/Upgraded Assets	(2,597)	(2,597)	(2,597)	(2,597)	-
(2,463)	Net Cash Flows from Investing Activities	(4,620)	(4,620)	(4,728)	(4,763)	(35)
	Cash Flow from Financing Activities					
	Receipts					
2,031	Proceeds from Borrowings	4,525	4,525	4,525	4,525	-
	Payments					
(237)	Repayment of Lease Liabilities	(263)	(263)	(263)	(263)	-
(1,791)	Repayment of Borrowings	(1,896)	(1,896)	(1,896)	(1,896)	-
3	Net Cash Flow from Financing Activities	2,366	2,366	2,366	2,366	-
(1,167)	Net Increase (Decrease) in cash held	65	100	354	396	42
3,168	Cash & cash equivalents at beginning of period	1,991	2,001	2,001	2,001	-
2,001	Cash & cash equivalents at end of period	2,056	2,101	2,355	2,397	42

EAST WASTE						
Projected Statement of Changes in Equity (Budgeted)						
for the Financial Year Ending 30 June 2023						
FY2022		FY2023	FY2023	FY2023	FY2023	
Audited		Adopted	BR1	BR2	BR3	
Actuals		Budget				
\$		\$'000	\$'000	\$'000	\$'000	
					Movement BR3	
					V BR2	
					\$'000	
1,219	Balance at Start of Period - 1 July	809	850	850	850	-
(369)	Net Surplus / (Deficit) for Year	155	190	425	552	127
-	Contributed Equity	-	-	-	-	-
-	Distribution to Councils	-	-	-	-	-
850	Balance at End of Period - 30 June	964	1,040	1,275	1,402	127

ITEM 9.1 - ATTACHMENT F

EAST WASTE

Projected Uniform Presentation of Finances (Budgeted)
for the Financial Year Ending 30 June 2023

FY2022		FY2023	FY2023	FY2023	FY2023
Audited Actuals		Adopted Budget	BR1	BR2	BR3
\$'000		\$'000	\$'000	\$'000	\$'000
17,602	Income	23,112	23,217	22,698	22,445
(17,978)	Expenses	(23,157)	(23,227)	(22,373)	(21,958)
(376)	Operating Surplus / (Deficit)	(45)	(10)	325	487
Net Outlays on Existing Assets					
(2,305)	Capital Expenditure on Renewal and Replacement of Existing Assets	(2,223)	(2,223)	(2,231)	(2,231)
2,043	Depreciation, Amortisation and Impairment	2,346	2,346	2,346	2,231
86	Proceeds from Sale of Replaced Assets	200	200	100	65
(176)		323	323	215	65
Net Outlays on New and Upgraded Assets					
(244)	Capital Expenditure on New and Upgraded Assets	(2,597)	(2,597)	(2,597)	(2,597)
-	Amounts Specifically for New and Upgraded Assets	-	-	-	-
-	Proceeds from Sale of Surplus Assets	-	-	-	-
(244)		(2,597)	(2,597)	(2,597)	(2,597)
(796)	Net Lending / (Borrowing) for Financial Year	(2,319)	(2,284)	(2,057)	(2,045)

9.2: REBATE & DISTRIBUTION POLICY REVIEW

REPORT AUTHOR: Manager Business Services

ATTACHMENTS: A: Draft Rebate & Distribution Policy (Revised)

Purpose of the Report

To seek the Board's endorsement to adopt the revised Rebate & Distribution Policy (the Policy) as presented in **Attachment A**.

Background

In April 2021 a Rebate & Distribution Policy was developed to provide further clarity and consistency above and beyond the Charter on when and how any surplus funds will be returned to the Constituent/Member Councils.

The Policy has now been in place for two (2) years and is now due for cyclic review.

Report

Since the Policy was first adopted a review and amendment of the Charter has provided greater clarity on how additional funds are distributed to Constituent Councils. Previously Section 61 of the Charter stated that Surplus funds are to be returned to Council's based on their share value which is an even split between all Constituent/Member Councils. However, the current Charter has been updated/amended to state that surplus funds must be paid or credited to Constituent Council's based on their Common fleet Percentages as per the below extract from the Charter:

'The Authority must pay or credit surplus funds to the Constituent Councils in proportion to their Common Fleet Collection Percentages to the extent the Board determines the Authority can afford to pay having regard to future expenditure the Business Plan anticipates be incurred.'

The revised Policy as presented has been updated to reflect the amended Charter along with other changes which are designed to provide additional clarity/ guidance and take into consideration if a Member Council joins East Waste part way through a financial year.

For the Board's reference changes to the Policy have been highlighted in red font (refer Attachment A – Draft Rebate & Distribution Policy).

During the Audit & Risk Management Committee meeting held on the 26 April the Committee considered a report regarding the Policy and made the following recommendation:

9.3 MEMBER COUNCIL REBATE AND DISTRIBUTION POLICY REVIEW

Moved Ms Di Blasio that the Committee notes and recommends the revised Rebate & Distribution Policy, as presented in Attachment A, and as amended, for presentation to the East Waste Board.

Seconded Ms Green

Carried

RECOMMENDATION

The Board recommend that the revised Draft Rebate & Distribution Policy, as presented in Attachment A is endorsed.

<h1 style="margin: 0;">MEMBER COUNCIL REBATE & DISTRIBUTION POLICY</h1>	
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Type	Governance
Category	Finance
First Issued/Adopted	April 2021
Minutes Reference	
Review Period	24 36 Months
Last Reviewed	April 2023
Next reviewed	April 2026
Applicable Legislation	<ul style="list-style-type: none"> • <i>Local Government Act 1999</i> • <i>Local Government (Financial Management) Regulations 2011</i>
Related Documents	<ul style="list-style-type: none"> • East Waste Charter • East Waste Strategic Plan 2030 • East Waste Long Term Financial Plan • Budget Framework Policy • Treasury Management Policy
Consultation Undertaken	Audit & Risk Management Committee
Responsible Officer	Manager, Corporate Services Business Services

SIGNED:
 General Manager

.....
 Chairperson

Date: ____ / ____ / ____

Date: ____ / ____ / ____

Purpose

This Policy establishes a framework, ~~which is to be applied~~ when issuing ~~applying~~ Rebates to Constituent Councils ~~for~~ waste management charges and/or ~~paying~~ payment of Distributions ~~from retained earning balances held by East Waste.~~

The Policy serves to provide guidance to ~~the~~ Constituent Councils, ~~the~~ Board and Administration of East Waste to ~~assist in the assessment and calculation of any~~ ~~determine on what grounds a Member Council is entitled to receive a~~ waste collection Rebates and/or Distribution of funds.

~~This Policy outlines the matters to be considered by East Waste when determining whether a rebate and/or distribution is to be applied.~~

Background

Each year, East Waste sets a budget for the following financial year in accordance with ~~the~~ East Waste's Charter, ~~the~~ requirements of the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and the principles outlined within the Budget Framework Policy.

Despite ~~the~~ undertaking a rigorous budgeting process and ~~implementing~~ diligent financial management ~~practices~~, external factors, cost overruns and/or the implementation of efficiencies will result in end-of-year variations.

Section 61 of the Charter states:

61. DISTRIBUTIONS TO CONSTITUENT COUNCILS

~~The Authority must pay or credit surplus funds to the Constituent Councils in proportion to their Shares to the extent the Board determines the Authority can afford to pay having regard to future expenditure the Business Plan anticipates be incurred.~~

~~The Authority must pay or credit surplus funds to the Constituent Councils in proportion to their Common Fleet Collection Percentages to the extent the Board determines the Authority can afford to pay having regard to future expenditure the Business Plan anticipates be incurred.~~

~~As Member Councils have an equal share in the assets, liabilities and revenue of the Authority, it is appropriate that any significant distributions are done so equally.~~

Where net surpluses are derived these are to be returned on the same basis they were generated: that is the Common Fleet Percentages for the year they were generated., ~~these are provided by the Councils on their Common Fleet Costing Charge and therefore any return should be on the same basis.~~

Definitions

Common Fleet Costing Charge	<p>The charge to each Member Council which represents all direct and administrative costs associated with the delivery of waste collection, fleet maintenance, waste management administration, education & promotions activities, regulatory compliance and funding debt servicing obligations related to common fleet plant & equipment related activities. The actual charge is apportioned based on the Common Fleet Percentage of the Member Council.</p> <p>The Common Fleet Costing Charge also incorporates the financial performance target(s) set within the Budget Framework Policy.</p>
Common Fleet Costs	<p>Common Fleet Costs represent all direct and administrative costs associated with the delivery of waste collection, fleet maintenance, waste management administration, education & promotions activities, regulatory compliance and funding debt servicing obligations related to common fleet plant & equipment related activities.</p>
Common Fleet Percentage	<p>Calculated from data collected from each East Waste Fleet Truck over the previous 12-month period. The Common Fleet Percentage (CFP) is the portion of time taken to undertake the 5 core services (household kerbside collections (waste, recycling & organics), street & reserve litter bins and hard rubbish) for each Member Council. This is represented as a percentage of the total time, for the previous 12 months and is used as a basis for the Common Fleet Costing Charge.</p> <p>Revised CFP allocations are applied to Common Fleet Cost charges annually or when significant variations occur (eg. new service added or new Council enters commences with East Waste).</p>
Constituent Council Share	<p>As detailed in <i>Section 57</i> of the <i>East Waste Charter</i>, all Member Councils hold an equal equitable ownership interest share in East Waste.</p>
Corporate Administration Fee	<p>Set fee charged equally across all Member Councils. Refer to Budget Framework Policy for more detailed explanation.</p>
Distribution	<p>Refers to cash payments made by East Waste to Constituent Councils which represent a return on equity. Distributions are paid to Constituent Councils based the principles set out in <i>Section 61</i> of the <i>East Waste Charter</i>.</p>
Member Councils	<p>Also known as Constituent Councils, are those Councils which are referred to in <i>Section 1</i> of the <i>East Waste Charter</i>.</p>
Model Financial Statements	<p>Refers to the Model Financial Statements described in Regulation 4(3) of the <i>Local Government (Financial Management) Regulations 2011</i>.</p>

MEMBER COUNCIL REBATE & DISTRIBUTION POLICY

Net Surplus	Refers to the Net Surplus as calculated on the Statement of Comprehensive Income per the Model Financial Statements.
Non-Member Councils	Councils, organisations or waste related services, provided outside of existing Constituent Councils (as referred to in <i>Section 1</i> of the <i>East Waste Charter</i>). A differential rate is to be applied to activities provided to non-Member Councils.
Proposed Fees	The indicative Common Fleet Costing Charge, Corporate Administration Fee, waste and processing fees (where applicable) and any other charges which the Authority intends to charge Member Councils in the subsequent Financial Year.
Rebate	Represents a reduction in waste collection fees charged to Constituent Councils. Rebates can be represented by either a reduction in future Common Fleet Costing Charge or by a physical payment of funds. A rebate is reflected as operating expense to East Waste in the financial year it is either paid and/or applied against Common Fleet Costing Charges.

Principles

East Waste's The Board will assess at each budget review whether:

- Adopted Common Fleet Charges are appropriately set to recover all costs in accordance with the principles set in the Budget Framework Policy.
- Whether there are surplus cash funds held by East Waste for which consideration should be given to returning those funds to Member Councils.

Any/all distributions paid must conform with the requirements of the Charter **and this Policy**.

A rebate may be returned to the Member Councils in line with the most appropriate set of Member Council Common Fleet percentages. **In instances where a new Council joins East Waste, the Common Fleet Percentage will be adjusted to reflect the portion of time that they have been a member of East Waste.**

In assessing whether East Waste has a deemed surplus cash reserve which can be returned to Member Councils, the following at minimum should be considered:

1. Assessment of Projected Current & Future Working Capital Requirements

The Board will review the projected short-term and long-term working capital requirements of East Waste giving regard to the adopted budget and LTFP to ensure that at all times, East Waste has appropriate levels of cash reserves to meet all current and future financial (actual and anticipated) obligations (this includes for loan repayments and for future capital expenditure not funded via loan borrowings).

2. Compliance with East Waste Policies

Prior to any return of cash funds, assessment as to East Waste's compliance with other applicable Policies is to be considered. In particular, compliance with Treasury Management and Budget Framework Policies is to be factored in the decision-making process.

3. Adopted Budget & Long Term Financial Plan (LTFP)

In assessing whether East Waste has the financial capacity to return any surplus cash funds reserves held, consideration of the financial impact of such a payment on the adopted budget and / or the LTFP is to be assessed depending on the nature of the payment.

At minimum, the following will be considered as part of the Board's decision-making process:

- For the payment of a rebate, an assessment of the financial impact on the adopted budget will be required.

END.

DRAFT

9.3: ANNUAL REPORTING CALENDAR

REPORT AUTHOR: Coordinator Finance & Strategic Projects

ATTACHMENTS: A: Annual Reporting Calendar

Purpose of the Report

To provide the Board with a schedule and tracking calendar that details East Waste's key Annual Reporting requirements.

Report

At the February Audit & Risk Management Committee (the Committee) meeting, a request was made for Administration to develop an Annual Work Plan schedule for the Committee's reference. In developing this, Administration identified value in expanding this to include requirements for the Board, and therefore have combined all annual reporting requirements into a single holistic document.

The attached Annual Reporting Calendar (refer to attachment A) provides a snapshot of East Waste's key reoccurring agenda items for both the Audit & Risk Management Committee and Board Meetings for the calendar year. The calendar will be updated each meeting to reflect the status of items, which will provide confidence to the Audit and Risk Management Committee and the Board that all key legislative requirements are identified and met. Members will note two red items appearing against the current reporting period. In future years these will be presented in April, however for this year the Interim Audit work plan is not available and the Long Term financial Plan will be presented to the Board at the June meeting.

Administration acknowledge additional actions and reporting will be required under the Risk Management section, once a separate piece of work currently being undertaken in this space is complete.

It is intended that the report will be a standing item on the Audit & Risk and Board Agendas and feedback on the Annual Reporting calendar will be sought at the meeting.

In reviewing the calendar at the 26 April 2023 meeting, the Audit and Risk Management Committee subsequently resolved:

9.4 ANNUAL REPORTING CALENDAR

Moved Ms Di Blasio that the Committee supports the East Waste Annual Reporting Calendar, as presented in Attachment A, and as amended, as a base document for tracking the key legislative and governance reporting requirements.

Seconded Mr Bell

Carried

Recommendation

That the Board endorses the *East Waste Annual Reporting Calendar*, as presented in Attachment A, as a base document for tracking the key legislative and governance reporting requirements.

Attachment A – East Waste Annual Reporting Calendar

East Waste Annual Reporting Calendar
Board and Audit & Risk Management Committee
2023

	Feb	Apr/May	Jun	Sep	Nov
Audit & Risk Management Committee Meeting	Feb 14	Apr 26	Jun 13	Sep 12	Nov 14
Board Meeting	Feb 23	May 04	Jun 22	Sep 21	Nov 23

Meeting	Financial					
B	A&R	Budget Review 2	✓			
B	A&R	Draft Annual Plan & Budget Assumptions	✓			
	A&R	Annual Audit Work Plan				
B	A&R	Budget Review 3				
B	A&R	Long Term Financial Plan Review (inc. Asset Management Plan)				
B	A&R	Interim Audit Report				
B		Annual Plan and Budget Endorsement				
B		Review of Confidential Orders				
B	A&R	Draft Audited Financial Statements & Meeting with Auditor				
B	A&R	Regulation 10 Financial Report				
B	A&R	Draft Annual Report for Endorsement				
B	A&R	Budget Review 1				
B	A&R	Treasury Management Performance Report				
		Governance				
B	A&R	Board & Committee Appointments				
B		Annual Education Summary Report				
B		Lodgment of RPD, Primary, and Ordinary Returns				
B		General Manager Performance Review				
B	A&R	Policy Review Schedule				
B	A&R	Audit & Risk Management Committee Performance Evaluation				
B		Board Performance Evaluation				
B	A&R	Proposed Meeting Schedule for Proceeding Year				
		Risk				
B	A&R	Risk Management Framework				
B	A&R	Strategic Risk Register Review				

9.4: ANNUAL PLAN PROGRESS REPORT

REPORT AUTHOR: General Manager

ATTACHMENTS: A: Annual Plan Implementation Summary

Purpose of the Report

To provide the Board with an update on the implementation of the activities endorsed in the *East Waste 2022/23 Annual Plan*.

Background

At the September 2022 meeting the Board resolved (in part):

8.3 FY23 ANNUAL PLAN (revised) ENDORSEMENT

Moved Mayor Holmes-Ross that the Board:

- 1. Endorses the 2022/23 Annual Business Plan and Budget (revised), inclusive of all projects and expenditure, effective from 1 August 2022, as presented in Attachment A.*

Seconded Mr Dilena

Carried

Report

The attached matrix (refer Attachment A) provides a snapshot update as to the progress of the Annual Plan activities as at 26 April 2023.

This is a standing item on the Board Agenda.

Recommendation

That the report be received and noted.

Annual Plan Implementation Summary Matrix

NO.	ACTIVITY/PROJECT	OVERVIEW	STRATEGY	MAIN KPI TARGET	STATUS UPDATE
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.	1.1	Vision Target	No current opportunities and none anticipated prior to end of financial year.
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.	1.3	Vision Target	No current opportunities and none anticipated prior to end of financial year.
3	Communication System Update	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.	1.5	Vision Target	Contact Centre Telephone and Email queues are currently being built ready for UAT to commence. Porting request has been lodged with Telstra and we are awaiting a cut over date. Go Live is on track to occur before 30 June 2023.

Annual Plan Implementation Summary Matrix

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.	2.1	At least 75% of kerbside material separately collected & recycled 100% of food waste separately collected and recycled.	Council selected and progression well underway. Additional Member Councils undertaking trials with East Waste to act as a knowledge and data sharing conduit. Project to continue in FY24 via implementation of trials.
5	Multi-Unit Dwelling Research and Source Separation Trial.	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.	2.2	At least 75% of kerbside material separately collected & recycled 100% of food waste separately collected and recycled.	Project stalled due to audit issue of another waste collection Organisation. Preliminary results insightful and encouraging. Project to continue into FY24.
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.	3.2	Vision Target	Implementation according to plan with all projects scheduled for completion by 30 June.
7	Roll out the East Waste 'education & behaviour change program' to Unley.	As a new member council, there is a large body of work to be undertaken to creating consistency of messaging and information with the City of Unley. This will ensure by year's end consistency, where required, is achieved across the board.	3.2	Vision Target	Continuing to work with Unley to integrate programs that align with their existing education programs.

Annual Plan Implementation Summary Matrix

HELP DRIVE A LOCAL CIRCULAR ECONOMY					
8	Investigate current and future opportunities for East Waste and Member Council in a carbon market.	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. This project will investigate any such opportunities or additional work required.	4.4	Vision Target	Awaiting draft report on opportunities and merit of ACCUs - scheduled to be tabled at June Board meeting. Continuing discussion with Member Council regarding potential advancement of a project.
PROVIDE LEADERSHIP					
9	Fleet Replacement	In line with the Long Term Financial Plan, undertake the replacement of five (5) collection vehicles.	5.4	Vision Target	Six replacement vehicles received. Remaining five scheduled for delivery in June - ongoing delays due to cab chassis shortage.
10	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.	5.1	Implement best practice safety standards.	Awaiting final Audit report on Return to Work procedure validation.